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The growing economic entity of Spanish as a language of international communication, serves as a starting point for an extensive study which has been promoted since 2006 by Fundación Telefónica under the broad heading: ‘The Economic Value of Spanish: a Multinational Business’. This book is the culmination of the first phase of this investigation. Intended as a conclusion to the previous instalments (9 books have preceded it), this work, as well as evaluating and recapping the main contributions previously discussed, includes, as a corollary, considerations on how to design a policy in relation to the international impact of Spanish. Moreover, in the economics of language, policies are very important. The research team find a certain logic here: after setting limits on a theoretical framework and carrying out a once-off quantitative analysis, it is time to carry out proposals of linguistic policy that support and prove the results of the quantification.

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The Economic Value of Spanish: A Multinational Business

Research conducted by
José Luis García Delgado
José Antonio Alonso
Juan Carlos Jiménez
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Other titles published in the series:

1. *The Economics of Spanish. An Introduction*  
   by José Luis García Delgado, José Antonio Alonso and Juan Carlos Jiménez  
   First edition, 2007  
   Extended second edition, 2008

2. *Atlas of the Spanish Language in the World*  
   by Francisco Moreno and Jaime Otero  
   First edition, 2007  

3. *The Economics of Teaching Spanish as a Foreign Language. Opportunities and Challenges*  
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9. *Spanish in International Economic Flows*  
   by Juan Carlos Jiménez and Aránzazu Narbona

10. *The Economic Value of Spanish*  
    by José Luis García Delgado, José Antonio Alonso and Juan Carlos Jiménez
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Introduction

The growing importance of the economics of Spanish as an international language of communication serves as a starting point for an extensive study. Since 2006 it has been promoted by the Fundación Telefónica under the general title: ‘The Economic Value of Spanish: a Multinational Business’. This book is the culmination of the phase that has been carried out so far. It is the tenth book in the series, which consists of the following titles, all published by Ariel and Fundación Telefónica between 2007 and 2012.

1. *The Economics of Spanish. An introduction*
   José Luis García Delgado, José Antonio Alonso and Juan Carlos Jiménez

2. *Atlas of the Spanish Language in the World*
   Francisco Moreno and Jaime Otero

3. *The Economics of Teaching Spanish as a Foreign Language. Opportunities and challenges*
   Miguel Carrera Troyano and José J. Gómez Asencio (editors)

4. *The “Accounts” of Spanish*
   Francisco Javier Girón and Agustín Cañada
Additionally in 2010, and under the publishing house Santillana, the volume *El español, lengua global. La economía* (Spanish, A Global Language: The Economy) was published in collaboration with the Instituto Cervantes.

Therefore, in these introductory lines the open-mindedness and generosity of the Fundación Telefónica must be noted. Their initiative involves many diverse institutions who share an interest in some of the economic aspects of Spanish: Secretaría General Iberoamericana, Real Academia Española, Real Instituto Elcano, and Instituto Complutense de Estudios Internacionales, and of course the aforementioned Instituto Cervantes. This project is an example of good planning and diligent management of research that focuses on a topic of general interest.
Intended as a conclusion to the previous installments, this volume, as well as partially being an assessment and recap of the main contributions previously discussed, includes, as a corollary, considerations on how to design a policy related to the international impact of Spanish. Furthermore, in the economics of language, policies are very important. The research team find a certain logic here: after setting limits on a theoretical framework and carrying out a once-off quantitative analysis, it is time to carry out proposals of linguistic policy that support and prove the results of the quantification. Offering a summary of this integrated sequence (conceptual support, data analysis, recommendations of policy content) is, effectively, the object of these chapters.

It has been advised, on the one hand, to continue part of the previously mentioned first title here, especially in chapter 2, and on the other hand, to connect with the rest of the series, placing the main contributions of each in the panorama provided by literature on the respective topic.

This then completes a project whose editors have approached it with a sense of intellectual commitment, wanting to contribute, not just to furthering knowledge on a topic that has been rarely studied until now, but also to creating opinions about its social relevance.

