

# Language and economy: from a handicap to a business opportunity

ISIDOR MARÍ, ANTONI MIR, MARTA ROVIRA

Language is often considered one of the factors in creating that ethereal thing we call identity, which is nothing else than a social bond going beyond specific relations and economic or any other interest. This bond links us to a place, it makes us feel that we have foundations, that is, we share something fundamental with others. However, for the foundations to become the basis holding adequately everything built on it, they need to be solid. In social terms, this means that a solid, strong language in a comfortable position allows its speakers to act in trust, and this trust in turn allows to set out ambitious projects and horizons.









The economy needs solid foundations to tackle ambitious challenges and especially ensure success. In this respect, language and economics are very similar. If we say that economics is simply administration of scarce resources on the one hand and value creation on the other, this similarity becomes even more apparent, for language depends on administering resources, that is, communication tools making it feasible (from learning to its presence in the Internet, including dictionaries, schools, media, etc.), and its capacity to create value (in the shape of communication, useful contents for society and creation of social ties and symbolic values).

Related to Catalan, an increasingly intensive discussion has come up on its future perspectives and development capacities in an increasingly multilingual world. Business does not seem to be very willing to participate and get involved in this discussion. The reason may be that Catalan is perceived by business as a disadvantage, a country identity factor without any economic potential and the target of unavoidable prejudice that shall better be left aside in order not to be considered narrow-minded or folkloristic.

Multilingualism provides business with opportunities, and those societies having an open-minded concept of language diversity and taking it as a positive value are well positioned to take advantage of the opportunities created by multilingualism.

What we defend in this article is that language shall not be considered a disadvantage (if it ever has been any) but a big business opportunity and a communication tool that is also a source of social and economic value creation. There are several reasons allowing to state that language is a business factor in the 21st century. This applies to all languages, including Catalan.

In fact, we are starting to understand that multilingualism provides business with opportunities, and those societies having an open-minded concept of language diversity and taking it as a positive value are well positioned to take advantage of the opportunities created by multilingualism. We will try to explain briefly what these opportunities consist of.

# The multilingual digital society (MDS)

Progressive economic globalisation with exchange of goods and services between countries requires more than ever companies working with different languages to adapt each product to the different local consumer profiles as well as to simply communicate with customer companies in other countries. If there is one thing globalisation has taught us it is precisely that despite the existence of a lingua franca like English, the local factor, associated to a language, a culture and an identity, cannot be set aside. How can we create trust and do business in a country of which we understand neither the language nor the culture?

Precisely from such translation and product and service localisation arise goods and services that are a source of business within the new economy and market globalisation. These services reach from classic translation and interpreting between two languages to new technological applications handling multilingual options and requiring new approaches fostering versatility. Hence there is a whole set of language products and services, deeply associated with ICT (information and communication technology) applications that will play an increasingly important role in business opportunities of companies operating at international level. In this respect, a great example is the Canadian initiative of bringing together all language industries in one same association (AILIA)1: language technologies, translation and language training.

Despite the existence of a lingua franca like English, the local factor, associated to a language, a culture and an identity, cannot be set aside. How can we create trust and do business in a country of which we understand neither the language nor the culture?

Besides language technologies, there is the value language availability acquires in itself. That is, the possibility of having people in command of several languages at the same company or in the environment providing services to that company. Associated to the need of knowing languages, there is a set of language learning and improvement services not to be neglected as a business potential. This learning potential may for instance have China become the country with the highest number of English speakers or provide English-speaking countries with a vantage position in internationalisation compared to the rest as their own educational system ensures optimal skills in the lingua franca of the 21st century.

However, despite the potential of English as the international business language, English is not enough in the multilingual setting we are progressively heading to, as the English themselves say.<sup>2</sup> As languages and cultures are the medium in which we interact to do business, we need to appropriately know them. The identity traits of people and organisations behind a business or the consumers we address to sell our products cannot be neglected but guide us regarding consumer tastes, priorities and preferences or the ways of reaching a business agreement.

Although there are no global studies on the business volume generated by language, there are very straightforward surveys on the business opportunities that are lost for not knowing any other language than English. In 2007, the European Commission carried out a study to analyse knowledge of foreign languages at companies called ELAN.<sup>3</sup> The result



▲ AILIA is an association in Canada gathering all language industries.

shows that many companies from the European Union miss business opportunities because they are not multilingual nor do they have cultural knowledge of the countries they do business with. 11% of a sample of 2000 companies surveyed in an enquiry directly stated that they lost business due to lack of language and cultural competence, which does not include those having lost business opportunities indirectly. 40% of the sampled companies do not have multilingual websites. In an analysis on the needs for improving and learning languages required for international business and trade, the European Union determined that apart from 25% of companies that need to improve their English skills, 18% need to do so with German and French. Languages like Russian, Spanish, Italian and Chinese are becoming increasingly relevant in the market.

