

Answers to reviewers

SOCIAL LIMITS TO REDISTRIBUTION AND
CONSPICUOUS NORMS

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August 27, 2018

Thank you for all the comments and the positive evaluation of the manuscript. I considered all of your comments, major and minor, relevant. I reply you point by point and I clarify where the necessary changes have occurred.

Main Comments:

- a) I agree with your observation and I revised the manuscript accordingly after example 1 and footnote 8, pag. 5.
- b) I include this observation in footnote 13, pag. 8.
- c) I corrected the mistake.
- d) I agree with your observations and I revised the manuscript accordingly. I therefore improved the discussion when required. In particular, I improved the final part of section 2. I now underline in the proofs of Propositions 1,2,3 and 4 in section 3 how off of equilibrium beliefs support the social arrangement. See in particular footnote 19, pag. 20.
- e) I expanded the list of citations following your advice. I therefore improved the second part of the introduction and updated the bibliography and quotes.

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Minor Comments:

1. I underlined this point in the revision.
2. I changed the wording as suggested.
3. There was an error in the notation which I corrected. ρ is the belief function which assigns to the observation of any signal x the probability with which this signal has been sent by individual j that belongs to class $K = L, M, H$. Thus, the expectation is now taken with respect to ρ , correctly defined, conditional on the observation of signal x (that is $\rho(K|x)$). The expected payoff from matching with j is then $E_\rho[v(j)|x_j]$. The change had been taken over the whole article.
4. and 5. corrected as suggested.