José Luis García Delgado
José Antonio Alonso
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Madrid and New York
March, 2012
1.1. New Horizons for a Millenary Language

The advances in the process of economic globalization and society’s relentless display of knowledge are, in our time, increasing the value of languages of international communication. These advances are at the same time laying challenges to these languages by way of the cultural homogenization that runs parallel. In the case of Spanish, a language marked since its origin for its drive towards integration and openness, it is today in a new phase in the long process of internationalization, perhaps the fourth step in the expansive trajectory of a millenary language, to use the term coined by Alarcos (1982).

In fact, during the course of its history, it is possible to distinguish four distinct moments of marked tension increased by pre-existing boundaries. The first, from the initial cries in the confluence of the kingdoms of Castile, Navarre and Aragon, and upper Ebro, converted an initial mix of the languages of Castile, Rioja, Navarre, Aragon, and the Basque country… into a common language, a koine of peninsular exchange, no matter what had been the mother tongue of those who came to use it. It was a language of everyone and no one, with simple gram-
The economic value of Spanish rules and accessible phonetics appropriate for its practical purpose (García de la Concha, 2007). And was it not Castile that was the «defining die» of an increasingly shared language, hence the Castilian stamp on its formation, greatly emphasized by Menéndez Pidal (2005)? Added to this are the linguistic varieties spoken in the east and west, Astur-Leonese and Navarro-Aragonese (Fernández-Ordóñez, 2011)— the name that took hold in the thirteenth century was «Castilian».

The second phase of expansion is that in which this peninsular language crosses borders, coinciding with the imperial expansion of the Hispanic Monarchy. In Europe and America, the Spanish Invasion also included the diffusion of its language. (Lapesa, 1986). In Italy, France and Flanders and in the vast territories on the other side of the Atlantic, the language that originated in Spain reached everywhere that the armies, fleets and the administration of the Crown reached, a useful, if not necessary language as much for «public affairs as for private procurement», according to the expression repeated by Arias Montano. Due to this, over time Castilian became known as the Spanish language, a name that was «used once in the Middle Ages with overly select antonomasia, then from the sixteenth century with complete justification and it overcame that of the Castilian language»; Spanish had reached the rank of «universal language» (Lapesa, 1986).

It is certain that in the territories of the Catholic Monarchs and those of the Habsburg Empire, wherein a principle of liberalism in linguistic issues was almost always pursued, (García de la Concha, 2006), the «Castilianization» was slow, and three centuries after the arrival of the Spaniards on the other side of the Atlantic, there was still only a very limited number of the total population of Spanish speakers in certain parts of these territories. López Morales (2005, 2006 and 2010) states that
«the long history of Spanish in America (...) produced very few results early on». He has dedicated pages of research to the study of unforeseen Spanish, language of international communication 13 incidents related to this language and its «journey» into America and around the world. However, due to colonies in America and the Philippines, Spanish crossed oceans. At the same time during the sixteenth and a large part of the seventeenth century, it was gaining the «status of a language of modernity (…), the main language of knowledge and culture» (Bernal, 2005) in Europe. Although used only within certain commands and activities, «Earth was first round in Spanish,» as Belisario Betancur (2007 a and b) liked to say.

A third, and stand-out moment of this process of internationalization of Spanish was its conversion into a common language of the young republican Hispano-Americans, the language that would be used to organize culture, education, public spaces and all formal communication within and among these spheres: an authentic «vernacular of fraternity», according to the very apt expression employed in 1848 by Andrés Bello, known as the champion of the unity of Spanish in his native Venezuela. The lingua franca of Indo-Hispanic America, spoken Castilian was created by mulattos, native Indians, blacks, Europeans and those of mixed race taking advantage of the creative, inclusive and receptive hospitality of Spanish. The language was used to link a vast continental territory that was linguistically atomized and babelized even in times of rebellion. However, the Bourbon Intervention, following «the linguistic styles of Paris» (Moreno, 2005), Bourbon interventionism imposed the Spanish language in the Nueva Planta decrees of the eighteenth century.

