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The Economic Impact of Bilingualism (Discussion Paper #9)

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The Economic Impact of Bilingualism

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THE ECONOMIC IMPACT OF BILINGUALISM

A Report for the National Advisory Council
on Bilingual Education

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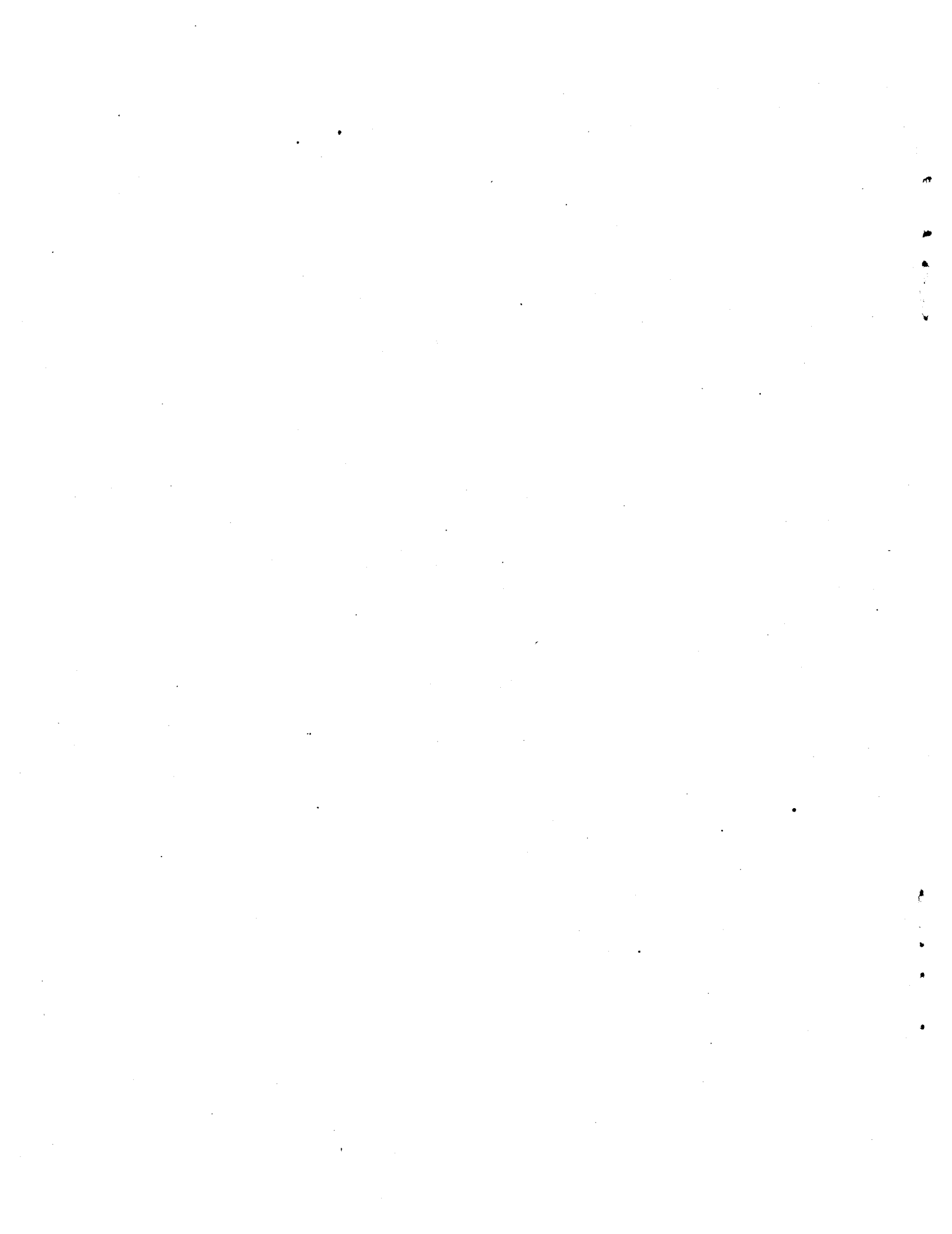


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N O T E

Section I of this Report was authored by Dr. Jorge Salazar-Carrillo. Sections II and III were prepared by Dr. Kenneth Lipner. Section IV was contributed by Dr. Raul Moncarz. Dr. Antonio Jorge wrote Section V, and served as principal investigator for the project.

PART I

WORLD ECONOMIC INTERDEPENDENCE & THE UNITED STATES ECONOMY

A) Introduction

Trade, technology transfer, capital flows and tourism increased at an unparalleled pace in the economic history of the world since the end of the Second World War. Their — increases were a multiple of those experienced in production and income. As a result most economies have become considerably more open, as measured by the ratio of exports and imports to gross national product.

The main force in this new trend for the world economy has been the constant decline in the relative prices of transport and communications. Another important element is the realization that the cold war is most likely to be won by the ideologies and the advanced countries that are most effective in establishing economic ties with the rest of the world. Also considered a contributing factor is the widespread realization that the nationalistic policies which inspired the economic behavior of the world during most of the first half of the century were inimical to the welfare of the large majority of the world countries, and resulted in war and political crisis.

On the other hand, a clear realization of the economic gains that derived from world trade and international exchange emerged

particularly in the advanced countries. Economists explained these benefits to an increasingly literate and interested public body in terms of an improved world allocation of resources. From the center, this spread to the peripheral countries, and now most countries of the world are convinced that national economic crises have to be solved within the framework of an increasingly interdependent world economy. This conviction lends assurance to the prediction that the world will continue to expand on the basis of more open frontiers and growing economic interdependence.

B. Is There a Connection Between Increasing Interdependence and Growth?

Economists have shown that trade means greater efficiency in the use of resources, which can be translated in terms of increased welfare, and thus production and income, for the world over. This analysis has also been applied at the country level, where a country like the U. S. can, through international trade and exchange with other world countries, attain higher social welfare.

This comes about by the realization of the advantages that lie in specialization, which concentrates resources in the production of goods for which they are most efficient, dividing the gains in cost reduction and increased consumption among trading countries. The higher income that such reallocation

of resources produces, usually generates higher savings, which allow greater investment, and increases the rates of growth of the countries involved in interdependent exchange. This is a direct influence of interdependence on growth and one that is generally termed static because it considers a given amount of resources at a certain moment in time.

There is another type of positive influence that interdependence, and thus the increasing trade and exchange it promotes, has upon growth. This benefit is dynamic in nature because it considers resources and economic organization changing through time. The basic reason resides in international exchange bringing in resources from abroad to where they are scarcer and improving the productivity of those already available with the reception of new ideas, know-how, techniques, innovations and competitive pressure. Such benefits will not only impinge on the export and import sectors, but next in all the sectors that are linked to them, and eventually in the rest of the economy. Thus, the pressures of cost effectiveness and productivity improvement that international exchange generates, reach widely and deeply into the structure of the economy, touching those units producing for the domestic market as well.

An important advantage that can be attained by the U. S. economy through interdependent exchange, is the importation of resources that are not available, like know-how and technologies in those sectors in which the frontiers of applied knowledge lie abroad. The same applies to bringing new products

and consuming patterns from the outside as incentives providing for a more productive participation in economic life by the consumer.

C) Export Expansion and Productivity

Of the U.S. economy's aggregate supply exports still represent a small fraction, hovering around 10%. By Definition a leading sector has such kind of relative importance, plus the additional requirement that it has to grow faster than the rest of the economy.

