

Economics of Language

History, general approaches and
interaction with linguists and linguistics

Part I: key concepts

*NPLD-Coppieters Campus on Planning and Evaluation
of Language Policies*
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Menu

1. Key concepts → essential “bricks” for developing an economic perspective on language
2. Emergence of a discipline → when/how/why did language economics appear? Where is it now? (with some examples)
3. Some arguments and debates → the need for interdisciplinary cooperation, how to make it work, and what pitfalls to avoid

“Take-away”

1. A general idea of what language economics is:
 1. ... as a scientific field of research
 2. ... as a perspective on language policy selection, design, and evaluation
2. Perhaps more importantly: the realisation that language economics is a ***tool*** at our disposal

Characterising language economics (“LE”)

- ▶ Still a relatively marginal field of specialization, although the first papers can be traced back to the 1960s
- ▶ In order to delineate this field, we need to **position it in terms of several basic notions**:
 1. When dealing with ‘multilingualism’, are we referring to the individual level, the societal level, or both?
 2. How are the connections with *LPP* structured?
 3. What exactly do we mean by ‘economics’ in this context?
 4. How far does *LE* “reach” and how useful is it really? (on the use and limitations of a paradigm)
 5. “Economics of language” vs. “language of economics”

Individual vs. societal

- ▶ *LE* raises very different questions depending on the level of analysis targeted
- ▶ In line with an increasingly common convention, we use:
 - ▶ Multilingualism to denote a societal feature
 - ▶ Plurilingualism to denote individual language repertoires
- ▶ However, the “individual” v. “societal” contrast doesn’t fully coincide with a foundational distinction, in economics, between the “micro” and the “macro” levels
- ▶ **Micro level:** concerns the (archetypal) economic *agent* (~ “actor”) *as a decision unit* who makes **choices** under a set of **constraints**.
- ▶ As in basic economic theory, the agent may be an individual, a household or other non-profit group, a business/firm, etc., and even the state, when it is seen as a decision-making unit

The person as an individual agent

- ❖ An individual agent (or actor) may be more or less multilingual and have a more or less extensive linguistic repertoire, *usually* comprising:
 - ❖ a native language (or MT), usually called L1, and
 - ❖ a range of second and/or foreign languages (FL) skills, usually called L2, L3, etc.
- ❖ No *a priori* assumptions need to be made regarding:
 - ❖ the levels of those skills (e.g. from A1 through C2)
 - ❖ the ontological differences between various facets of the linguistic repertoire (e.g. is the term “mother tongue” *really* proper? Aren’t “second” language skills *intrinsically* different from “foreign” language skills, etc.)
- ❖ The entire linguistic repertoire makes up a person’s **linguistic attributes**
- ❖ We then focus on the agent’s choices and constraints: WHAT choices involving his linguistic attributes does the agent make? Where do his (material AND symbolic) interests lie? What constraints is he confronted with? What are the implications of his choices?

Non-individual (but still “micro”) agents

- ❖ The household
 - ❖ household linguistic attributes = sum of household members’ individual linguistic attributes
 - ❖ non-profit associations can be seen as behaving in ways similar to households
- ❖ The firm/company/business
 - ❖ ... an organisation which is made up of individuals, but which can be seen as a **decision unit** regarding the **firm’s economic choices and constraints** (level of output; selection of inputs; market “givens”)
 - ❖ firm’s linguistic attributes = linguistic attributes used (formally or not) in connection with the economic operations of the firm
- ❖ Public sector
 - ❖ ... local/regional authorities, national authorities, inter- or supra-national organisations
 - ❖ the linguistic attributes of a public sector agent are those which are used in connection with the operations of the entity concerned
- ❖ **IMPORTANT POINT:** having certain language skills in one’s attributes does not mean that one actually has linguistic practices in which all these skills are used (*one may have skills without using them!*)

Aggregates: macro-level analysis

- ❖ In **macro-level** analysis, the focus is not on the choices and strategies of agents and their effects, but on the relationships between large aggregates. In standard macro-economics, these would be:
 - ❖ Private-sector consumption
 - ❖ Investment by/in the productive sector
 - ❖ Government spending
 - ❖ Imports and exports
 - ❖ GDP (aggregate economic activity) as a result of the foregoing
- ❖ In language economics, there is comparatively less “macro-level” work

Typical questions of language economics

- ▶ Rate of return (for individuals) on L2 skills in different languages in contexts where:
 - ▶ The state has adopted X and Y but not Z as official languages;
 - ▶ Language X, but not languages Y and Z, is used as a language of instruction in the education system;
 - ▶ Firms which mainly operate in X are in contact with suppliers and clients using other languages.
- ▶ Optimal choices by businesses regarding the use of X and/or Y...
 - ▶ In cases where the state neither mandates nor bans advertising in X or Y;
 - ▶ Employees may have X, Y, Z as an L1 but need to communicate.

