

LINGUISTIC STRATEGY AND ECONOMIC PROFITABILITY

Dorina LUPAN

“Spiru Haret” University, Romania

Faculty of Management, Brasov

dorina_vio@yahoo.com

Abstract

How profitable is to know/speak one international modern language or another can be taken into consideration if we are aware that language skills have market value, implying some additional profit. We have a dimension, a commercial value of language. But we can not ignore the non-commercial value of a language; that value which is not reflected in the price, but it is perceived, by individuals, as making possible human contacts, access to the cultural values of a nation. Non-commercial but important, we'd say, because linguistic diversity has inestimable value for those who appreciate it as much as they appreciate their natural environment. In this logical reasoning, an individual can make a choice, and the authorities can guide the policy of learning modern languages.

Keywords: linguistic profit, commercial value of language, linguistic policy, linguistic justice, learning costs.

JEL Classification: A₂, I₂₁.

Sweet Romanian language, the one that makes us so special in our Latin oasis, has given us, the Romanians, a chance as big as our soul. Our chance was to be isolated in a marginal linguistic area of Latin influence. After two millenniums and more, it is appropriate to ask whether we know, and, especially, how we know to capitalize on this chance. Our ancestors attended foreign universities abroad, and built a modern Romania for us. The twenty first-century should be a challenge for us in a European Romania.

Language barriers can not be overcome declaratively, with make-up of juncture, but by ample, sustained, expensive actions, ranking them as national policy. Multilingualism is, undoubtedly, a wish more than a reality. It is time to ask if we are motivated and interested to learn a foreign language, other than mother tongue and, especially, the costs of such undertakings. We are not dealing here with the motivation, although it would deserve a broader space, because our access to information would not be possible, or, at least, it would

be limited, unless we have such a skill, but we are trying an approach of the linguistic policy from the perspective of profit, for each individual and for the economy, too.

Starting from the premise that the position of a language in relation to another depends naturally on the involved actors' position and their interaction, we can say that not only the state, but the enterprises, the private sector, and the individuals, themselves, are motivated to get involved in transposing such a policy into reality. Certainly, these actors' targets differ widely; it is possible that a large company, a multinational, for example, have a language strategy, as it is all over the world, but, if it does it, it is from an economic profitability point of view. If a public institution promotes such a policy, then we can say that it concerns the general interest.

Linguistic policy, here, means a systematic effort, sustained, rational, based on a theoretical analysis of the company and aimed at solving problems related to the language of communication between individuals, in order to increase everybody's welfare. This policy is usually handled by the authorities, or by their representatives involving a part of or the entire population under their jurisdiction.

If we discuss a possible ranking of languages, taking into account their importance, their "value", it is desirable to show maximum caution because, from a linguistic point of view, such an approach is meaningless, if not a scientific error. Economic reality, namely the economic theory of value, privileges such a treatment of languages. The more "valuable" a language is, the sooner it will be included into the educational curriculum. We are giving the example of France which, several years ago, suggested compulsory learning of English. The profitability of one or other of the international modern languages can be discussed, if we assume that a company sells its products better if its agent knows the language spoken in an important buyer's country. Thus, his linguistic skills have market value, assuming some additional profit. We have here a dimension, a *commercial value* of the language. But we can not ignore the *non-commercial value* of a language; that value which is not reflected in the price, but it is perceived, by individuals, as making possible human contacts, access to the cultural values of a nation. Non-commercial but important, we'd say, because linguistic diversity has inestimable value for those who appreciate it as much as they appreciate their natural environment. In this logical reasoning, an individual can make a choice, and the authorities guide the policy of learning modern languages.

Of course, it is difficult to calculate at this moment the "value" of a language, the advantages and the costs derived from one or another of the policies of learning foreign languages. Moreover, it does not happen like this in reality.