Through this analytical mechanism it can be propounded that exports can have an effect several times its size over the rest of the economy. To understand the operations involved consider first imports, the other side of the coin, realizing that the important attributes that it brings about, are made possible because of exportation. Then consider that exports to the rest of the world are the products showing the highest relative productivity in the economy. In a country like the U.S., having a comparative advantage in human skills, know-how and sophisticated techniques, the demonstration and spread effects from this sector to the rest of the economy can hardly be overestimated. Additionally, ruthless competition in the world markets require export firms to remain at the most efficient production and technological frontiers.

The U.S. export sector is composed of products, the stage of which in the product cycle requires a high level

and rate of productivity based on sophisticated combinations of technical know-how and human skills. The spread effects through linkages that originate in the export sector permeate the other sectors of the U.S. economy. In economic history exports frequently become key leading sectors in economic growth through the operation of this mechanism, this experience not being foreign to the U.S..

The backward linkages via the input requirements and the forward linkages through output constitute the main avenues through which the ripple effects of the leading sectors are canalized and projected to the rest of the economy. Such interrelationships generate agglomerative economies which concentrate production in certain key regions, and export trade in other acting as development poles. Its effects reach deeply into the rest of the U.S. economy, transferring skills, entrepreneurial abilities, marketing, technological know-how and so on, through well analyzed process of diffusion.

D) Exports, Savings and Investment

There are two basic mechanisms through which increased exports contribute to increased savings and investment. Productivity usually changes at the fastest pace in the export sectors, and is generally at the highest national levels in those lines. As expounded in the previous section, ripple effects originating in these leading sectors pervade into overall economic activity through the inter industry matrix-export multiplier analysis demonstrates how larger sales abroad can generate through successive rounds of spending, an increases in income.

Analyzing the latter mechanism first, it is straightforward to relate larger absolute income with higher savings. Yet, it should be stressed that these multiplier effects are fortified by so-called accelerator effects, which bring about an investment rise as a result of the increases in aggregate demand that have been generated. Thus larger exports generate an expansion in income which induces larger savings on the one hand and increased investment on the other.

The higher levels and rates of growth of productivity in export lines translate into higher rates of return and profits. These result in greater retained earnings by the export firms, and taxes and dividends for government and individuals. Larger aggregate savings are the final link in the chain leading from productivity to savings. In addition, the higher productivity that is promoted by the export sector direct and indirect linkages with the rest of the economy, contributes corresponding after-effects in terms of more savings.

E) The Present Dynamics of International Exchange in the U. S.

U. S. growth was driven by a close relationship with Europe. A significant percentage of economic agents was engaged in exports and imports, as well as foreign investing and technology transfer from Europe. They were versed in various European languages, mainly French and German. As U. S. students frequently studied at the leading European universities, they became familiar with several European cultures. Certainly,

this must have been a favorable influence in the attainment of a leading position by the U. S. in the world economy. Lately, the U. S. economy has been increasing its participation in the interdependent world economic system, which can be partly attributed to a more aggressive participation of U. S. exporters in the world markets. As a result, the degree of openness of the U. S. economy has risen significantly.

Furthermore, foreign tourism in the U. S. has expanded briskly, along with foreign investment in the country. On the same light, U. S. multinational corporations continued to expand their operations abroad, remitting record amounts of profits and interest back home.

A greater awareness of foreign cultures, and understanding of foreign languages, accompanied these economic conditions. Yet, in order to withstand the challenge from competing nations, Americans must become more adept in their interrelations with the potential buyers of their goods and services, and the receivers of their capital, know-how and technology. It is very unlikely that the world would turn back from a scenario of increasing economic interdependence and the U. S. would relinquish its position at the vanguard of the process. The continued rise in trade, capital flows and personal migration, at higher rates than domestic output, capital formation and population growth at the national level, will require increasing human resources devoted to the practice of foreign language and the study of foreign cultures.

Barriers being raised to protect local products and factors of production are part of an alternative scenario of increasing gloom. However, countries are well aware of the dangers involved in thwarting the trend towards trade and factor liberalization and world integration that was initiated after World War II. Such actions spring rather quick countermeasures, bringing back the specter of the "beggar thy neighbor" policies of the thirties.

It is widely understood by the advanced nations and the leading developing countries, that the system of world interdependence has been an engine of growth for the world economies in the recent past. Competitive behaviour, which is a requirement of successful interaction in the world markets, spread the pressures of cost effectiveness and productivity increase across the participating countries. Through the interdependence of the economy, these reach widely and deeply into the units producing for the domestic markets as well. The end result is more effective commodity, product and factor markets, and a rise in overall efficiency and welfare. Importation of goods that are scarce or that could not be produced in the economy save at substantial costs, which may include technology, skills, know-how, capital, resources, etc., has represented a very clear contribution of international exchange in recent years. Also, incentives that are present in the demonstration of foreign

consumption and production standards, bring a more motivated participation in economic life. By all accounts, the mechanism of trade and factor movements has also allowed a better control of inflation in many countries through expanded supply, which has tempered price increases.

The supply-side approach that has been lately in vogue in the U. S., has many points of contact with the analysis expounded above. The connection between the expansion of the U. S. foreign sector, and the growth of its economy, would appear a promising strategy for policy-makers to explore. It should be realized, that a fuller participation by the U. S. in the expanding matrix of trade and international exchange impinges critically upon the continued improvement of the human resources of the country. The attaining of this objective is necessary for a continuation of U. S. hegemony in the international scene from a political standpoint as well.

Perhaps, finally close to half of the inter-country trade and investment flows, according to the best estimates available, are now generated by the transnational corporations. Most of these are U. S. controlled, but they attempt to maximize profits by selling and establishing their operations the world over. Locations are chosen that assure cost minimization of tax advantages. Although it is difficult to control the operations of such companies, which are excessively foot-loose and maximize their profits for all their different locations combined, the

U. S. is closely intertwined with their operations and stands to reap the greatest advantages from them. In maximizing technological and managerial advance, know-how and inventiveness for the world as a whole, and producing at minimum cost locations, multinationals generate potential productivity and welfare gains that can be used as a growth dividend, if appropriate policies towards them are instituted at the country level.

Thus, the objectives of the multinational framework nowadays coincide with those of the expanding trade and factor movements scenario, reinforcing the recommendation made above in terms of fostering human capital characterized by a multicultural and multilingual approach and by modern skills based on flexible knowledge. If the U. S. is also to continue to lead the multinational system the world over, it should be placing emphasis on those traits.

PART II

THE U. S. PARTICIPATION IN THE WORLD ECONOMY

We begin this section of the study with the premise that we, in the U. S. , have realized that since WWII the world's economies are increasingly interdependent. This economic phenomena had not been fully understood by many Americans until the oil crises of the 70's, exhibited our dependence on O.P.E.C. and more specifically on the Arab nations in the Persian Gulf. More recently the growing penetration by the Japanese in the U. S. and other world markets have dramatically symbolized economic interdependence while concurrently accounting for a serious problem in U. S. balance of payments. Simply speaking as an economy more money has been leaving than coming in. This resulted in the 1981 trade deficit of over \$39 billion. This deficit is a serious economic problem, and clearly bilingualism has an important role in the solution to this problem.

The need for bilingualism : When it comes to competing effectively in interdependent international world markets Americans are virtually the mutes of international business world if their clients cannot speak English. Contrastingly, the Japanese, one of America's greatest competitors, aggressively teach their youth a second language. This is because in fiercely competitive world markets, bilingualism, if not multilingualism,

is a necessity. It is noted that in Europe one absolutely cannot compete in business unless you speak two or perhaps three languages. This is because to the Europeans international trade is extremely important to their manufacturing based economies. To reinforce this infrastructure, European school children, especially those in the most trade conscious countries learn English as a second language beginning early in their education and than have at least 6 comprehensive years of training. Many European students usually opt for learning a third language.

