**Does Social Capital Have an Effect on Industry Production in G7 Countries? Causality Analysis[[1]](#footnote-1),[[2]](#footnote-2)**

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**Abstract**

The relationship between social capital and economic growth has become an attractive research area in the literature recently. In this context, this paper examines the relationship between social capital indicators and industry production in the period of 2006-2014 with monthly data for the G7 countries. For empirical analysis, panel causality analysis method developed by Dumitrescu and Hurlin (2012) was used. Results indicate that there is a bidirectional relationship between social capital indicators and industry production. These findings support feedback hypothesis in the context of social capital and economic growth in the G7 countries.

**Keywords:** Social Capital, Industry Production, Economic Growth, Panel Causality, G7 Countries.

**JEL:** F63, J24, O47

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