Going back to the non-commercial value of a language, a thought of the value of diversity is likely to be in the area of metaphors or empirical sensations. But the risk of not

attacking this issue is to let you understand that a group of speakers would indeed have no interest, no advantage, even if they let erode such notions as linguistic diversity or diversity of environment, but they do not have any advantages if they favor, without limits, these diversities. The arguments are not few and are mainly limited to *benefits* and *costs*. This is not, however, about profit, about market value. The starting point, generally, in such an approach, is that a very large diversity would translate in an increase in benefits and management costs. Only that, the advantages are on a downward trend and the costs are growing constantly. Policy makers are called to answer a simple question: how many citizens, residents, are willing to pay, for example in the form of an additional tax, just for the sake of preserving diversity, local color and linguistic diversity? Or, on the other hand, to pay for a policy of change in the language environment. In the former case, i.e. when a language is threatened, help is needed, of course, because its loss would be irreparable. In the latter case, we would see a massive increase of skills in foreign languages, due to a generalization of bilingual education in the existing educational system, public or private.

Allocation of resources necessary to support a linguistic policy is the condition *sine qua non* of any approach. Approach which leaves, of course, from efficiency. The implied actors should not raise the issue of earnings, because there will not be winners or losers. Everybody will be a winner, even if there are some differences between small and big winners. In practice, the allocation of consistent or symbolic material resources for the study of languages is practically forgotten. One cannot talk about linguistic policies, even where there are acute problems. Only occasionally, especially during some festive events (international year of languages, francophone days, etc.), the issue of the linguistic policy is reached and evaluated in a broader framework of the assessment of the entire educational system, tangential evaluation, not relevant.

The issue of a linguistic policy becomes more acute when, or where, plurilinguism is an issue in a country. If, for the sake of so-called functioning, the state takes the decision of adopting a single official language, claiming that the entire community will benefit from the resulting savings of this measure, those citizens who are not native speakers of the language chosen as official will have a problem of integration for which the authorities will have to mobilize funds to trigger a broad linguistic policy. It follows that, any linguistic decision, anywhere in the world, involves costs and affects the individual, in what we can call linguistic justice. This linguistic justice is still ignored even by European institutions.

Speaking about the need for a linguistic policy and investment in human capital, we must specify that:

- learning a language is costly, both time and money, both for the learner and for society;

- the acquired language skills, which allow employees to be more productive, bring benefits, both for individuals and for society;

- thus, individuals, as well as companies, will be motivated to invest, at least as long as the relationship between benefits and costs will be as high as the resulted benefit of other possible investments.

However, we can not neglect the fact that language is a useful tool in certain circumstances only; if we take the example of a worker who runs mono operations or an accountant, their productivity is not affected by the lack of such skills. But the problem may become sensitive if, in the absence of such skills, the human person is affected within the meaning of discrimination based on linguistic affiliation. We can not neglect the following situation, somewhat apart, of the native speakers of a widely spoken language, who may have their own options in acquiring these skills. In this particular case, the theory of human capital may be a useful guide, but the decisions are individual, not collective policies or decisions.

There are statistics, at the European level, which refer to the efficiency of foreign language skills. The data refer to income, but in conjunction with other information: graduation level, professional experience, economic sector of activity, hierarchical position, and a lot of other socio-demographic information that allow us to control the effect of other factors. But such data are rare. There is such information in Australia, Canada (in this case Quebec is different), in Israel, Luxembourg and Switzerland. Canada alone has the most extensive findings, as a result of updating, after several repeated censuses. However, Canada's situation is special and only partially comparable to that of France, for example, due to the coexistence of English and French as official languages. More relevant is the analysis of Switzerland's situation. The results, as many as they are, are interesting, the information about language skills is relevant, even if the results were collected based on the respondents' self assessments. There are estimates in terms of knowledge of German language given by the non-German immigrants from Germany.

Research has shown that men who have good knowledge of English have a chance of higher earnings up with twenty-five percent. Of course, this difference in salary compared with those who do not have these competencies, takes into account other criteria, too: age and level of study. But, we can deduce, without any doubt, that the *efficiency* is quite high. This is the point, although this kind of approach includes extensive comments.

