

The aim of the paper is to review the literature on social capital and to propose a conceptual framework on how the impact of the quality of institutions on policy outcomes is mediated by social capital itself.

In principle, I might agree with all statements reported in the paper, but this is the result of the fact that in many parts the paper is far too generic. Besides some more specific comments that are reported below, I would suggest an overall revision of the paper along two lines:

a) The literature reviewed is very limited to grant the "review of the literature" status to the paper. The economic literature, especially the empirical one, is enormous and it is not clear how the authors have selected their reference list.

b) As the paper is not a proper review, it is not clear to me the usefulness of the paper itself, and it is important to highlight how the concepts proposed might be operationalized in a theoretical or empirical framework.

I agree on the relevance of social capital for policymaking, and recent literature has clearly shown the empirical strength of such link. In particular, Becker et al. (2011, AEJ) have proven that social capital in the form of trust towards local institutions and education are mediating factors, explaining the variability in the outcomes of Cohesion Policy. The paper under review seems to provide a more compelling view, as summarized in table 3, but it is not clear neither the literature on the basis of which the table was built, nor the empirical relevance of all claims in the table. I think that more details, empirical evidence, case studies are crucial to make the paper more convincing on this point.

The literature has convincingly documented a positive association between social capital and economic outcomes and the authors further claim for the relevance of social capital for policy outcomes. Taken together, these two observations may result in a divergence between regions or cities as richer places, with higher social capital, tend to have larger effects from policies. At this point social capital is not only a "policy resource", but also a "policy target". This poses two issues:

a) The endogeneity of social capital in the policy process, which the authors need to discuss not in terms of IV estimates. Ideally, the authors should discuss how to design effective policies in low social capital environments as well as to avoid policy failures in high social capital environments.

b) How to improve social capital? It cannot be only a story of education or history, perhaps experiments have been conducted and results may prove to be important in the process of policy design.

On a minor scale, I think the title is too generic. Furthermore, the abstract should be improved since it does not state clearly the aim and the approach of the paper. It is not even clear what the main results of the paper are. This shortcoming characterizes also the introductory section.

At page 2, I might agree on the statements in the second paragraph, but unless the authors have new and compelling empirical evidence, it will be better to refer to existing studies and discuss them accordingly.

At page 17, there is a definition of social capital according to the WB. A more precise reference is needed.