Companies that will need to improve or acquire skills in these languages amount to 4 to 15% according to the language.

The European Commission undertook a very decided drive to promote multilingualism in business with the slogan Languages mean business, by which initiatives like worker mobility in the European Union are promoted to facilitate the presence of competent speakers at companies, fund language learning among EU workers and foster learning at least two foreign languages in all educational systems.

The European Commission therefore undertook a very decided drive to promote multilingualism in business with the slogan *Languages mean business*, <sup>4</sup> by which initiatives like worker mobility in the European Union are promoted to facilitate the presence of competent speakers at companies, fund language learning among EU workers and foster learning at least two foreign languages in all educational systems.

The ELAN survey has been adapted to and done in Catalonia at the initiative of the Linguamón-UOC Multilingualism Chair.<sup>5</sup> The results of the ELAN.cat study<sup>6</sup> show things as paradoxical as the second language most used at Catalan companies after English (used by 42.2%) being French (27.3% of companies), a language our educational system has dropped into marginality despite France being the main foreign market of Catalan companies (29.3% do business there).

This sort of studies make increasingly visible what companies considered a mere expenditure instead of benefit loss due to lack of investment. It also demonstrates that language skills are and will increasingly become a significant part of human capital at companies.

### Language as a market value

Both the European ELAN report and the recommendations of the European Business Forum highlight the need that companies have a multilingual strategy adapted to their business model if they intend to be competitive in the international market. In this respect, they have three ways of satisfying their multilingual use and application needs, which are met by business solutions provided by the market: translation, skilled staff and multilingual applications.

#### From translation to multilingual management

On the one hand, there are translation and interpreting services provided by external companies or providers. The translation industry has a global turnover of roughly 10 trillion euros, according to the specific document elaborated by the president of the Belgian Quality Translation Association in 2005.

As the concept of translation services is shifting towards a more holistic model of multiligualism planning at companies, the entrepreneurial fabric of the industry is also changing. We presently have a business basis essentially made of freelance professionals totalling 100,000 in Europe and 200,000 in the world, which will progressively move towards larger business structures. According to Boucau, multilingual translation companies, which amounted to 20% of the market in 2005, are growing and including more and more languages into their services, reaching a market share of 50% in the future. This is a relevant item as this concentration and growth of business structures at the service of translation facilitates enormously tackling items like language planning and management within organisations, strategic and technological innovation and efficiency of resources for multilingualism.

#### Acquiring languages skills or valuing diversity

The second way of catering for needs related with multilingualism at companies is obviously

to enhance language skills of their staff. Language teaching companies (schools) are hence another important business focus. However, this teaching-learning process is also undergoing a big change. There is pressure on educational systems in European countries to ensure by themselves high-quality learning of languages as they are actually introducing the teaching of different foreign languages. In this respect, the Common European Framework of Reference for Languages provides quality metrics and introduces new learning patterns based on skills rather than grammatical knowledge.

Multilingual translation companies, which amounted to 20% of the market in 2005, are growing and including more and more languages into their services, reaching a market share of 50% in the future. This concentration and growth of business structures at the service of translation facilitates enormously tackling items like language planning and management within organisations, strategic and technological innovation and efficiency of resources for multilingualism.

Further, new teaching-learning methods are being developed that besides including ICT costumise the learning process by means of in-service training or micro-teaching, a variety of coaching applicable in both in-house and virtual learning.<sup>10</sup>

Another key future item regarding language skills of employees and professionals is the diversity of cultural origin and mother tongues in Europe due to migration. This linguistic capital should not be wasted, considering that migrants and their descendants can act as a bridge between different languages and cultures as they are members of both the culture of origin and the host culture. This is the rationale

of Australia's so-called «productive diversity» policy, one of the foundations of that country's international competitiveness. <sup>11</sup> A different thing is how these mother tongues become vehicular languages at work with an adequate basis of written and formal skills completing oral and informal skills acquired in the family.

Migrants and their descendants can act as a bridge between different languages and cultures as they are members of both the culture of origin and the host culture. This is the rationale of Australia's so-called "productive diversity" policy, one of the foundations of that country's international competitiveness.