The idea of bilingualism in America has been considered something for "the other guy". However, we are now in a world which is increasingly interdependent, in which American goods face stiff competition in world markets and even in our own hemisphere, in both Latin America and the Caribbean. The privilege of being monolingual and expecting everyone else to speak, write, and understand English, appears to be a product of an economic era that is rapidly disappearing.

This may be evidenced by a recent small item covered nationally that stated "Yale University faculty members have voted to require foreign language study for undergraduates". A Yale Dean commented that "Americans have to become bilingual to deal with their fellow citizens and with other cultures". With Yale adapting the language requirement all Ivy League colleges (except one) now require a language for graduation.

In this section of this report we will not reemphasize or belabor the actions of the Ivy League but what we will do is place this issue of bilingualism in the context of U. S. participation in the world economy. We have seen that the post World War II period (1945-65) provided Americans with an unjustified sense of wealth, security, and insulation. We had it all. The world was clamoring for American goods. They needed us. Did we need them? In the 1970's this sense of insulation and self-sufficiency was traumatically shattered by the two oil crises that occurred. What these events clearly dramatized was that the U. S. does participate in the interdependent world economy. A growing area of importance in our interdependent economic position is exports. The economic importance of U. S. exports in terms of the impact on the overall economy is impressive considering both direct and indirect employment created by exports and the impact on local economies directly involved in the manufacturing and shipping of U. S. products. The point should be reemphasized that the U. S. is not as aggressive in international trade as either our European or Asian counterparts. Increased exports lead to economic health and vitality. In the field of manufactured goods, only about 10% of U. S. manufactured goods are produced for exports while by comparison, as much as 30% to 35% total manufacturing sales in France and Germany and nearly 60% in the Benelux countries (Belgium, Luxemburg, Netherlands) are produced for export.

In 1981 export and trade were increasingly important economic activities in the U. S. The analysis of 1980 data shows that \$220 billion worth of U. S. products were exported. This volume was not enough to offset imports since for the year 1980 the U. S. suffered a sizable trade deficit.

To begin to understand more about exports we must ask who are the United States customers? Is it presumptuous to believe that all trade is to countries of native speakers of English? Of course it is. The level of U. S. exports to English speaking countries in 1980 was only approximately 25% of total U. S. exports. The figures are as follows.

EXPORTS TO ENGLISH SPEAKING COUNTRIES (PRIMARY LANGUAGE)

United Kingdom	\$ 12.6 billion
Canada	35.2 billion
Australia	4.0 billion
South Africa	2.5 billion
Ireland	835. million
Trinidad	679. million
New Zealand	593. million
Bahamas	395. million
Jamaica	305. million

As one can note from this list it is not the world. Certainly one could not suggest that the U. S. could survive in the world trade if it was limited to trading with only English speaking countries. Therefore we know that most of U. S. exports go to countries whose primary first language is not English. As we have noted the U. S. has quite a limited

bilingual capability. Therefore we must presume that, in fact, our trade which now has increased in importance in the economy (if for no other reason than to pay off the costs of imported oil) is virtually dependent on our customers in the importing countries having a bilingual capability in order to be able to understand us. How presumptuous, and how short sighted this policy is. Export and trade are no longer a secondary concern of the economy but an important ingredient necessary to pay for oil and other imports. This segment of the economy is virtually dependent upon U. S. buyers speaking English. Could a small business or small store survive in the long run if 75% of its customers must learn the language of the store owner? Of course not, yet that is what we are expecting from the non-English speaking world which buys 75% of U. S. exports. To emphasize this point let us group 1980 U. S. exports by primary language spoken.

FRENCH

France	\$ 7.5 billion
Belgium	6.6 billion
Morocco	541. million
Haiti	310. million
Senegal	41. million
Algeria	541. million

GERMAN

Germany, Federal Republic of	\$ 10.8 billion
Switzerland	3.7 billion
Germany, Democratic Republic	478. million
Austria	438. million

SPANISH

Mexico	\$ 15.1 billion
Venezuela	4.5 billion
Spain	3.1 billion
Colombia	1.7 billion
Argentina	2.6 billion
Chile	1.3 billion
Peru	1.2 billion
Ecuador	856. million
Uruguay	182. million
Paraguay	108. million
Bolivia	169. million
Nicaragua	249. million
El Salvador	270. million
Costa Rica	497. million
Panama	698. million
Guatemala	550. million
Honduras	374. million
Dominican Republic	794. million

JAPANESE

Japan	\$ 20.7 billion
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DUTCH

Netherlands	\$ 8.6 billion
Netherland Antilles	447. million

CHINESE (Mandarin & Others)

China	\$ 3.8 billion
Taiwan	4.2 billion
Hong Kong	2.6 billion

THAI

Thailand	\$ 1.0 billion
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KOREAN

Korea, Republic of	\$ 4.4 billion
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ARABIC

Egypt	\$ 1.7 billion
Saudi Arabia	5.4 billion
Iraq	721. million
Jordan	283. million
Kuwait	873. million
Libya	503. million
Syria	239. million
Arab Emirates	995. million

PORTUGUESE

Brazil	\$ 4.3 billion
Portugal	906. million
Angola	110. million

SWEDISH

Sweden	\$ 1.7 billion
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NORWEGIAN

Norway \$ 838. million

FINNISH

Finland \$ 509. million

DANISH

Denmark \$ 831. million

HEBREW

Israel \$ 1.4 billion

RUSSIAN

U. S. S. R. \$ 1.5 billion

ITALIAN

Italy \$ 5.4 billion

These 17 language groupings account for the largest bulk of U. S. trade. Probably only in Spanish does the U. S. have even a modicum of bilingual capability. As we shall note, the 12 million Americans of Spanish origin are concentrated in only 11 of the 50 states. As we will show in Section III of this study, the concentration of a bilingual workforce in Miami has contributed to the development of exporting as an important and growing element in South Florida's economy. The local business community is very cognizant of the impact of trade where in 1981, 92% of close to \$8 billion worth of goods were exported to the nations and territories of Latin America and the Caribbean.

THE ORIGIN OF U. S. EXPORTED PRODUCTS AND THEIR AREA OF EMBARKATION.

As we previously noted, world trade is important to the economy. Department of Commerce figures for 1980 when disaggregated show that the \$220 billion of U. S. goods were exported from 43 U. S. custom districts located all around the country. The largest export region was New York City handling \$39 billion worth of exports. This was followed by New Orleans at \$19.4 billion and then Los Angeles at \$14.7 billion.

In stressing the economic impact of bilingualism, it must be recognized that it is not only New York, New Orleans, Los Angeles or Miami that recognize the economic impact of trade; the data from 1980 shows, for example, that \$218 million in exports were handled from St. Louis, \$478 million from Dallas, (District 55) \$3.1 billion from Charleston (District 16) and \$3.7 billion from Portland Oregon (District 29).

International trade is important to the economies of many regions of the country. On the Pacific Coast, in San Francisco, Honolulu, and Seattle, all gateway cities to the Orient, a combined total of \$28.7 billion dollars of American goods were exported in 1980. The export totals cited below, show the region of embarkation and the destinations of U. S. exports.