The effects of language competences on wages, as well as the years spent on this "marginal" education are reduced when the sector of activity or the hierarchical position is included in this equation. However, because language skills contribute to the professional route we will continue our investigations.

Even now, after the standardization of the levels of education and professional experience, the salary-related benefit of knowing English, in most cases, is very high. A good level of language mastery, at C 2 level of the European languages framework, is proving as profitable for women, too, even if there are important differences in percentage. These differences result from the fact that women work part-time in a large proportion and are independent of the level of knowledge of English.

At the level of Europe, knowing English is different, depending on the *geo-linguistic* areas. It is interesting that in Switzerland's regions, the German-speaking area has a rate of proficiency of the English language much more than in other areas. Instead, in the French area, the knowledge of the German language is slightly better paid than knowing English. The profitability of a language also depends on the *sector of activity*. In some economic sectors (particularly those with openness to international trade), English is at high price.

The costs of learning a foreign language are usually borne by the individual who really wants to learn a modern language. They assume, on the one hand, direct costs: books, tapes, CDs, DVDs, and, on the other hand, the so-called indirect costs, that is, sacrificed "earnings". If the former can be, up to a point, neglected, the indirect ones involve a quite significant personal sacrifice. Of course, for most countries, where education is public and is provided within the educational system, the direct costs are the community's responsibility, we can say that they can be ignored. Even when talking about the sacrificed time, we must keep in mind two factors: if the individual does not have the legal minimum age to work, to be integrated in a remunerated activity, we could say that the "sacrifice" is beneficial assuming his/her attendance of the mandatory school classes. Not the same terms apply to the same issue if we take into account the adults attending continuous training activities. But they decide to learn because they are convinced of the profitability of their activity. We will not develop these costs because we don't want to take the risk of making serious errors, because such "sacrifices" are rare, most individuals having these competences from the public school period.

The rate of *social profitability*, when transposing the calculation from the individual to the society, is considering, on the one hand the costs, and, on the other hand, the benefits, if the expenses/costs are the responsibility of public collectivities. Unfortunately, talking about public education, we do not know about the costs needed with acquiring a language, current accounting practices revealing only the general expenses. There is an exception, however, an attempt, about ten years ago, in Switzerland, where research was done. Its findings say that, for a year, the costs for teaching a language, other than their mother tongue, would be somewhere around a thousand euros per student, that is ten percent of the total expenditure. The figures do not take into account the post-high school education. They can be taken only

as reference points, especially because at that time a modern language was learnt three years for short-branch and seven years - long branch (the first language of study), and four years (the second language of study). Certainly it is prudent to talk about estimates, as costs also depend on other components: if people are bilingual or not, if they are younger or older, if their educational background is not so wide or they have at least a baccalaureate etc. The rate of profitability of such an investment is always positive, independent of political and cultural reasons that should be the basis for such decisions. Obviously, Switzerland's situation is special and it would be risky to generalize, from this single example. To know the efficiency of this investment we should bring together more information, which, at this time, as far as we know, are not collected.

On long-term, the estimates based on hypotheses and empirical observations will have to be replaced with hard evidence. For sure, we can not talk about *efficiency* only when we take into account benefits, or, this happens only in the case of direct participation in the labor market. This does not mean, among other things, that the actors, participants in a kind of culture associated to communication in a foreign language, do not have special satisfactions, of course nonconvertible into money. But the organizational decisions regarding the investment in foreign language learning are taken according to the market value of such acquisitions, even if the *emotional side* can not be neglected.