However, the main problem, as the ELAN.cat study shows, is that companies often do not require good command of foreign languages from their employees and most do not consider sufficiently language skills of candidates for a job.

From a human capital perspective, different studies show that knowing languages has an effect on the employee's income. Although it is difficult to single out this variable as these employees are highly skilled in all aspects, it seems to be proven that those with the highest language skills also have a higher income. This relation has been studied in pioneering research done by Chiswick (1991) and Chiswick & Miller (1995, 1999) quoted by François Grin in his recent study done on this matter. 12 According to calculations made by Grin with the LEAP study, German employees being in command of French earn on average 10% more than comparably trained and experienced colleagues with no skills in that language.

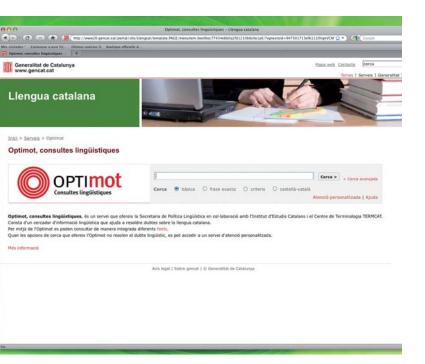
In the specific case of Catalan, Di Paolo<sup>13</sup> also looked into the relation between language skills and income. His study demonstrates that being in command of Catalan allows access to better paid jobs, both for Catalan natives and those

being born abroad. Yet this relative gain can only be found with people having an education degree at least equivalent to secondary school.

Also, some qualitative studies point towards a tight relation between long and successful education and good command of Catalan (Rovira, 2008).

However, it is not clear what comes first: knowledge of Catalan or career (GEI, 2010). Some authors rather think that it is skilled working environments indirectly penalising lack of skills in Catalan (Mora &

Dávila, 2006). It seems that language skills do not yield a relevant return for low-skilled workers. Di Paolo therefore recommends to combine acquisition of language skills with that of other training contents in the case of newly arrived migrants. We would add that in order to have diversity become a value for the country, it needs to be acknowledged as a source of social innovation.



▲ OPTIMOT is the online language reference service by the Government of Catalonia.

## Applications for multilingualism, a source of technological innovation

Innovation in forms of social relations, of which language relations are a part, comes with what is called in this article the third way of multilingualism at companies: ICT and all solutions developed through ICT as multilingualism tools. The digital society will be one of digital multilingualism in which technology can open many doors to diversity.

Catalonia has a certain tradition in this development of ICT applications for language. The most recent one is OPTIMOT, 14 the online language reference service by the Government of Catalonia that is replacing the former dictionaries and includes the Termcat task by the IEC and language advice done so far by other means. Yet there are other applications like automatic translation engines in the Internet 15 or specific applications like the Universal Doctor Speaker 16 used at medical visits with newly arrived people. These new needs based on increasing language diversity thus create new innovation needs.

Di Paolo demonstrates that being in command of Catalan allows access to better paid jobs, both for Catalan natives and those being born abroad. Yet this relative gain can only be found with people having an education degree at least equivalent to secondary school.

Diversity is not a problem but an opportunity to be seized. This is what Linguamón<sup>17</sup> suggests as a multilingualism platform by means of the different value chains it contains. On the one hand, from a social point of view, it caters for the needs of managing language diversity as a future (or current) challenge); on the other, from a technology perspective, it deepens into multilingual solutions and applications thanks to innovation.

The future multilingualism cluster at 22@ in Barcelona intends to be an international role model in the offer and research in excellence in multilingual solutions, making the expertise of the Catalan society, which was mainly bilingual until a few years ago but is becoming increasingly multilingual now, in managing diversity a prime capital making Catalonia the capital of multilingualism.

Multilingualism can be a source of business for companies, as language diversity also creates very important resources for internationalisation of the Catalan economy. However, to turn this challenge into an opportunity, the production structures of language service companies and the capacity of innovating in new technological applications and solutions will need to improve.

#### **Bibliography**

Chiswick, B.R. (1991). «Speaking, Reading, and Earnings among Low-Skilled Immigrants». *Journal of Labor Economics*, University of Chicago Press, vol. 9(2), pages 149-70, Ap.

CHISWICK, B.R.; MILLER, P.W. (1995). «The Endogeneity between Language and Earnings: International Analyses». *Journal of Labor Economics*, University of Chicago Press, vol. 13(2), pages 246-88, April.