“Economics” vs. “the economy”

- ▶ “The economy”: human activity focused on the production, consumption and exchange of goods and services with market value
 - ▶ *At the micro level:*
 - ▶ → supply and demand; market structure
 - ▶ → production theory (\leftrightarrow supply)
 - ▶ → consumer theory (\leftrightarrow demand)
 - ▶ *At the macro level:*
 - ▶ → “economic circuit”
 - ▶ → measurement of economic activity through aggregates such as GDP

Making the difference...

- ▶ ... but “the economy” is different from, and merely a *part* of the concerns of “economics”:
 - ▶ “economics” is an (analytical) *discourse* (analytique) on some facets of human experience, just like sociology is a *discourse* (a “logos”, λόγος) about society;
 - ▶ more fundamentally, because “economics” is NOT confined to market-related, financial or material questions. Rather, it encompasses any process that requires the use of scarce resources that have alternative uses (→ economics analyses of environmental issues, transportation, education, health, culture, religion, and language(s)).

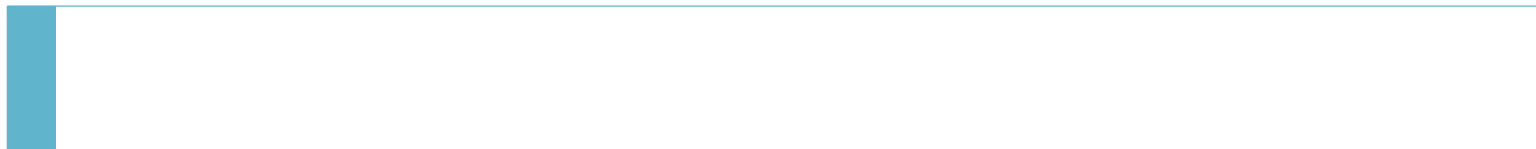
Strengths and weaknesses of an economic approach

- ▶ The approach *tends* to be more useful where the use of quantifiable variables is possible
- ▶ It is important to distinguish between what economics can say and what it cannot say
- ▶ There is an occasional tendency, among some linguists, to import economic concepts:
 - ▶ Coulmas: language and currency
 - ▶ Keller: invisible hand
 - ▶ almost everybody: language as a form of “value” or “wealth”
- ▶ but this sometimes gives rise to flawed parallels and misleading metaphors:
 - ▶ Rossi-Landi: exchange, market...
 - ▶ Bourdieu: linguistic market, “profit”... (→ critical sociolinguistics’ perspective on language/capital/profit)
 - ▶ Calvet: currency, “convertibility”, exchange rates...

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Part II: The emergence of a discipline



Historical development: ~ 1960-1985 (and ongoing)

Five main stages (which could be further broken down, particularly 5):

1. (Forerunners: Adam Smith (language as a facilitator of economic exchange)); Jacob Marschak (economic principles at work in the evolution of a language)
2. Language, income and employment: the “Canadian” tradition: “is language a statistically significant determinant of labour income?”
3. The search for causal connections between language and economic outcomes (often: economics disadvantage): deliberate discrimination, communication costs, information and networks, etc...

Historical development: ~ late 1970s through mid 1990s

4. Language and immigration: the US perspective: essentially an extension of the standard economic analysis of labour markets (“does the *lack* of skills in English explain economic disadvantage among [mostly Hispanic] immigrants?”; “is the presence/absence of English-language skills a truly *independent* variable, or partly the result of decisions induced by other factors, including the perspective of getting a reward for having acquired such skills?”)

Historical development: ~ since mid-1990s

5. Broadening scope of language economics and the emergence of European contributions:
 - a) The value of *foreign* language acquisition
 - b) Multilingualism in production theory
 - c) Emergence of economics of translation
 - d) Multilingualism and growth in developing countries
 - e) Language and international trade flows
 - f) **The economic perspective of language policy (in general): efficiency, fairness, link-up with policy analysis**
 - g) Cost-effectiveness in minority language protection and promotion
 - h) Multilingual communication (e.g. in EU institutions)

“Pure” economic processes v. situations with state intervention

- ❖ *LE* is intimately connected with LPP but the relationship between them can be made clearer by recalling an essential distinction between two types of context:
 - ❖ The « pure » free market context, generating by the unregulated (or “spontaneous”) behavior of agents (e.g. “all other things being equal, excess supply of a good or service will cause its market price to fall”).
 - ❖ The regulated context, in which the state may intervene on price, quantity, production process, product composition, labor safety, etc.
- ❖ In reality, these two contexts are interlocked, but the distinction matters for analytical purposes:
 - ❖ in some cases, we focus on identifying and measuring processes that occur independently of the state (e.g., if the Chinese economy grows strongly, by how much can we expect the demand for Chinese language skills by employers in other countries to increase?)
 - ❖ in other cases, we focus on the nature, effectiveness, fairness, etc. of state intervention (e.g., if the state is contemplating alternative ways of ensuring the long-term vitality of Navajo, which measures are likely to prove more cost-effective in the long run?)