Linguistic policies must take into account another factor, too, essential for the young people who begin their studies, namely the *dynamics of languages*. So far we saw that English has proved profitable, but if you try other scenarios, it is difficult to estimate what surprises may occur. Not even if we could imagine that all people would have sound knowledge of English at a certain moment, for the section of active age, we can not draw conclusions about its profitability. Supply and demand in the labor market touch the linguistic competencies as well. Therefore, we should not be surprised if we saw a decline of English. Its current spread is without precedent in the human history, and a parallel to the two millennia ago Latin or the two centuries ago French, is very unconvincing, because the technological, social and economic conditions of those moments have nothing to do with the current expansion of English. We can only conclude that, at least for the developed countries, this competence among residents, rare at the beginning and quoted as such, has become commonplace and it is no longer sufficient to ensure professional and financial success. It is therefore very likely to notice, on long term, a similar evolution to any other language whose knowledge is generalized to the majority of the population. Accordingly, it would be false to encourage learning English and neglecting other modern languages. People's financial and professional success, to the extent it depends on another skill, would assume their investment in the acquisition of other languages. It is possible that the employer is willing to remunerate these

competences; in a global economy in which competition erodes the differences in quality and price between competing products and the seller and buyer are able to understand each other in English, communication competencies (essential, among other things, in everything that involves service after sale) can make a difference. That means that the policies of learning foreign languages should not focus exclusively on English but, equally, on other modern languages, too. It is important to say that, at this time, diligence has no cultural or egalitarian reasons, but economic ones, taking into account the likely evolution of the value of the second language on the market. This judgment is based on what we called the dynamic of language.

The enterprises' interest regarding language competences is indisputable, because they would not offer a bonus for a competence that does not serve it. The microeconomic theory considers that the salary reflects labor productivity; if an employee earns more than another, the difference is in the additional productivity inclusively given by his/her linguistic competence. This theoretical overview explains, perhaps, why we care about the mechanisms valuing language skills within enterprises. It is necessary to add that the employer's interests in the process of distribution of goods include the linguistic competence of the staff responsible for this service. We can not say, however, after these real findings, without question, that the enterprises' interests dictate language policies. Regarding the contributions of sociolinguistics, as a result of the observations based on empirical verifications of analyses and linguistic practices in a professional environment in which more languages are used, they are not likely to bring more precise information. At present, the microeconomic theory does not allow a fine analysis of the rationales that make a language more profitable than another; much more it is not possible to estimate the educational programs on long term.

The analysis should begin with a typology of contexts in which the activity of production or distribution is intrinsically changed by the existence of linguistic diversity. This typology must, in turn, be anchored in a particular vision of the economic activity. *A priori*, we would be taken to analyze the influence of linguistic diversity on:

- external communication with customers and suppliers;
- internal communication among workers directly involved in production, and between the leadership and/or owners on the one hand and workers on the other hand;
- the range of produced goods and services (differentiating between products that include a linguistic treatment and those which do not have this feature);
- personnel policies (identification of enterprises' linguistic needs, strategy of staff's recruitment, staff's positions, depending on their language competencies).

In large enterprises, to clarify these issues, investigations are initiated in order to settle any possible risks having language problems as a starting point. When we talk about somehow endangered languages, such as Catalan, Basque, in favor of a dominant language,

French or Spanish, the issue of neglecting tradition becomes more than sensitive. It is not only the question of what languages should be favored, but also what language competencies meet the enterprises' needs at a certain time. If in Australia, a country of immigrants par excellence, the problem of traditions can be ignored, a certain profit can not be neglected if the immigrants' language skills are maintained, even stimulated, especially because that could serve to getting access into foreign markets. As far as we know, Australian studies have not been published but, looking at the job offers there are no signs that large enterprises manifest interests for such competencies, the employment requirements not asking them. Only Chinese and Japanese are required, but with quite low frequency. The findings are surprising, if we take into consideration only the signs of development of tourism, of course, not only in Australia, but also in Canada or in Europe. Is it sufficient to explain this limitation by inertia of the same policy of favoring English or by ignoring the fact that competence in another language can bring some benefit? Knowledge of English is regarded as sufficiently important whereas one third of large enterprises and financial organizations annual English language courses for their staff. It happens in Romania, but also in France or other European states, particularly those whose official language is an international one. As far as we know, there are no studies so as to reveal the profits resulting from such courses, but neither can we believe that such a decision is one of surface, a trend. There is profit, no doubt, at least in the area of *distribution of goods and services*, although it is difficult to quantify, so we'll limit ourselves to the sphere of perceptions and findings. Or, on such support we can not make recommendations, at this stage, for a policy of learning foreign languages. As a first conclusion, we can say that there is a widespread perception of the fact that knowing English is of very great importance to the functioning of large enterprises and that it may contribute to their success, but nobody knows much about the amount of profit, specifically. The advantage could be estimated if specific research, with scientific value, would be undertaken.