CHISWICK, B.R.; MILLER, P.W. (1999). «Language skills and earnings among legalized aliens». *Journal of Population Economics*, Springer, vol. 12(1), p. 63-89.

GEI (2010). «Transicions lingüístiques. Del castellà al català». Grup d'Estudis de les Identitats per al Centre d'Estudis de Temes Contemporanis. Inèdit.

MORA, M. T.; DAVILA, A. (2006). The decline in the limited-English-proficient earnings penalty for Hispanic men in the U.S: 1980-2000. The University of Texas Pan American, Department of Economics and Finance, Working paper 03/2006.

ROVIRA, M.(2008): «La llengua com a variable d'identitat». Llengua i ús, revista tècnica de política lingüística. Núm. 42.

#### **Notes**

- 1. http://secure.ailia.ca/
- 2. This is the first conclusion of the report by the British Nuffield Foundation *Languages: the next generation* (2000) and has become the slogan of the UK multilingual strategy.
- 3. Effects on the European Economy of Shortages of Foreign Language Skills in Enterprise http://ec.europa.eu/education/languages/pdf/doc421\_en.pdf.
- $4.\ http://ec.europa.eu/archives/commission\_2004-2009/orban/docs/companies\_work\_better\_with\_languages/davignon\_en.pdf.$
- 5. http://catedramultilinguisme.uoc.edu/
- $6.\ http://catedramultilinguisme.uoc.edu/portal/catala/catedra\_multilinguisme/\_resources/documents/3\_IDIOMES\_OK.pdf.$
- 7. The European Business Forum also highlights the lack of official support to multilingualism at companies: "Apart from countries, national trade promotion organisations provide practical guidelines for and financial support to SMEs to improve their export strategies, but generally speaking, these programmes do not include language strategies."
- 8. Cf. the study by DAVID GRADDOL (2006). English Next (http://www.britishcouncil.org/learning-research-englishnext.htm)
- 9. http://www.coe.int/t/dg4/linguistic/cadre\_en.asp
- 10. In this respect, the Daily Vitamine of Ziggurat is a good example of what can be done (http://www.ziggurat.es/es/lecciones\_ingles/index.asp).
- 11. Cf. http://www.business.qld.gov.au/dsdweb/v4/apps/web/content.cfm?id=8962
- 12. GRIN, François (2010). Rapport final. Qu'en est-il des compétences en langues étrangères dans l'entreprise? École de Traduction et d'Interprétation, Université de Genève. Fonds National de Recherche Scientifique de Suisse.
- 13. DI PAOLO, A.; RAYMOND-BARA, J. Ll. (2010). Language Knowledge and Ernings in Catalonia. Barcelona: Universitat Autònoma de Barcelona, Departament d'Economia Aplicada.
- 14. http://www20.gencat.cat/portal/site/Llengcat/template.PAGE/menuitem.0ee0bcc77434e6b0a2fd1210b0c0e1a0/?vgnextoid=947501713ef61110VgnVCM1000000b0c1e0aRCRD&vgnextchannel=947501713ef61110VgnVCM1000000b0c1e0aRCRD&vgnextfmt=default
- 15. E.g. automatic translation engine of the Government of Catalonia (http://traductor.gencat.cat/) or the Opentrad platform (http://www.opentrad.org/). An example of international deployment of language industries is the Multilingual portal (http://www.multilingual.com/).
- 16. http://www.gencat.cat/salut/servling/servling/html/ca/dir1429/doc17370.html
- 17. http://www.linguamon.cat/

#### **ISIDOR MARÍ**

Linguist.

Director of the Linguamón-UOC Multilingualism Chair, where he coordinated the ELAN.cat study, and professor of Humanity Studies at the UOC.

President of the Philological Section of the Institute of Catalan Studies.

http://www.uoc.edu/portal/english/estudis\_arees/arts\_humanitats/equip/professor at/professorat.html



#### **ANTONI MIR**

Cultural promoter.

Director of Linguamón-Casa de les Llengües.

Former secretary of Language Policy of the Government of Catalonia.

He obtained the National Award from the International Escarré Centre for Ethnic Minorities and Nations in 1997 and the St. George's Cross in 2003.

http://www10.gencat.net/casa\_llengues/AppJava/en/index.jsp



#### MARTA ROVIRA I MARTÍNEZ

Degree in Sociology from the UAB.

Director of ENVIT, sociology consultant at the UOC and professor at the master degree of Multilingualism Consulting and Management at the UB.

She leads research projects for different public and private organisations on migration, language, education, sustainability and collective memory.

http://www.martarovira.cat/