Towards a compact definition of LE (1/3)

▶ **FIRSTLY, {L} → {E}:**

- ▶ “How do linguistic variables affect economic ones?”
- ▶ This has direct relevance for LPP:
- ▶ Economic policy may bank on language. For example, the lack of FLK skills can be seen as a disadvantage for the British economy (→ <http://www.aplv-languesmodernes.org/spip.php?article4348> : Feb. 2012)

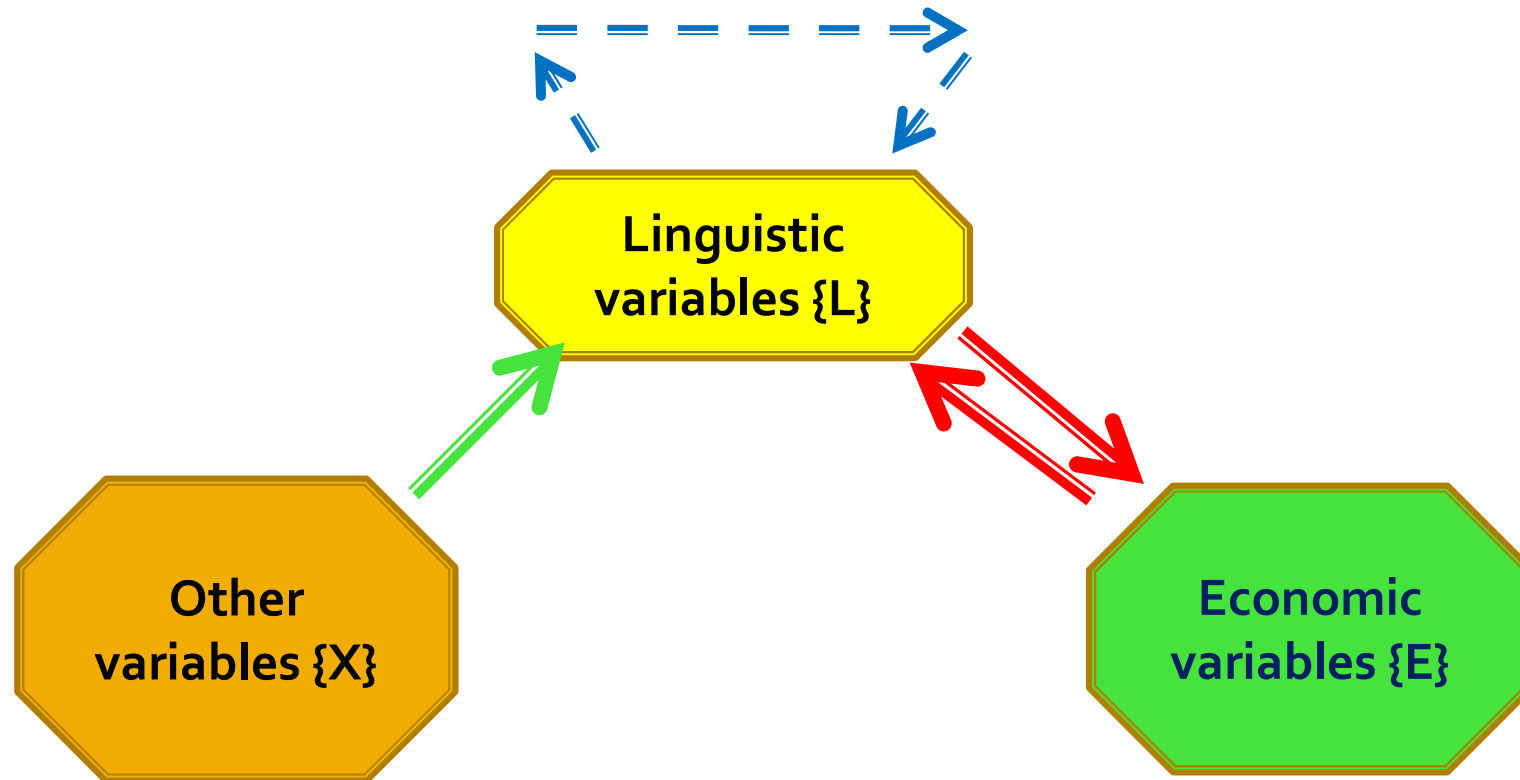
Towards a compact definition of LE (2/3)

- ▶ **SECONDLY, {E} → {L}:**
 - ▶ “How do economic variables affect linguistic ones”?
 - ▶ This has direct relevance for LPP:
 - ▶ LPP does not only use mandatory **regulation**; it also uses **incentives**. *For example*, in order to encourage the use of a language, language planners may try to make it “cheaper” to use it through a set of subsidies (e.g., editing, printing and distribution of children’s books in RMLs with normally small—and expensive—print runs)