EXPORT TOTALS BY REGIONS IN 1980

Europe	Primarily from the East Coast	\$70.5 billion
Asia	" " " West Coast	47.2 "
Middle East	" " " East Coast	10.8 "
Africa	" " " East Coast	8.8 "
Latin America & the Caribbean		
	Primarily from South Florida	38.7 "

U. S. exports are many and varied. The U. S. Department of Commerce classifies exports into nine major categories.

The major six categories are as follows:

Animal and Vegetable products

Wood and Paper, printed materials

Textile fibers and Textile products

Chemicals and Related products

Non-metallic minerals and products

Metals, metal products, machinery and transportation equipment

These and the other three more general categories can be disaggregated into over 4,620 categories as classified by the Commerce Department's Schedule B. Close examination of these disaggregated categories would show that these products are grown, mined, harvested, fabricated, or assembled in virtually every section of the United States. This study is limited in its ability to identify specifically which segments or proportion of each export category are primarily for export and exactly where in the United States these products originate, however, analysis of the 1980 data that we have conducted, does

clearly show which products exported from which Custom District.

The amount of employment directly created by exports is subject to conjecture, based on methodology used, but if 6% of the GNP, and 10% of manufacturing is for export and if services represent a large and but largely unmeasured share of U. S. exports, it may be safe to assume that 12 million to 15 million jobs are directly a result of exports of U. S. products. In addition, to those involved in directly producing the exported goods, millions of other workers derive their employment from supportive activity directly involved in exporting--transportation by truck, rail, air ship; and processing activity such as law, accounting, insurance and freight forwarding.

When we examine the 1980 export data, as disaggregated by the Customs District region where U. S. exports are shipped from, we are provided further insight into the importance of exports in the U. S. economy. District 20 in New Orleans handles the highest volume of U. S. exports and District 10 New York is the Customs District that handles the highest value U. S. products exported. The list of top 10 regions in 1980 and the leading categories of exports from each district are as follows:

- | | |
|---|-----------------|
| 1) New York - District 10 - | \$ 38.9 billion |
| Metals, metal products
and machinery | 65.6% |

2)	New Orleans - District 20 -	\$ 19.4 billion
	Animal and Vegetable products	65%
3)	Los Angeles - District 27 -	\$ 14.7 billion
	Metals, metal products and machinery	58.2%
4)	Detroit - District 38	\$ 14.6 billion
	Metals, metal products and machinery	71.4%
5)	Houston - District 53 -	\$ 12.1 billion
	Metals, metal products and machinery	43.6%
	Chemicals	26.7%
6)	San Francisco - District 28 -	\$ 10.5 billion
	Metals, metal products and machinery	49.9%
7)	Baltimore - District 13 -	\$ 9.0 billion
	Metals, metal products and machinery	57.2%
8)	Norfolk - District 14 -	\$ 8.9 billion
	Non-metallic minerals and products	31.2%
9)	Miami - District 52 -	\$ 68.0 billion
	Metals, metal products and machinery	59.8%
10)	Buffalo - District 9 -	\$ 6.2 billion
	Metals, metal products and machinery	58.3%

When U. S. exports are disaggregated by Customs District by volume the rankings are as follows:

1980 U. S. EXPORTS BY VOLUME BY REGION

1) New Orleans	155.5 billion pounds		
2) Norfolk	88.4	"	"
3) Tampa	44.7	"	"
4) Houston	44.5	"	"
5) Baltimore	43.1	"	"
6) Portland, Oregon	39.1	"	"
7) Los Angeles	30.1	"	"
8) Galvelston	24.8	"	"
9) San Francisco	23.1	"	"
10) Mobile	23.0	"	"

What both sets of disaggregated data show us is that exporting and the economic activity associated with exporting is a national phenomena not confined to any special region but affecting a variety of regions. U. S. exports are dependent upon the non-English speaking. In five of the leading areas by value, New York, Los Angeles, Houston, San Francisco and Miami have some bilingual capability. In the section that follows we will show how Miami's bilingual capability has lead to increased economic growth. As competition in the world increases, development and promotion of U. S. exports will almost certainly be expected to increase. Language and bilingual capability is an important part of this effort.

PART III

THE NEED FOR BILINGUALISM - THE MIAMI EXAMPLE

Miami, Florida is the nation's Southernmost S. M. S. A., with a population in 1980 of 1.8 million. It is located within an emerging megalopolis of almost 4 million people stretching from West Palm Beach to the North to Homestead to the South. This ranks South Florida within the leading 10 markets in the United States.

It is important to note that the Miami S. M. S. A. is different from other areas. Of its 1.8 million inhabitants, 38% are Hispanic, 15% Black, and 47% non-Hispanic White. But it is not the large Hispanic minority alone that makes Miami unique and worth investigating. What is of significance is how the multicultural, multilingual capability of the population, combined with both public and private investment has served as a catalyst in developing South Florida as the nation's leading trade, banking, and tourism center for the nations and territories of Latin America and the Caribbean.

In tracing the growth and development of South Florida's economy, we find it was based largely on tourism and transfer payments through the 1970's, quite similar to the economy's of other sections of the State of Florida. In the 1970's however, several events started to occur during a rather short period of time. These events included the two oil crises which had severe negative effects on domestic tourism; high density buildings also were being completed making the area's tourist ambiance less desirable and less competitive with other resort communities. But at the same time, new wealth in the form of

oil and mineral revenues were being extensively developed in Latin America and the Caribbean.

In 1978, the State of Florida passed an International Banking Act and in the late 1970's the Dade County (Greater Miami) airport and seaport launched ambitious expansion programs. Miami was developing an infrastructure necessary to receive the most potential of international businessmen, bankers and tourists to the South. In the forefront of this emerging international marketing effort were Miami's Hispanic population, with its multilingual capability and its multi-cultural sensitivity.

In examining South Florida's economic experiences there are two issues which we have to address. The first is what have been the actual results? The second is, can the results be replicated in other communities?

As noted in Section II of this report, South Florida has become the nation's gateway for the Latin America and the Caribbean. In 1980, over \$6.8 billion worth of goods were exported through South Florida. As in 1979, 92% of these goods were destined for the nations and territories of Latin America and the Caribbean. By the end of 1981, the area registered another 16% gain with the amount of exports totalling \$7.9 billion. A close examination of these exports reveals that they are primarily high value low bulk items. Clean high value items such as machinery and parts, and electronics, as opposed to agricultural, chemicals, or minerals.

South Florida's Custom District 52 is the nation's leading export center to the Caribbean and Latin America. These impressive trade statistics show that virtually 40% of all U. S. exports to the Caribbean and Central America (excluding Mexico), and 20% of all U. S. exports to South America are exported through South Florida.

The impact of trade combined with the enactment of Florida's International Banking Act has lead to the development and growth of Miami as a major international banking center. In 1977 there were 6 Edge Act banks as part of Miami's international banking community. By 1982 this list had grown to 40 which included the nation's largest financial institutions such as the Bank of America, Chase Manhattan, and Citibank of New York. The growth of international banking has been equally as impressive with the Bank of Brazil, Credit Suisse, and Lloyld Bank being part of the 40 international banks that now operate offices in Miami.

These 80 international financial institutions and the growing export market have contributed to one of the largest building and construction booms in Miami's history. In downtown Miami alone an additional 10 office buildings are being constructed and further growth and development of offices and warehouses is occurring around Miami's bustling airport area. These office buildings whose total cost exceeds \$1 billion dollars, when completed will add over 5,000,000 square feet of office space to the existing office stock.

In addition to new office buildings, international business, banking, and tourism in Miami have created a demand for new hotel rooms. The market response by the major hotel chains, Hyatt, Holiday Inn, Marriott, Trust House Forte, and Hilton, will result in more than 3,000 new first class rooms on the market by 1983.

