

Wage Dispersion and Overqualification as Entailed by Reder Competition  
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Referee 1 is positive about the paper and recommends publication with minor changes and clarifications added to the paper.

Referee 2 identifies substantial issues with the paper. The main problem with the theoretical analysis is that it does not explicitly model the two phenomena that feature in the title of the paper. The model needs to be more explicit regarding labor supply (and how it is divided between the R and W sector) and the determination of the reservation wage R (and how it reacts to changes in skill latitude) to pass as a description of wage inequality. Moreover, education decisions are not explicitly modeled and it is thus not clear what over-education means and how it adjusts to changes in skill latitude.

After reading the paper myself, I have decided to give you the option to revise the paper addressing all comments by referee 1 and referee 2 .