“Applying economics to language: what are the relevant questions to ask?”

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The aim of the presentation is to offer a general introduction to the economic approach of language, focusing in particular on the function of different lines of economic discourse applied to (i) the study of the situation of regional or minority languages (RMLs) and (ii) the selection and design of language policies aiming to improve their situation.

The key ideas of the presentation may be summarised in seven points as follows:

1. Language economics (or: ‘the economics of language’) can be defined as a field of research on the fringes of the discipline of economics, with a strong interdisciplinary orientation. The definition builds on the distinction that must be made between “the economy” as a field of human activity and “economics” as a way of analysing human behaviour – which can be applied to a wide range of different topics, covering not only ‘standard’ economic variables (like prices, earnings, interest rates) or processes (essentially: production, consumption, and exchange), but also to topics as varied as education, health, the environment – and language.

2. For the purposes of this presentation, the field of language economics is organised in two groups of approaches. The first includes studies that focus on the effect of language variables (\{L\}) on economic variables (\{E\}), which we can symbolise as (\{L\}⇒\{E\}). In this strand of research, economic variables play the role of dependent variables – that is, economic variables are what we seek to explain: for example, the effect on people’s language skills on their labour income. The second group of approaches includes studies that focus on the reciprocal causation, in which we seek to explain language variables: for example, how does people’s language behaviour respond to changes in external conditions, such as changing patterns in international trade? It is important to point out that in this strand of research, the ‘independent’ or ‘explanatory’ variables are not restricted to standard ‘economic’ ones (whether these be patterns of international trade, or relative prices, or incomes, etc.); therefore, they are not only of the (\{E\}⇒\{L\}) type. The explanatory variables may very well be various ‘non-economic’ ones (\{V\}), and what matters is that the \textit{way} in which they impact on linguistic variables must make sense economically – that is, that we can interpret it as a case of ‘constrained utility maximisation’ (see No. 4 below); we may symbolise this perspective as (\{V\}⇒\{L\})\textsuperscript{E}.

3. The first perspective (\{L\}⇒\{E\}) can be applied to language policy in different ways. In particular, it serves to identify the economic effects of policies designed to protect and promote RMLs. If those effects can be shown to be positive (that is,
if RML protection and promotion can be shown to have a positive impact on
standard economic variables), it may help to win over to the cause of RMLs some
social actors (including media people and politicians) who may be a priori
opposed to such policies. Four distinct paradigms are presented in the paper,
which argues that they do not all have equal theoretical or empirical robustness,
and that the decision to invoke one or the other must (also for purely tactical
reasons) be pondered carefully, taking account of the specific sociolinguistic
context.

4. The second group, subsuming the (\{(E)\} \rightarrow \{L\}) and (\{V\} \rightarrow \{L\})\infty types of
relationships, is useful for the selection and design of language policies, such as
those that aim to increase the use of a threatened RML. In line with fundamental
principles of economics, the behaviour of social actors (including that of
bilinguals who speak the RML and the majority language) is assumed to be a
manifestation of ‘constrained utility maximisation’ – in plain words, that people
seek to maximise their well-being (which depends not just on material and
financial factors, but also on a host of social and cultural factors), under a set of
constraints (some of them material and financial, others symbolic).

5. This approach allows us to design a rigorous analytical framework that connects
language policy decisions upstream with policy outcomes (such as changes in
aggregate RML use, measured in time units) all the way downstream. The core
model, built in terms of ‘constraints’ and ‘utility’ (or ‘objectives’ or ‘satisfaction’ –
these concepts being, for our analytical purposes, roughly equivalent) can be
reformulated in terms closer to sociolinguistic notions, namely, C, the ‘capacity’
to use a language, O, the ‘opportunity’ to use it, and D, the ‘desire’ to do so.
Capacity is developed through language education measures; opportunities are
created and expanded through easier access to RML services that lower the
relative cost of engaging in RML-medium activities; and ‘desire’ (which largely
coincides with people’s attitudes towards the language and the use of the
language) can be supported through measures that reinforce the image and
legitimacy of the language (in the eyes of its speakers as well as in those of
members of the non-minority language community).

6. All these ingredients are combined in the P-TOP (‘policy-to-outcome path’) that
provides an overarching perspective on the effectiveness of language policy. The
P-TOP is a deliberately generic tool that abstracts from the idiosyncratic
sociolinguistic realities of particular terrains. However, depending on the latter,
some components of the P-TOP may be developed in greater detail, while others
are put aside – retaining, however, the emphasis on generality and consistency
that is one of the core concerns of this analytical approach to language policy.

7. The economics of language, whether of the \{(L)\} \rightarrow \{E\}, \{E\} \rightarrow \{L\} or (\{V\} \rightarrow \{L\})\infty
type, provides first and foremost analytical tools applicable to the ex-ante
selection and design of language policies, and to their ex-post evaluation.
However, in order to ‘fill in’ this analytical model, it is indispensable to bring in
sociolinguistic concepts and expertise. Therefore, the economics of language truly
comes into its own in the context of interdisciplinary language policy
development.
A number of resources are available, either on economics of language in general or on the approach presented in this paper. For these two talks, I've drawn on earlier work listed below. These publications also contain additional bibliographical references for further study.

**On language economics in general:**


**On alternative economic justifications for the protection and promotion of regional or minority languages:**


**On the “policy-to-outcome path” (P-TOP) and its application:**


**On the underlying formal algebraic model:**


**On the dynamic model (with time-dependent variables):**