Once again it is international activity that has accounted for most of this growth. Recent data for 1981 issued by Miami tourist officials show a decline in domestic tourism and an increase in international tourism. In 1981, over 2.5 million foreign visitors (not including Canadians) visited South Florida. After the 400,000 visitors from Great Britain who arrived mostly in packaged tours, the foreign tourists included 276,000 Venezuelans, 236,000 Bahamians, and 188,000 Colombians.

While the attraction of South Florida's warm weather and sandy beaches continues to be an important factor in tourism, especially among Europeans, there is little doubt that the bilingual nature of the region has been an important element in the growth of tourism from Latin America and the Caribbean. Geographic distance shows that Miami is the closest U. S. point to most destinations in South America and the Caribbean, however, it is difficult to underestimate the influence of bilingualism in South Florida. Miami's international economy continues to grow and bilingualism is an important ingredient in this growth.

Can Miami's growth and development be replicated in other cities?

First, we understand that the United States has a poor bilingual capability. The data on foreign languages and

bilingualism compiled in a Presidential report on bilingualism indicate that only 33% of the adult population in the U. S. has even studied a foreign language (although 45% of the population indicate a desire to learn a foreign language.) Most critically we must acknowledge that 75% of the population that cannot speak, read, or write any language other than English (this figure should be contrasted with the data in Section II which noted that 75% of U. S. exports were sent to non-English speaking countries.) As we have emphasized, Miami is a metropolitan area whose international economy is growing and bilingualism contributes to this growth. We have also pointed out that the demographic characteristics differ from other regions of the U. S. Approximately 40% of the population of the Miami S. M. S. A. is Hispanic, with Cubans comprising 80% of this subgroup. It is readily observed that this Spanish speaking population has had a large role in the growth of South Florida as the country's leading international trade center to the Caribbean and Latin America. Bilingualism in South Florida has essentially been a public good, a public good that has contributed to the growth and development of Miami's international trade, finance and tourism base. It must be recognized that South Florida's Cuban population does differ from the Hispanic populations concentrated in the Southwestern section of the U. S. Census data reveals that the Cuban population is older, better educated, and has higher per capita incomes than other Hispanic subgroups. Although similar to

other Hispanics in the characteristic that for the most part this Spanish speaking group migrated to the U. S. and did not depend on learning Spanish through the public education system.

Another important difference is the level of human capital in the Cuban community; it has been found to be higher than other Hispanic subgroups. In general, Hispanics have had a lower level of educational attainment as compared to the population as a whole. By comparison, in a report titled "Educational Issues of 1980", it was noted that across the United States the Hispanic population is a younger population, having a median age of approximately 22 years as compared with the median age of almost 30 years for the non-Spanish origin population in America. Over 40% of Hispanics are under 18 years of age but Hispanics have a lower educational attainment than average Americans. Only 40% Hispanics 25 years or older have completed a high school education compared with the national average of 66%. Eleven percent of all Americans hold bachelor degrees but for Hispanics the rate is only 1.6%. Hispanics earn only 0.7% of the Ph.D. degrees awarded. In the fields of science and engineering, Hispanics receive only 0.4% of the degrees and, Hispanics receive less than 3% of the medical and legal degrees awarded in America.

If as a goal we wish to replicate Miami's successful international trade orientation, this human capital issue must be addressed in the 1980's in order for other Hispanic subgroups to begin to develop the expertise necessary to

complement their bilingual capability and to have Hispanics move into the mainstream of the American economy.

It must also be acknowledged that to a noticeable degree Miami's development and continued growth as a bilingual center was accomplished primarily by random migration waves and not through bilingual education. Miami's continued growth as a bilingual international center is dependent on both skill and language. Yet public investment in education, if it only occurs in the area of skill and technology but not in bilingual education poses some risk to Miami's continued economic development. By comparison, in other bilingual areas, these populations may be bilingual but lack the requisite skills to compete in the market. And in still others, strong English language training is necessary to compliment Spanish. Therefore, Miami's success in international trade should be attributed to both the skills in terms of human capital and to the bilingual capability of its population. Neither element alone appears to be adequate enough to develop an international milieu.

Closer examination of the development of South Florida's economy would show that Miami's Latin firms may have been the catalyst for international business activity. This bilingual and cultural catalyst, in the 1960's and 1970's, resulted primarily in a consumer submarket. This submarket had lead to the creation of approximately 8,700 Latin firms which are generally small and employ approximately 3 to 4 employees.

Miami's Hispanic population have provided the business community in Miami with the requisite bilingual employees needed to service the expanding international trade and retail outlets.

The hotel leisure industry has also created employment for a bilingual workforce. While it is difficult to totally attribute the growth of international tourism in Miami to the area's bilingualism, there is little doubt that this ease of language assimilation has been a primary factor in establishing Miami as the leading port of entry for Latin America (excluding Mexico).

By any economic standard international tourism, the world position of the U. S. has not been strong. International tourists, bring in valuable currency which is primarily spent locally on services, entertainment, and non-durable goods. Yet it is only recently that the U. S. has begun to encourage international tourism. In the past American tourists because of their income advantages were found travelling to Europe knowing that there was little communication problem since English was widely spoken as a second language by many Europeans. With the economic events that had led to the increased value of foreign currency, and an increased prosperity of many economies throughout the world, the United States became a relative travel bargain. Finally, there is an effort to encourage foreign tourism in the U. S., yet surveys from the U. S. Travel Service indicate that language is a problem. For

example, 33% of Italian visitors, 29% of the Dutch, and 25% of Venezuelans cited language problems as one of the problems encountered during their vacations in the United States.

Although increases in European and Japanese tourism have been impressive, on both the East and West Coasts respectively, the increased fluency of Americans in the languages spoken in Europe, Asia, and Latin America could only serve to strengthen U. S. tourist linkages with the growing tourist potential.

International tourism is a market whose potential has been barely touched; the influx of international tourists that visited the United States during 1980 and 1981 had noticeable positive effects in the retail and tourist centers of the major arrival points of New York, Washington, Miami, Los Angeles, San Francisco, Seattle and Honolulu. Miami's bilingualism and cultural mix eased and encouraged the assimilation of Latin American tourists to Florida; likewise the bilingual and multicultural nature of Honolulu has made this Hawaiian city one of America's major entry points from Asia. Contrastingly, it is unlikely that the French, German, Dutch, Italian, or Swedish speaking tourist may have this same ease of entry assimilation and travel unless they have a knowledge of English. The impressive gains in international tourism with its resultant positive effects on the U. S. economy should leave little doubt that if bilingualism can

continue to assist and promote this tourism; it is a cost-effective public investment.

To conclude this section of the report, we have tried to demonstrate that bilingualism has resulted in important economic enhancements in South Florida. The impact of international trade and tourism established a direct, positive impact on the American economy. Increased manufacturing for export results in more business and therefore more employment, not just in the nation's export centers, but in the nation's manufacturing centers as well.

In tourism, as in exporting and banking, bilingualism is not merely exercise in humanities, but is a cost-effective investment in America's economic growth and prosperity.

PART IV

THE AVAILABILITY OF BILINGUAL PERSONS IN THE U. S.

Official estimates place the U. S. Hispanic population in excess of 15 million; 18.5 million if Puerto Rico is included. If some calculations of the number of unreported, illegal Hispanic aliens are correct, the population could be as much as 24 million. Regardless, by whatever estimates, the U. S. is the fifth largest Hispanic country in the World.