Towards a compact definition (3/3)

- ▶ **THIRDLY, $(\{\forall V\} \rightarrow \{L\})^E$:**
 - ▶ LPP is part of public policy. As such, it should be selected, designed and evaluated in reference to certain criteria, which are at least in part anchored in economic analysis:
 - ▶ **EFFICIENCY:** in a simplified approach \approx “cost-effectiveness”;
 - ▶ **FAIRNESS:** conformity to some socially and politically accepted norms
 - ▶ For example, what will prove more effective for the long-term vitality of Inuktitut: subsidising the translation of literary works [to/from Inuktitut]? Visibilization of Inuktitut in the public space ? Banning of English and French in Nunavut? etc...

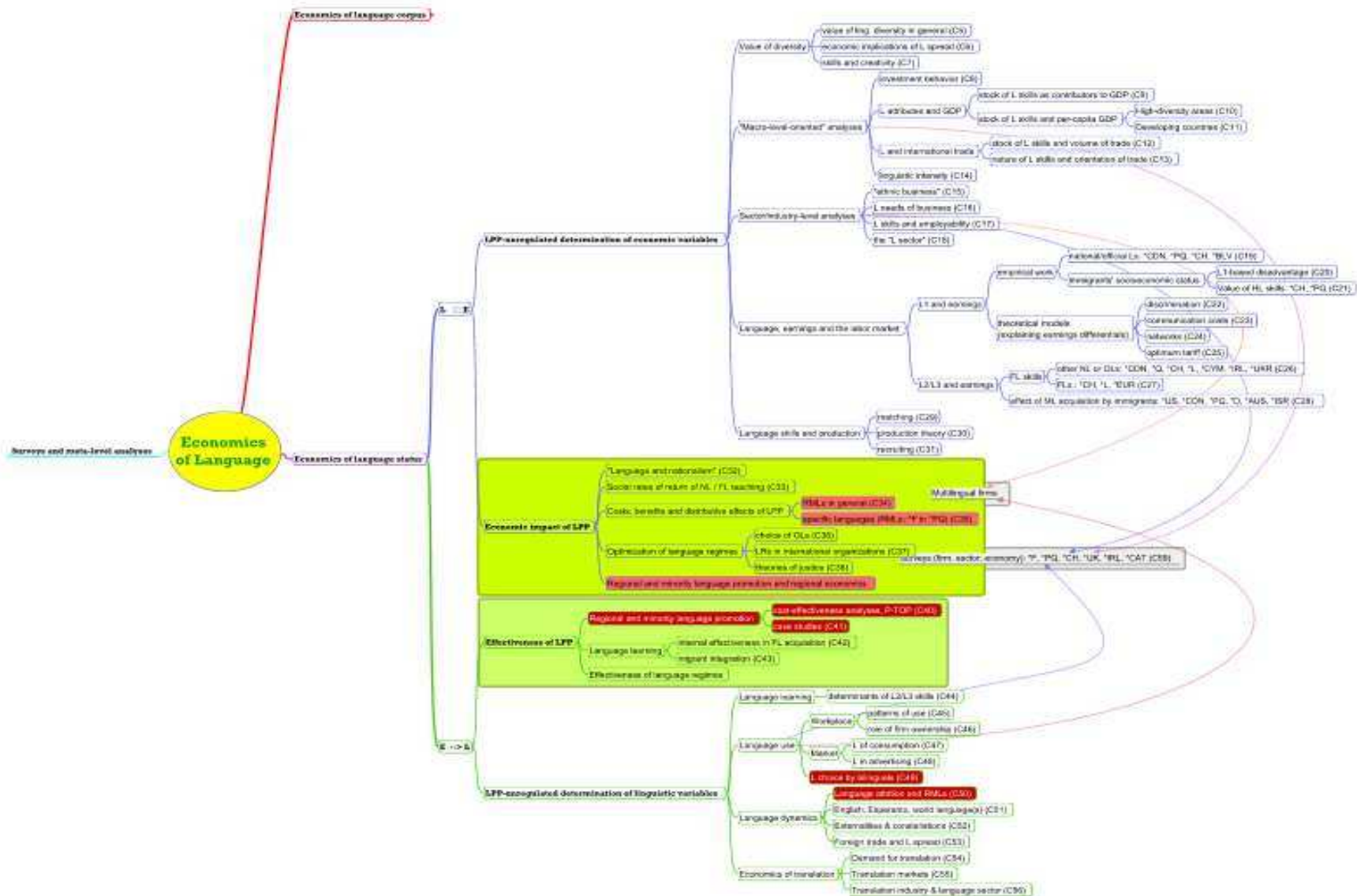
A diagrammatic overview



Corresponding formal definition: "Language economics refers to the paradigm of mainstream theoretical economics and uses the concepts and tools of economics in the study of relationships featuring linguistic variables. It focuses principally, but not exclusively, on those relationships in which economic variables also play a part"

