

# **CAN EDUCATION PROMOTE ECONOMIC GROWTH? DEVELOPING NEW SKILLS AND TACKLING THE PANDEMIC**

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## **ABSTRACT**

The existence of a positive impact of human capital on economic growth is not controversial at the theoretical level, while its empirical existence sure is as a number of casual observations of developing economies suggest that investment in education by governments does not always seem beneficial. Mincer in his seminal work (1974) with his human capital earnings function explains wage income as a function of schooling and experience and goes one step further analyzing that further schooling is encouraged if the internal rate of return on schooling exceeds the rate on alternative investments (Mincer, 1981) with foregone earnings as the largest component of schooling costs. Berthélemy, Pissarides & Varoudakis (2000) offer another reason explaining why human capital might have a small impact on economic growth as it happens frequently in developing countries that graduates are more often employed in the civil service (rent seeking) than in production activities. Asteriou and Siriopoulos (1997) showed that the national context of an economy affects strongly the impact of education on economic growth for the country of Greece where the only section of education supporting growth is mid-level technical education. Little or no causal effect was later on detected between incomes and schooling for a time period before, during and after the economic crisis of 2008 in Greece (Kassapi, 2017).

Under the new circumstances with the pandemic of Covid-19 turning into a new economic crisis, chances for exploiting the existing human capital are limited for both big businesses and SMEs (Siriopoulos, 2020). Some of them might go out of businesses while others will have the chance of cutting costs and changing the nature of their services i.e. going from retail to ecommerce. With the introduction of Artificial intelligence in ecommerce and the use of big data, AI is offering an integrated personalized experience to customers and is already being used by large companies i.e. Amazon. Microsoft CEO Satya Nadella referred to AI as “the defining technology of our times”. People occupied at all sectors of the economy, from scientists to workers and job seekers should shed the fear of the unknown and acquire the skills for the future. Education systems need to share with students of all cultures and different groups the new market values, and prepare them for the labor force of a sustainable future.

As the spread of covid-19 pandemic continuous and the gradually interdependence of the global economy increases the business uncertainty, predicting the future seems an impossible task. The Journal of the International Academy for Case Studies (JIACS) takes the opportunity during this challenging period and asks researchers for their point of view. JIACS believes that a volume dedicated to covid-19 and education and AI in particular, would be beneficial to researchers, policy decision-makers, politicians, and University teachers and students as well. The purpose is to present and critically discuss cases related to the above, and potentially additional, issues. This is a call for papers on “*Can Education promote Economic Growth? Developing new AI skills and tackling the pandemic*”. The Journal of the International Academy for Case Studies (JIACS) welcomes papers focused on the

above theme and falls within the aims and scope of JIACS, that is to provide a comprehensive overview of the business and management by including all the key areas within the field of business administration including human resource management, business economics, laws & ethics, corporate social responsibility, finance, accounting, marketing etc.

## REFERENCES

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