The Hispanic population grew at an astounding rate of 6.5 times that of the general population in the last ten years too. At that rate, the Hispanic population will total 20 million (based on official current estimates) by 1986, 25 million by 1990 and 41 million by the year 2000. Hispanics will replace blacks as the largest minority before the end of the century. Another interesting fact is that Hispanic family units average 3.7 persons, significantly larger than those of the general population, which average 2.8 persons. The Hispanic market represents \$51.8 billion in aggregate income, \$30 billion of that in the consumer good market. What Hispanics have that is different is language and culture.

BILINGUALISM THE SUPPLY SIDE

While an essentially pedagogical treatment of this subject obviously has an important place in the literature, the major forces shaping bilingual/bicultural policy--the forces that will largely determine not only its ultimate configuration,

but more importantly, the role that bilingualism will play in shaping a future American society--are predominantly political rather than educational.

From an educational point of view, so long as public education is perceived as a stairway to the fulfillment of the American dream, educational policy will be significantly affected by the upheavals of mainstream politics. In this regard a dominant factor in American politics over the past three decades has been the difficult and slow moving struggle to secure minority rights.

From an economic perspective recent record trade deficits, the shifting value of the dollar in international markets, inflation, reduced productivity and a suspected diminution of innovative capacity have all helped to create an environment in the U. S. favorable to a renewed focus on international business generally and on export promotion in particular. These economic facts place increased national expectations on business, while the U. S. government is presently in the midst of a number of policy considerations that might assist in easing international business operation.

The interaction of these three forces, (1) an ethnic awareness germinated in the wake of the Civil Rights movement, (2) reliance on legal strategies to implement an ethic of equality, and (3) an economic perspective gives minority groups a

degree of power far in excess of what they could have wrested in the political arena, has raised the issue of bilingualism to a new level of awareness and conflict in the U. S. society.

Alan Pifer has observed that "bilingual education has become the pre-eminent civil rights issue within Hispanic communities." ² "Bilingual education," is "no longer regarded strictly as an educational measure but also as a strategy for realizing the social, political and economic aspirations of Hispanic peoples."³

LANGUAGE & CULTURE⁴

A great concern expressed by all Hispanic groups is the retention of their language and culture. The study by Jaffe et al. finds little hope for either⁵ and study by Joshya Fishman⁶ of language retention among Puerto Ricans finds little evidence that they will have any more success than previous immigrant groups in retaining their language.

SUPPLY OF BILINGUAL PERSONS:

$$S = A_0 + A_1 \frac{Ns}{N} + A_2 \frac{Ws}{W} + A_3 \frac{CED_s}{CED} \\ + A_4 \frac{Ws}{W} \times \frac{CED_s}{CED} + A_5 \frac{\text{Prob}(E/S;Z)}{\text{Prob}(E/z)}$$

+ A₆ Availability of bilingual education in primary and secondary school or other formal structure.

However, three new circumstances are present that may affect the outcome here: (1) the proximity of the lands from which the Hispanics come, especially Mexicans, Dominicans, Puerto Ricans and other Caribbean basin peoples, and thus the ease of return and the constant movement of persons back and forth; (2) the increasing concern over cultural identity that has developed in recent years and has created a strong effort to maintain these links with one's cultural roots; and (3) the development of bilingual and possible bicultural education.

THE SUPPLY OF BILINGUAL PERSONS

To make our analysis more analytical we have devised a simple model encompassing the main variables that make for the supply of bilingual persons. This model should serve as a basis for further studies and data collection for this very important aspect of bilingualism. The Equation:

Where:

S = Supply of Bilingual Persons

$A_0 - A_5$ = constants

N_s/N = The fraction of Hispanics in the total population, which may be taken as strongly correlated with ethnic awareness.

W_s/W = The wage of Hispanic person relative to the wage of the non-Hispanic persons.

CED_s/CED = The number of Spanish speaking persons with college level education, divided by the total number of persons with college education

$(w_s/W) * (CED_s/CED)$ = This is the cross effect, this term captures the notion that bilingualism becomes more important when combined with higher levels of other kinds of human capital.

$P(E/S,Z)/P(E/Z)$ = Is the probability of employment of a bilingual person relative to the probability of employment of a non-bilingual person; S represents ability to speak Spanish while Z represents all other variables relevant for employment.

B = Availability of bilingual education be it through school programs or any other formal institutional setting.

The equation may also serve to explain why the maintaining of the immigrant culture and language becomes more difficult with the passage of time. N_s/N is likely to fall after immigration ceases, making ethnic awareness more difficult. Also because of arbitrary discrimination and/or other non-economic factors W_s/W tends to decline over time, while even increases in CED_s/CED may not compensate for the fall in relative wages.

Similarly discrimination may cause $P(E/S;Z)/P(E/Z)$ to fall over time, while a very small amount of public resources are likely to be directed toward bilingual education. Consequently, cultural forces tend to result in a decline in the supply of bilingual persons.

What this means is that the supply of bilingual hispanic persons in the U. S. and as a matter of fact, the supply of

bilingual persons in general can be thought to be the function of ethnic awareness, the age differential, the educational differential, and the probability of employment of a bilingual person relative to the probability of employment for non-bilingual, plus the availability of bilingual education.

ECONOMIC FACTORS AFFECTING BILINGUALISM FROM AN EDUCATIONAL VIEWPOINT⁷

The enthusiastic support that costly education programs, designed to compensate local and ethnic minorities for generations of neglect, attracted in the 1960's and early 1970's seemed to rise and fall with the state of the nation's economy. A growing disinclination to support the initiatives of the 1960's and the seventies is rarely argued on the basis of relative priority. Politically and ethically, it is more comfortable to oppose new initiatives as ineffective failures, thus allowing the righteousness of the cause to harmlessly persist, short of its unwanted expensive program implication.

Allan Pifer⁸, looking back upon the maze of educational programs of the sixties and the seventies, recently commented that "most have managed to survive, but the broad public base of support has largely eroded, and those who advocate continuation of such programs face a constant uphill battle to maintain funding levels."

Because the development of bilingual education programs was first and foremost a response to political pressures, rather than to carefully evolved and tested pedagogical strategies designed

to resolve identified educational discrepancies, little research or data exist to counter politically motivated arguments that bilingual programs are ineffective, expensive, and therefore do not warrant continued support.

EFFECTIVENESS OF BILINGUAL EDUCATION PROGRAMS⁹

The most recent, and comprehensive, evaluation of the effectiveness of bilingual education programs is a review of the literature by K. A. Baker and A. A. de Kanter¹⁰. This study merits the attention of anyone interested in the education of linguistic/ethnic minorities, because it reviews over three hundred bilingual education projects and attempts to answer two basic questions: (1) whether transitional bilingual education (TBE) leads to better student performance in English and (2) whether TBE leads to better student performance in non-language subject areas.

The authors concluded that: (1) schools can improve the achievement level of language-minority children through special programs; (2) the title VII program for bilingual education must take steps to improve the quality of its program evaluations; (3) the case for the effectiveness of TBE is so weak that exclusive reliance on this instruction method is not justified; (4) there is no justification for assuming that it is necessary to teach non-language subjects in the child's native tongue in order for the child to make satisfactory progress in school; and (5) immersion programs show promising results and should be given more attention in program development.

According to Duarte¹¹ the authors first two concluding points, mentioned are sound and non-controversial. There seems to be a concensus that schools can improve the achievement level of language-minority children through special programs and then there is a need to improve the quality of title VII program evaluations. Regarding their third conclusion they are justified in suggesting the need to experiment with programs that address the particular needs of different children in different settings. However, these very same problems, together with their biased analysis, call for caution in accepting their conclusion on bilingual education per se.