Mental map of language economics:

http://www.unige.ch/fti/elf/files/1014/5865/9223/WP13_MENTAL_MAP.pdf

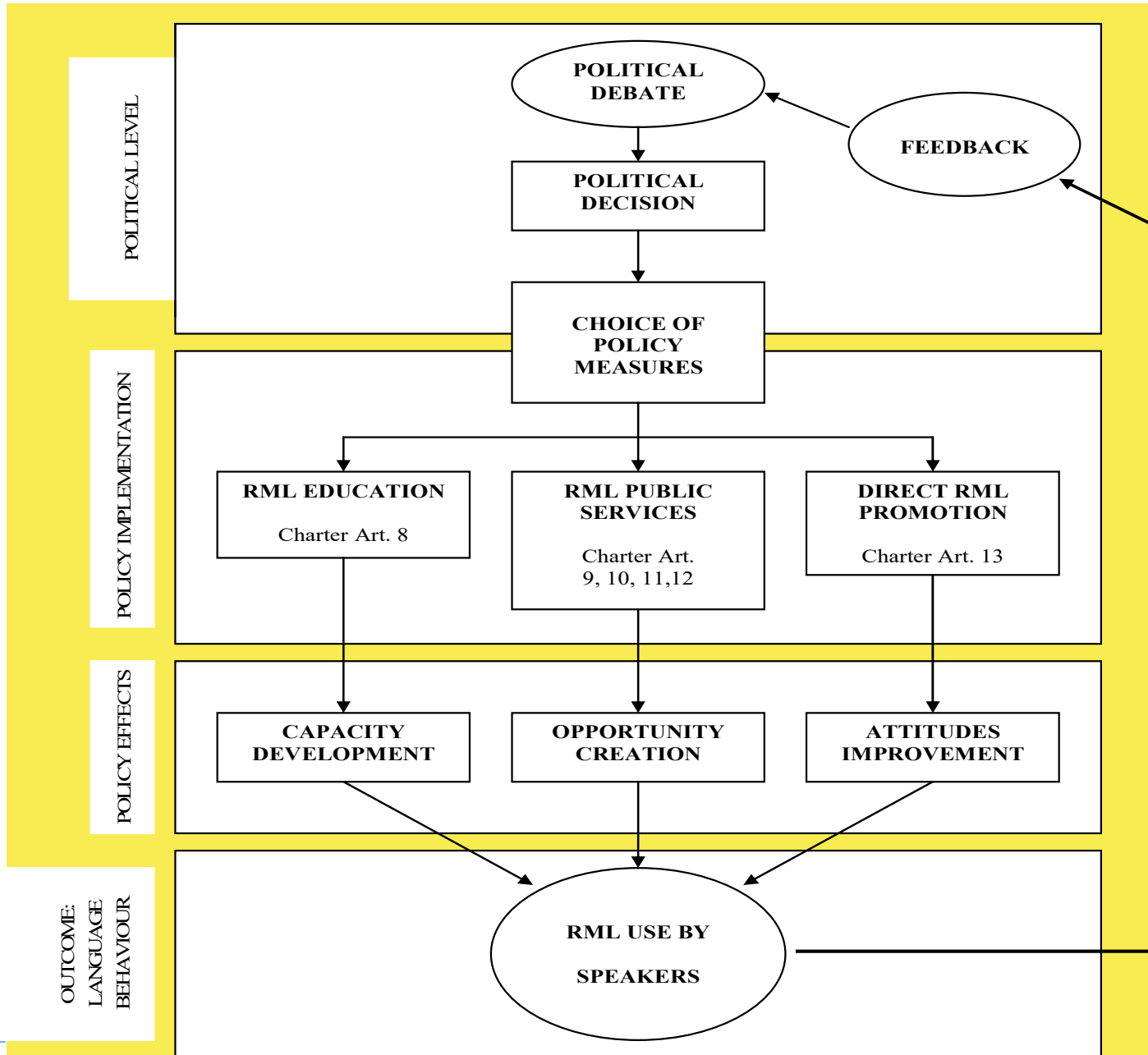


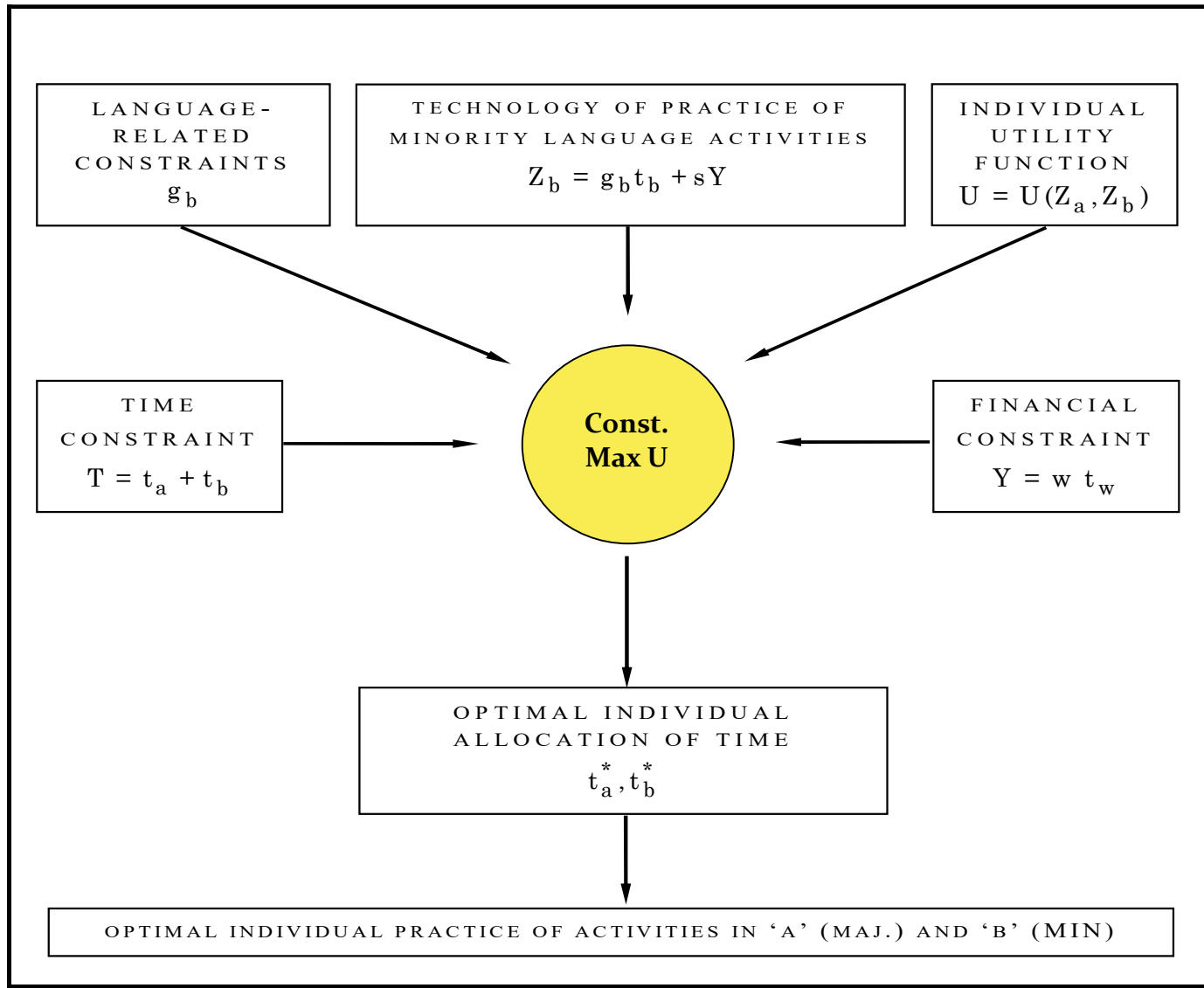
Example of $[\{V\} \Rightarrow \{L\}]^E$ perspective: the 'policy-to-outcome path' (P-TOP) [1]

- ▶ Dependent variable: language use (e.g.: measured in time units)
- ▶ Time spent doing things in language 'X' and language 'Y' will result from actors choices, based on their preferences, but also on constraints (explicit/implicit; conscious/unconscious) (*≈ constrained utility maximisation*)
- ▶ Thus relative use of X with respect to Y is likely to increase, *ceteris paribus*, if preferences and/or constraints are nudged in the requisite direction

P-TOP [2]

- ▶ Preferences and constraints can be re-expressed in terms of three types of policy-sensitive variables:
 - ▶ Capacity (C) → *language education*
 - ▶ Opportunity (O) → *... to use the language, once you have the ability to do so*
 - ▶ Desire (D) → *... to actually use it, when you are able to and have opportunities to do so*
- ▶ Thus, policies ought to target (more specifically: 'increase') C-, O-, and/or D-type variables
- ▶ Formal modelling (which serves as a consistency check) confirms that measures of this type *do* bring about an increase in time spent doing things in language Y relative to time spent doing things in language X