In reality, the new American republicans —who at that time were including Spanish in university curricula— were the
ones who constitutionally conceded to Spanish the identity of a national language. The fight against the mother country was not fought against its language. On the contrary, »in the Hispano-Americas, nationalism [was] expressed in Spanish,« a sort of historical compensation for that pattern of liberality which through the centuries at least came to protect, if not recover, the indigenous languages. Thus, «the paradox that, having done so much to preserve the language of others in America, a European culture had succeeded in protecting its own language from defeat, precisely by being so generous.» (López García, 2007) It was a common language in multiple countries and a «factor of Coherence» in a civilization that had not ceased growing in «ethnic complexity» (Elliot, 2006). Multi-ethnic as well as multinational, it was the «egalitarian language of miscegenation between ethnicities of very different languages and culture.» (López García, 1991 and 2007). In short, this was to be a third decisive moment for the fate of Spanish. If the empire «had created Spain,» (Kamen, 2003) it was the nations into which it split that ended up endorsing the international stature of Spanish.

Therefore, the present is merely the last phase in the successful expansion of the physical and human territory of the Spanish language. This fourth step in internationalization takes into account the energetic progress of Spanish as the second most studied language in Europe, and especially, the rise of Spanish to the position of the second language of the United States, with the future potential of several tens of millions of Spanish speakers so long as the language is preserved and learned by the second and third generations of Spanish immigrants (Marcos Marín, 2006 and Hernández Colón, 2007).

In other words, it is a new chapter of internationalization which, in turn, enjoys the dual support of the framework of the
noticeable globalization of the economy and that of information: the increasing openness of the main Ibero-American economies, accompanied by the internationalization of business, and the demonstrated ability by Latinos to illuminate visible cultural patterns associated with the Spanish language both within and outside the United States, which is already the nucleus of cultural industry for Spain and Latin America. Furthermore, it is also a language that continues to grow from «the outside in» within Hispano-American countries, even in those countries with speakers of other languages (Guarani, Quechua, Nahua, Chibcha) since Spanish immediately improves accessibility to the employment market and certain levels of social integration.

It is a long historical process that has led to its current extensive implementation. However, we must focus on the factors which with a certain specificity contribute today to enhancing the economic entity of Spanish, starting with the great cultural universe from which it was created and the vast proportions of its demographics that speak Spanish as a mother tongue (approximately 450 million people, according to latest estimates, located in some twenty countries and spread out over some 12 million km²). There are three main factors that make the short and long term future look promising for Spanish and the economies that use it as a working language. These three factors are familiar and have, in certain cases, been referenced within the preceding lines.

The first is a quadruple projection, distinct from the expansion of the physical and human territory of the Spanish language, as it is an extension produced in countries and regions of the world that do not form part of the native Spanish speaking demographic, but that possess a great economic and cultural background. In this sense, four «frontiers» are especially promising:
First of all, the United States, where Spanish—as has already been mentioned—occupies the position of second language, and is progressing towards the possibility of bilingualism, with perhaps a 3 to 1 proportion in favor of English in two generations if the migratory influx continues. Therefore, with adequate resources, it would be possible to achieve the reality of the assertion that by the middle of the 21st century, «the most powerful country will also be the most powerful among the Hispanic countries» (Lago, 2011).

In second place, Brazil, with official support granted to the teaching of Spanish in the education system beginning in middle school (ensino medio), crucial to the formative process. Support for Spanish—which does not need to be proven—is in keeping with Brazil's willingness to take leadership in Latin America.

Thirdly, Europe, where Spanish—as has also been mentioned—continues to find itself as a second foreign language behind English but keeping French, German and Italian from second place.

The fourth projection of the expansion of Spanish looks towards Asia, with two important records: the rapid rise in the demand for Spanish in the unstoppable giant that is China, and the government of the Philippines' declaration of the intention to reintroduce the Spanish language in schools and institutes.