The study's conclusion that there is no justification for assuming the necessity of teaching in the child's native tongue is somewhat hasty. First, bilingual classes were introduced in response to the poor educational achievement of language-minority children in classes that ignored their need to understand the language being used as the medium of instruction. Second, there is no justification for assuming that immersion programs--the success of which is at the basis for the author's statement--have not been tested with students with background similar to those targeted in the title VII bilingual education programs.¹²

Walter E. Lambert, one of the people most responsible for the success of immersion programs, emphasizes that the focus of the immersion experiments was on a segment of the society most secure in its ethnic and linguistic identity who had no concern

over a loss of cultural identity. In particular, Lambert makes a clear distinction between the experience of children of Anglo-Canadian and Anglo-American parents who choose to have their children learn a second language and the experience of language-minority American children who perceive their language and culture to be threatened when they enter schools where little or no recognition may be given their native language and culture.¹³

Duarte¹⁴ concludes that there is a consensus that properly designed and implemented programs are effective and there is ample evidence that this effort to provide quality education to linguistic minorities continues to be burdened with implementation problems. It is obvious that more attention should be paid to the conclusions of the GAO study¹⁵. Improvements in the design, implementation and evaluation of the program are necessary before a verdict is reached.

THE POLITICS OF BILINGUALISM IN THE 1970's AND 1980's

The politics of the 1970's, unlike those of the first half of the century, favored bilingual instruction in the nation's public schools whenever a sufficient number of children required to either attain proficiency in English, or as many Hispanic leaders, to maintain and advance their native language and culture. The 1970's also saw the demise of the melting pot mystique. Not only could the country tolerate ethnic, linguistic and

cultural heterogeneity, but it would, it was argued, even be strengthened by the resultant pluralism. In 1981, less than two weeks following the completion of the Baker¹⁷ and de Kanter study, an amendment was introduced in the U. S. House of Representatives to cut in half the appropriation for bilingual programs. The argument was that this report had conclusively shown that these programs do not essentially add to the student's recognition of English. After some discussion while the amendment was rejected, its introduction effort is a good example of the controversy surrounding the education of the linguistic cultural minority children in the U. S. and demonstrates the need for more research on the subject that is comprehensive and of the highest quality.

At the state level, there also exists several efforts to attempt to repeal the different bilingual education legislation. In 1980, the Illinois legislature repealed the state's bilingual educational legislation. Only powerful and effective reaction by the state's Hispanic community led to reconsideration and subsequent restoration of the legislative mandates.¹⁸

Legislation has been introduced in New Jersey and Florida in 1980 and 1982 respectively to repeal the State's bilingual education law. The arguments advanced in New Jersey, as in other states seeking to repeal their bilingual education laws, are overtly made on educational grounds, even though in Florida in 1982 the reason seems to be the concern over the growing exclusionary power of the Hispanic community. As a matter of fact this seems to be what really is lying beneath the surface

in most of the legislation to repeal Bilingual laws or to make mandatory in States to speak only one language. There is fear, that scarce resources will be directed away from existing ethnic interests to serve these more recent arrivals on the political scene. Political and legislative victories in the state and local areas have raised the level of ethnic consciousness among smaller minorities who employ the rule of law to win comparable concessions. Many of the different State's political leaders are first and second generation immigrants--proud of their accomplishments and of their success in integrating into the dominant Anglo system. Even given the fact that memories are often selective, these men and women who dominate state and local politics seriously question why Hispanic Americans should receive exclusive and expensive educational prerogatives. If they, it is argued, were able to learn English and to function successfully in an Anglo culture, then why should their Hispanic neighbors not do likewise? And why should they be beneficiaries of expensive programs that can only be financed at the cost of long established educational programs?¹⁹

ECONOMICS AND BILINGUAL EDUCATION

A number of economic reasons are making Bilingual Education a more viable, indeed, a necessary tool with which to function in a number of States. In many States the State is assuming a more aggressive, promotional role and actively lobbying to attract industry to them. The international sector is one of the areas on which a number of states have focused their attention. From a corporate viewpoint, foreign language capabilit

and training seems essentially to be that they are commodities to be purchased as needed but that otherwise they do not merit having undue time or attention spent on them. As a commodity, though, language training should be subject to the same rigorous evaluation standards and monitoring criteria as are other phases of companies contracted or subcontracted operations. To assume that language training is only an incidental component of an overseas venture is very risky and can lead to the waste of untold amounts of time and money²⁰. An alternate view may, however, be merging thanks to the development of nontraditional foreign language curricula and their inclusion into interdisciplinary programs. This change in focus meshes directly with the business perspective of a foreign language skill as a tool to be used in addition to the "hard" skills of the business and technical world. By preparing prospective managers to be proficient in a language or languages other than their own and attuned to differences in cultures and traditional business practices besides, foreign language departments can provide a real service to the business and international communities.

A number of studies on foreign languages as ancillary skills have come to the conclusion that language is "a skill which when combined with other skills, dramatically increases a person's desirability in the job market"²¹.

Eddy²² too reviewing several of the studies, concludes that "one has to know a foreign language in addition to having some subject area expertise." Indeed, "Subject area expertise is more important to the employer than foreign language knowledge."

FOREIGN LANGUAGES AND CAREER EDUCATION

The combination of career education and foreign language training is of great value to both the business community and to the foreign language education profession. It fills an urgent need in both disciplines and may even lead to a far more enlightened American business presence around the world. Corporations may eventually acquire a cadre of employees far more sophisticated linguistically and more aware interculturally than heretofore thought possible, and in doing so dramatically improve both their business and their public image.²³

CONCLUSION

Whether bilingualism is a desirable goal, of course, is a matter upon which reasonable people might differ. But whether it occurs or not ought to be a matter of conscious national policy, rather than one of procrastination and drift.

PART V

POLICY IMPLICATIONS AND RECOMMENDATIONS

By now it is a well known fact that the much acclaimed melting pot model of pluralistic America was more myth than reality. Numerous scholarly studies have disproven a perception which for many amounted to unquestionable truth. Noted experts on the subject, among them Nathan Glazer and Patrick Moynihan, admit that ethnicity is more than a circumstantial factor in society. Men of the caliber of Milton Gordon, Andrew Greeley, Talcott Parsons and Robert Nisbet recognize in ethnicity a powerful and durable social force.

Ethnicity continues to be a vigorous and extremely resilient element in American society. In numerous large cities ethnic populations have succeeded in maintaining an identity of their own after four generations. Social interaction has not produced a standardized population endowed with a homogeneous culture despite the expectations of many social scientists and numerous segments of the population at large.

Language and ethnicity are very closely correlated. The former is one of the most salient and distinctive manifestations of the latter. Although society's mainstream language will be utilized as a matter of course for everyday domestic social intercourse and the transaction of most business, the ancestral tongue will be preserved and utilized in a number of personal areas and activities. In the case of population concentrations possessing their own business enclaves, it is common for the

ethnic language to be used as a preferred means of communication. It might be added that historically it has also been very common for sectors of the media, in particular the written one, to operate in the native language of ethnic groups. In this same vein, it is worth noting that the domestic Hispanic market in the U. S. which is highly differentiated and endowed with linguistic and cultural characteristics of its own, is composed of about 18 million people, has an aggregate income level of more than \$51 billion and constitutes a potential consumer goods market worth \$30 billion.

As noted in this report, the United States has traditionally been an open society. Immigrant groups have not only not been penalized for retaining their ethnic identity but, on the contrary, have found advantageous emphasizing it. Often times they have consciously sought to underline their unique characteristics and to profit from them. American society has not insisted on closeness either. For the most part and during most periods, it has encouraged the maintenance of overseas ties with the mother countries of immigrants. Cosmopolitanism, cultural bonds and trade relations are deeply ingrained in the American lifestyle. The inherent pluralism and diversity of the society has stimulated and reinforced the latitudinarian and flexible attitude of America towards diversity.