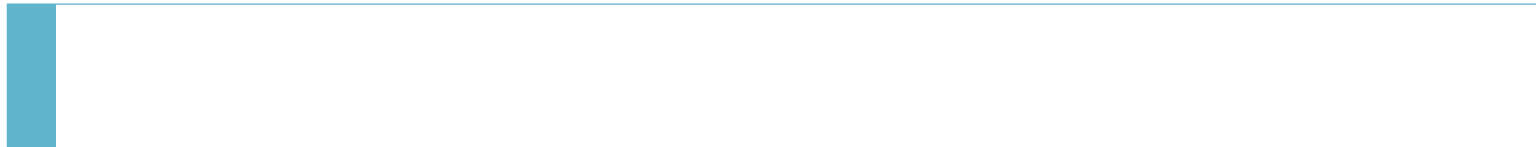
Implications

- ▶ The effectiveness of policies can be tracked from the political decision to the policy measure (*input*), and from there to its direct effect (*output*) and through to its ultimate effect in terms of the relevant *outcome* variable (e.g. RML use measure *in time units**)
- ▶ The specific workings of different policy measures can be fitted into the P-TOP overview

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Part III: Some arguments and debates



Interdisciplinary dialogue: are we getting what we need?

- ▶ Economists need sound theoretical concepts and empirical methods – and not to get bogged down by faddish terms
- ▶ Of course, the language disciplines are *particularly important*. When we approach language from sociology, political science, economics, law, etc., we need linguists/sociolinguists to provide us with solid, relevant concepts and methods
- ▶ ARE WE REALLY GETTING THEM?



Notions critically assessed

1. Superdiversity
2. Linguaging
3. Commodification



Understanding diversity: "four diversifications"

1. linguistic and cultural pairs ({origin, destination});
2. migration histories and itineraries (onwards migration, return migration)
3. socio-economic profiles (age, education, etc.) of persons moving from a place to another
4. motivations and goals of migration



Superdiversity: a successful catchword

- ▶ The standard *characterization*: a term "intended to underline a level and kind of complexity surpassing anything previously experience in a particular society"
- ▶ Characterisation rather than definition
- ▶ Numerous shortcomings making it rather useless or unfit for scientific work



Assessing the notion of “superdiversity”

- ▶ Nothing very new (see Kubchandani, Hollinger, etc.)
- ▶ Eurocentric optical illusion (see Pavlenko – on this and other shortcomings!)
- ▶ Lack of analytical crispness
- ▶ Richer, more precise content in other (mutually compatible) definitions:
 - ▶ complex diversity
 - ▶ deep diversity



Languaging: the basic tenets

- ▶ Communication transcends 'named' languages
- ▶ People draw on the multiple linguistic resources of their repertoire
- ▶ 'Named' languages are 'inventions'
- ▶ Most discourse, in a time of globalization, is necessarily linguistically hybrid



Weaknesses of “languaging”

- ▶ Of course
 - ▶ you can call *translanguaging* the set-up (described e.g. by Edwards) in which e.g. exercises in class in one language are preceded by explanations in another language – nothing terribly original (we did this in traditional L2 instruction...)
 - ▶ we all know that we can play with languages, switch between them, import the resources of the one into the other
 - ▶ *nobody claims* that languages are watertight compartments (“straw man”): languages *are* porous, everybody agrees...
- ▶ But *it simply does not logically follow* that there is such a thing as “languaging” as distinct from code-switching, code-mixing, play on/with languages



“Commodification”: a distinguished intellectual tradition

- ▶ Roots in the Marxist tradition
- ▶ Refers to a process of treating as potentially tradable 'commodities' of various goods, services and other material entities and even people that were not *hitherto* viewed as such
- ▶ akin to "merchandisation"/turning everything (and people) into merchandise



Commodification: relevant... *up to a point*

- ▶ A useful concept in keeping us alert to the need to remain *critical* (e.g. symbolic violence in the treatment of some language in call centers)
- ▶ But *any* good, consencious scholar must remain critical *anyway*, and when analyzing a particular phenomenon, identify and mention the issues of inequality (political, socioeconomic, cultural) that characterize the phenomenon under scrutiny; thus, to a large extent, a critical approach denouncing commodification is sensible, but it is also perfectly banal



Might "commodification" in fact be *good*?

