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Journal Name:	British Journal of Economics, Management & Trade
Manuscript Number:	Ms_BJEMT_25985
Title of the Manuscript:	Organizational Structure and Choice of Technology: Analysis of Dual Relations
Type of the Article	Original Research Article

General guideline for Peer Review process:

This journal's peer review policy states that **NO** manuscript should be rejected only on the basis of '**lack of Novelty**', provided the manuscript is scientifically robust and technically sound.

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PART 1: Review Comments

	Reviewer's comment	Author's comment (if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
Compulsory REVISION comments	Originality: This paper is different from the standard ways of introducing skilled and unskilled labor into production function. Introduction: The distinction between physical resources and informational resource in terms of quality of workers is not clear. I think human capital of workers (page 2 line 25) should not be included as a physical resource. What do the authors mean by human capital? Based on most applied definitions, talented individuals are part of human capital. Therefore, human capital should be part of the informational resource. In any case, a discussion about the concept used in the paper is needed. Weakness: In respect to the production function, explain why constant returns of scale are supposed to occur with physical resources, or provide the references. An explanation is needed especially when human capital is included as a physical resource. Results: Theorem 3 is the definition of a conjugate function It is not a new contribution to deserve proof (See Matveenko, 2010).	The human capital is excluded from the list of the physical resources. We added that a case of homogeneity of any degree can be studied, but for simplicity we restrict ourselves only by the case of constant returns to scale. Theorem 3 and it proof are excluded from the paper. The proof of Theorem 1 is also excluded.



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	I am not sure the contribution of the paper differs from Matveleenko or Jones, at least the baseline model. Authors should emphasis on the references. Compatibility, i.e. coincidence of the choices made by the two interest groups in the organization, referred as operatives and minimizers. Does compatibility necessarily mean coincidence of choices? How do the authors know social technology is unchanged? If it is an assumption, it should not examine as a result or finding from the model (line 181, 182 from page 7). In respect to the learning by doing section, pages 9 and 10, I am not sure where do 0.9 and 0.99 come from in equation 5 and 6? From the Cobb Douglas production function $\gamma' A_0 K(t)^\alpha L(t)^{1-\alpha}$ if we replace 316=10. $A_0 10^{0.5} 100^{0.5}$, then A_0 takes value 0.9 In respect to the last section, the number of research projects is more flexible than the number of high paid tenured professors? If both depends	The model with two interest groups is original and was not considered in the literature. The results which are given with proves in the present version of the paper differ from Matveenko [25] and Jones [20]. To clarify it we provide some results with explicit references. The term “compatibility” is defined in this paper as the coincidence of choices. Probably, a term “consistency” could be more suitable but it is usually used in a different sense. The social technology is the vector $h = (h_1, \dots, h_n)$, i.e. these are parameters. The case “if h does not change” is mentioned in page 7. These numbers are taken in different scenarios of simulations. A sentence clarifying it is added. 316 is the maximal possible output, but it is not achieved under the described simulations. It is a very valuable comment. The referee is absolutely right. It was, probably, our technical mistake, and we have corrected this place.
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	on financial constraints, as it is the case in developing countries, $hp > hs$	
<u>Minor</u> REVISION comments	A number of authors argue that production function (which has received an attribute ‘global’ in recent publications) is not a primary economic object but a result of an optimal choice of a ‘local’ technology from a given technological menu. Include Caselli and Coleman 2006 to the list of references. What about results show in Table 1, are they findings from this paper? Include the corresponding source. In the same line, in figures 1 and 2 legends are missing; please include them for a better comprehension. The model’s assumptions guarantee the results obtained in the model .Future contributions would include simulation of results.	It is a very helpful comment. We have included Caselli and Coleman to the present version of the paper. We added a sentence clarifying that these are findings of this paper. There are figure captions. We make them more noticeable. As we understand, this is a general comment, not a hint.
<u>Optional/General</u> comments		