Dynamics of languages can not be disregarded because teaching one or another of modern languages is a decision with cultural, political and social legitimacy. In a context that can not be only national but, necessarily, European or international, any state faces the same problems, and their decisions are part of the dynamics of languages. Decisions affect not only its own territory and the dynamics of language must be a component of these decisions. By the term dynamics we understand the internal development of a language (for example, the more or less marked trend of assimilating new words or borrowings from other languages), but also the evolution of a language position in relation to another, depending on several conjectural factors. But at another level, let's call it macro, movements, generally on long-term, may record the decline or expansion of a language. The analysis of the dynamics of languages relate, largely, to the decline or rebirth of regional or minority languages; there is a

whole literature on this subject, but it rather makes the subject of political disputes, not economic, and therefore it has no relevance to our problem. However, we can distinguish two characteristics, namely: disparity between their "weight" (on demo-linguistic, social, political and economic plan) and the small number of partners (those languages are usually in competition, or coexist with a more important language: French for Breton, Italian for Friulian, Spanish for Basque, etc.). The situation is a little more complicated in the case of national minorities over borders (for example, Hungarian minorities in Romania or Slovakia, Swedish language in Finland or German in Denmark or in Belgium).

There is still a lot of relativity when you judge the dynamics of languages. This is because we do not know exactly what causes the expansion of some languages to the detriment of others. What were the political, economic, and technological or of other nature factors which favored the broad expansion of Arab, French, Spanish, Latin, even the international expansion of English? Might we deliver clear and reasoned opinions to explain whether this process of diffusion / expansion achieved only certain social categories (elite, especially the European one, for French, between 18 to mid-20th century) or can it be extended to all classes and walks of life, such as English in the last quarter of the last century? These questions bring into question the standard analytical framework which opposes vernacular languages (with local spread and used only within the community) to the vehicular (largely, international spread or in any case, inter-community). This issue of macro-dynamics of major languages (in contrast to the dynamics of regional or minority languages) is the subject of some approaches between socio-linguistics and applied linguistics. Most of these approaches do not provide general explanations of the phenomenon. Most often we have disparate elements, often purely descriptive or too rooted in a very restricted reality, which does not permit generalization. In general, it is hoped to solve analytical issues by means of judgments of value, without much research or arguments. But, for a sound linguistic policy this kind of approach is not sufficient. Not acting on causation and without a minimal concern for the linguistic dynamics, for the ascent or backing of some languages, any solutions remain in the phase of general, contradictory proposals. In addition, a true language policy would require identification, evaluation and a comparison of the merits and disadvantages that would result after the implementation of several possible scenarios. Consequently, the foundations on which different proposals are made are inevitably incomplete. In France there is a more active concern, dating from 2002, regarding the English ascendancy to the French language, the studies trying to explain whether this phenomenon is a cause or a consequence, applying equally the socio-linguistics point of view to a rather ethnographic methodology. It tries to show how the involved actors' competencies are perceived and valued, particularly in their

professional life, the interaction between the organizations' strategies, on the one hand, and the involved actors, on the other hand. The consequences could shape future decisions.

In summary, the works based on the observations on the science of modern languages allow us to know neither how the learning of a modern language influences the expansion or decline of a language, nor how these processes could or should influence the choices of the policies in the field, the literature treating the subject as a domestic one, that is of educational and teaching order. It means that other disciplines of social sciences should be involved in finding relevant answers. It would be the language economics, already mentioned above, and the theory of normative politics.