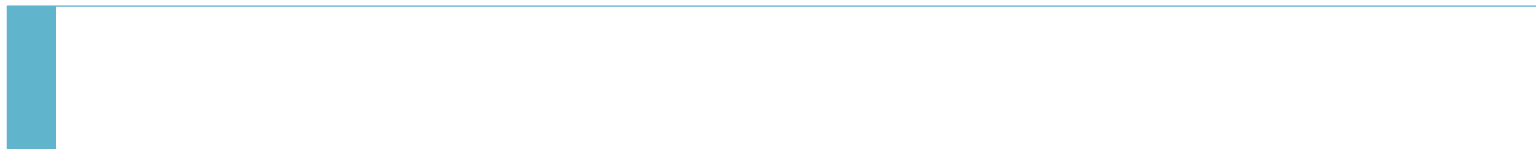
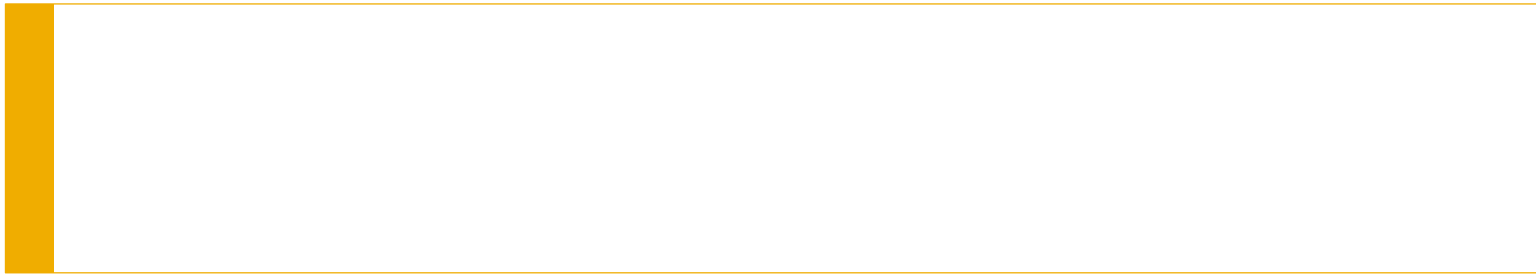
- ▶ ... it can be – but then it reveals that the very *label* of commodification is largely meaningless
- ▶ If, for example, a minority community, in order to protect and promote its language, *democratically* chooses to do so, even at the cost of "reifying" and "commodifying" some cultural elements to *finance* the language protection and promotion plan, we should not dismiss this as "commodification", but actually applaud!
- ▶ Thus, the critique of commodification often ends up delivering arguments against "weak" components of diversity, for the benefit of the largest group.
- ▶ It's time to subject critical approaches to criticism



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Part IV: Conclusion



Summing up (1/2)

1. Language economics is a field of research anchored in economics but in constant interdisciplinary cooperation with other disciplines in the SSH
2. It has emerged in successive phases since the 1960s and is increasingly branching out into the selection, design and evaluation of language policies



Summing up (2/2)

3. The economic evaluation of language policies enables us to approach LPP with solid concepts and methods: efficiency, fairness, and models like the P-TOP that help to apply them to language policy questions → *two following lectures!*
4. Beware of some fads in contemporary research on multilingualism



Essential bibliography (1/2)

- ▶ Chiswick, B. & Miller, P., 2007: *The Economics of Language*. New York: Routledge.
- ▶ Esser, H., 2006: "Migration, language and integration", *AKI Research Review* 4. Berlin: Wissenschaftszentrum Berlin für Sozialforschung.
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- ▶ Ginsburgh, V. & Weber, S. (Eds.), 2016: *The Palgrave Handbook of Economics and Language*. London: Palgrave.

Essential bibliography (2/2)

- ▶ Grin, F., 2003: "Language Planning and Economics", *Current Issues in Language Planning* 4(1), 1-66.
- ▶ Grin, F., Sfreddo, C. & Vaillancourt, F., 2010: *The Economics of the Multilingual Workplace*. London: Routledge.
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- ▶ Vaillancourt, F. (Ed.), 1985: "Les écrits en économie de la langue: brève revue et introduction au recueil", in F. Vaillancourt (dir.), *Economie et langue*. Québec: Conseil de la langue française. 11-25.

Finally, another resource (www.mime-project.org/vademecum)

THE MIME VADEMECUM

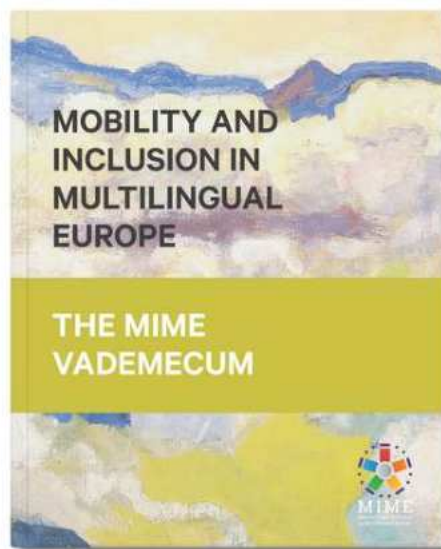
Mobility and Inclusion in Multilingual Europe

A collection of 72 questions on multilingualism

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The Vademecum is a tool for those who need to understand multilingualism, take a stand on language issues and, directly or indirectly, shape language policy decisions at local, national or supra-national level.

It offers an innovative approach to language policy selection and design. It combines ten different disciplines and uses a policy analysis angle to integrate language questions usually considered separately.



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