Undoubtedly, this kind of mindset has greatly helped the nation to promote continued growth and expansion. It has

created a society willing and ready to adopt innovations, to experiment with change and to examine and evaluate ways different from its own. In truth, the increased productivity and the outward shifts in the production function of society gained through external contact, spilled and spread throughout the internal economic sectors and pervaded the entire fabric of society. The production matrix was very efficient at disseminating by means of the operation of intersectoral linkages the benefits of the primary impact caused by external exchange and contacts.

Likewise, the concomitant effects of these relations and their repercussion upon the levels of output, income and employment are too obvious to need elaboration. Naturally, secondary reverberations through the multiplier-accelerator mechanism and via increased autonomous investments resulting from greater savings and expanded markets are, also, part of the growth dynamics generated by the external sector of the economy.

All of the above results flow from activities which are essentially carried beyond the nation's boundaries. Knowledge of the culture and language of those other nations then become an integral part of our increasingly competitive quest for foreign markets, funds and investment. In a closely knit and interdependent world, multilingualism and multiculturalism are irreplaceable items. Without them it will be hardly possible for the nation to sustain its position of world

leadership. In their absence the country would not succeed either at establishing the indispensable rapport with others which the contemporary world economy demands.

Notice in this context that about 75% of the export trade of the U. S. is with non-English speaking countries. Meanwhile, only about 25% of the nation's population has bilingual capabilities. Fortunately, there is a return movement to the teaching of foreign languages across a wide spectrum of educational institutions. In view of the mounting sophistication of other industrialized countries in the world scene, and with the U. S. exporting over 12% of its G.N.P. at current prices, generating an employment volume in excess of 12 million jobs, it has become well-nigh imperative to realize the decisive role played by familiarity with other languages and cultures in our present and future well-being. It should also be duly noted that since 1972 Foreign investors have more than quadrupled their direct holdings in the U. S. By 1980, the value of direct investment by foreigners came to more than \$61 billion. If all real and financial investment in the country, including private assets and securities and public indebtedness were to be included, the figure would be in excess of \$300 billion.

One extremely valuable social and economic contribution of bilingualism whose importance would be difficult to exaggerate is its encouragement of small ethnic business enterprises. These, indeed, are a very valuable source of productive employment, upward mobility and functional integration in society's economic

network. Let us record the growth of Hispanic firms in the U. S. as an illustration of the importance of ethnic firms. While many of them gradually expanded to service an extensive, undifferentiated market, a much larger number operate within the confines of an ethnic clientele. In 1969 there were 100,212 Hispanic business establishments in the country, generating over \$3.3 billion in revenue. In 1972, 116,587 firms had sales of \$4.86, and in 1977, 219,335 business concerns had a gross income of \$10.46.

The synergetic effect of all the above arguments very definitely establish the strong presumption that bilingualism is a powerful means in an advanced modern society whose contribution to economic growth can hardly be doubted. It would be difficult to conceive of American competitiveness abroad remaining unimpaired if this asset were to disappear. Internally, it would be equally hard to calculate the magnitude of the harm on ethnic markets and employment that would follow from its interruption. A pluralistic, diverse, complex society like that of the U. S. cannot rely on simple formulas and ill guided desires for uniformity and undifferentiated policies in conducting its affairs. The welfare of the nation requires that we pay full attention and become acutely sensitive to the diversity that lies within our unity. A fortiori, this applies to the world beyond our boundaries. As our links and interconnections with the world economy keep on developing, our readiness to meet others on terms, ground and situation different from our own, becomes an imperious necessity.

In the second part of this section, I would like to reproduce the text of a recently produced video documentary purporting to portray the contribution made by bilingual education and bilingualism to the South Florida society and economy. My remarks on that occasion, I believe, will serve to exemplify in the concrete setting of South Florida the benefits that can be expected to flow from an appropriate conjoining of socio-economic and cultural factors of which bilingualism represents a crucial one. With minor editing, they were as follows:

"Bilingual education and bilingualism in our area has proven to be a real asset, as basic ingredients in our formula for continued prosperity and economic growth. As our international involvement keeps on increasing particularly with Latin America, we have clearly come to understand that language skills and an open and cosmopolitan attitude to the rest of the world, are of the essence for Dade's and Florida's future success.

Our privileged geographic position, climate, natural resources and population mix, have given us in South Florida an absolute and comparative advantage in attracting international business. No doubt, the facility we enjoy in providing a comfortable and congenial multi-cultural and multi-lingual ambience to our many visitors, is to be regarded as a key factor in the rapid

transformation that the local economy has experienced over the last two decades. It also contributes to explain the highly remarkable pace of growth of such fundamental economic variables as employment and income.

An integral view of bilingual education and bilingualism in Florida would have to take into consideration their considerable importance in the field of human resources and human capital formation. At a time when the latter has become increasingly recognized as a main source of enhanced productivity, it is incumbent upon us to realize the singular importance of this kind of investment for our well being. In meeting the challenges of the next two decades, we must be prepared to deal in a sophisticated manner with regional economies and with global economic systems. Our ability to fruitfully engage in cross-cultural interaction and to effectively function in a complex and differentiated environment will be directly related to the kind of economic future we may expect.

As an example of the above, let us recall that at present Dade County receives over 2.5 million international visitors per year, of which more than 50% proceed from Latin countries. It should be noted that expenditure by tourists from this latter group of nations has been growing very rapidly. Moreover, the number of Latin visitors has augmented at an accelerated pace. Their outlays now being recorded at considerably in excess of \$2 billion annually.

Meanwhile, exports originating in South Florida continue growing. In 1974, Custom District 52 was responsible for 20% of the nation's exports to Latin America. Five years later, the District came close to account for one third of the total value of exports to the area. Our total volume of foreign sales may have surpassed the \$6 billion mark by now, of which approximately 90% are directed to our neighbors to the South. As for the State as a whole, foreign trade proved to be the fastest growing area of the economy, reaching a figure of \$18.6 billion in 1981.

Foreign investment has also been expanding vigorously. About 20% to 25% of all non-residential real investment in Dade County last year came from foreign sources. It is estimated by experts in the field that close to two-thirds of resale of stores, shopping centers and office buildings involved foreign purchases. It may not be wide off the mark to place the total dollar value of foreign real and financial transactions in this area as reaching between \$1.5 and \$2 billion annually.

A very impressive indicator, one which would patently convey the magnitude of our international involvement, is the proliferation of international banking. At present, there are 28 foreign banks which have opened agencies in Miami. Another four are in the process of applying. There are also 35 Edge Act Banks in the area, aside from 18 local banks which have their own international division. Moreover, the number

of multinational enterprises with offices in Dade County have increased to about 300.

Perhaps the most powerful datum that could be cited, one that would reach home and could not fail to communicate to all of us the sheer weight and pervasiveness of the international sector, is the recently cited estimate that by 1985, 35% of the jobs in Dade County would be directly or indirectly tied to the foreign sector."

FOOTNOTES

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- 4 Joseph P. Fitzpatrick and Lourdes Travieso Parker, "Hispanic-Americans in the Eastern U. S.", The Annals of the American Academy of Political & Social Science, Vol. 454, March 1981, pp. 105-016.
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- 10 Keith Baker and Adriana de Kanter. Effectiveness of Bilingual Education: A Review of the Literature. Report to U. S. Department of Education, Washington D.C. September 1981.
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- 12 IBID., p. 24
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- 14 Duarte, p. 25
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FOOTNOTES

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