If we were to consider the economic theory an absurdity, we would adopt linguistic policies so that all active population would become bilingual. Through a mechanical reasoning, all people should learn English as a second language. That would happen if we consider it desirable, to reduce the costs and minimize any subventions necessary for learning languages. Such a policy should not be encouraged because it shows a narrow thinking. Essentially, the language is no longer defined as a means of communication, but as a means of *transmitting information*. Communication between groups that speak the same language implies a certain hierarchy: smaller languages are organized around a central language which serves to intercommunication, the speakers of that language, in turn, communicate with each other using a super-central language (Arabic, Chinese, English, French, and German).

This type of scenario leads us to what we call the added value of a language. The involved actors will try to master useful foreign languages because the higher the number of people they can connect with, the more useful that language will be. But the usefulness does not depend only mechanically on the demo-linguistics especially that it depends on the potential interlocutor's quality, but also on the social, political, economic, cultural or geographical area where the actor performs. If, for example, Bengali is very widespread as number of inhabitants, exceeding by far the Italian, let's say that learning Italian is more useful for a young French or Romanian, simply because Italian speakers are more likely to become his/her interlocutors rather than Bengali speakers. Just like that, because not all people have the same "weight". This reasoning leads us to *human capital* theory. Whatever we do, there are correlations between the profitability of a linguistic competence and the number of people this competence enables a person to communicate. Furthermore, if in a group there are speakers of several useful languages, and one of them is known to the *maximum level* and another at, say, an acceptable level, the former would be preferred. The interaction between *maximum* and *utility* gives the measure of an extremely strong dynamism of a language.

This conclusion largely concerns all researchers involved in the study of English hegemony. A quasi-monopoly of the English language would translate in a redistribution of funds totally unfair, obviously, in favor of countries where English is the official language, at least, an unfair redistribution of resources and allocations for linguistic policies. At the level of the European community, institutional multi-linguist, involves not only costs but also time.

References

1. Afsa Essafi, C., (2004), *Les modèles logis polytomiques non ordonnés: théories et applications*, série “Documents de travail de la direction des statistiques démographiques et sociales de l’INSEE”, No.0301, INSEE
2. Baron, M., (2004), *La formation supérieure en régions*, Cybergéo, No.279
3. Baron, M., (2005), *Les migrations étudiantes dans le système universitaire français au début des années 90*, Revue d’Economie Régionale et Urbaine, No.2
4. Baron, M., Caro, P., Perret, C., Amet, X., (2003), *Mobilités géographiques étudiantes et qualifications des territoires: quelques disparités régionales*, Besançon, 1^{er} rapport de la convention de recherche MJER-DATAR-DEP
5. Cuilenburg, J. J., Sholten, O., Noomen, G.W., (1998), *Știința comunicării*, Editura Humanitas, București
6. Habermas, V., (1983), *Cunoaștere și comunicare*, Editura Politică, București
7. Hélot, Ch., (2006), *Du bilinguisme en famille au plurilinguisme à l’école*, Editura Hartman, Paris
8. Lohisse, J., (2002), *Comunicarea. De la transmiterea mecanică la interacțiune*, Editura Polirom, Iași
9. Marinescu, V., (2003), *Introducere în teoria comunicării. Principii, modele, aplicații*, Editura Tritonic, București
10. Peirce, Ch., (1990), *Comunicare și acțiune*, Editura Humanitas, București
11. Peretti, A., Jean, A., Boniface, J., (2006), *Tehnici de comunicare*, Editura Teora, București
12. Șoitu, L., (2001), *Pedagogia comunicării*, Institutul European, Iași
13. Tonoiu, V., (1995), *Omul dialogal*, Editura Fundației Culturale Române, București
14. Carta europeană a plurilingvismului, 2006
15. European Language Portfolio, Portfolio Européen des Langues, No. 06/2000
16. <http://www.mercator-central.org>
17. <http://www.europa.eu.int.com>