Second, along with the enlargement of the physical and human territory of the Spanish language, one has to refer to the other expansion of conventional boundaries: the commercial opening and internationalization of the economies that are
thriving the most in the Hispanic world; this has also already been alluded to. The commercial opening and internationalization of Spain and the main Latin American countries, namely Chile, Mexico, Argentina, Colombia and Peru, have gained very strong rhythm in the last twenty years, showing a strong capacity for penetration and strengthening in other areas. In the case of Spain, the process has been and continues to be relevant for its strength and speed, with already well-consolidated positions in a handful of European countries and in the Americas south of the Rio Grande, as well as in the United States where Spanish companies (within the financial, food, pharmaceutical, textile, construction, energy and technological spheres) have put in notable effort and investment within the last number of years. In short, a new and important process of internationalization of companies that speak Spanish at their core is increasing the perception that it is a language of business, elevating its attractiveness in managerial circles and to entrepreneurs in countries that are recipients of investments and productive projects.

Finally, the third fact that encourages the expansion of Spanish—in this case, in facilitating its being learned—is the reinforced idiomatic cohesion being achieved in the Spanish speaking world thanks to the pan-Hispanic linguistic policy rolled out by the Association of Spanish Language Academies, taking its cue from the sensible mandate proclaimed over a half century ago by Dámaso Alonso: with regard to language, it is preferable to aspire to unity rather than purity. This refers to a fact of strictly linguistic nature, citing homogeneity which, in turn, strengthens the possibility of mutual understanding: communicativity. However, its effects on the expansion and functionality of Spanish as a language of international communication combine with those that derive from the other aforementioned factors of a social and economic nature.
In brief, among the big international languages, only Spanish has today a common dictionary, orthography and grammar. Among the great languages of international communication, only Spanish has reached a consensus on the three fundamental codes in every cultured language: the grammatical code, the lexical code and the orthographic code. This unity of the Spanish language is what makes it an «authentic industrial weapon» and the «best and most valuable intangible asset of the Spanish economy» according to two well-known business people.

It is not difficult to summarize; in a globalized and inter-communicating economy, the three factors mentioned are of extraordinary significance. Occupying a new role, all three of which have been simultaneously strengthened within the last decade. The beneficial effects of the expansion of Spanish and the reinforcement of its position as a multinational language can be traced back to these three events, increasing its economic value.

1.2. Spanish GDP in the World

As the case of English shows, demographic weight is a necessary requisite, but not enough to gain supremacy as a language of international communication. This is why, today, Spanish is

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1. These are the main tangible results of the pan–Hispanic linguistic policy program developed in 1999 approved by the board of the Real Academia Española, and with the participation of the 22 corporations that comprise the Association of Spanish Language Academies. In 2005, the Diccionario panhispánico de dudas (Pan–Hispanic Dictionary of Doubts) was published; in 2009, the Nueva gramática de la lengua española, (New Grammar of the Spanish Language); in 2010, the Ortografía de la lengua española (Orthography of the Spanish Language); the new edition of the Diccionario de la lengua española (Dictionary of the Spanish Language) supported by the Academy, is expected to be launched in 2013, coinciding with the tricentennial of the creation of the Real Academia Española.
the common language and connection for four hundred and fifty million people and is official in some twenty States, but this is only the foundation. It is the base on which a vibrant community will have to grow and is geographically concentrated in an area of the world that is a fundamental hinge between the two hemispheres; an area of the world that aspires to lift its standards of living and, with it, its inhabitants purchasing power. The strength of Spanish also depends, and it seems, if possible, more conclusively, on the economic capacity that Spanish speakers may have to develop.

In this way, at the starting point that provides the demography, a hypothetical exercise has been carried out in *El español en los flujos económicos internacionales* (Spanish in International Economic Flows) (Jiménez y Narbona, 2011): what would be the purchasing power of every Spanish speaker in the world if they were all allocated the per capita income of their country? Allocating each Spanish speaker with the per capita income of their country, with the aim of obtaining, on aggregate, a measure of the current purchasing power parity of Spanish speakers around the world is supposedly simple, but realistically, along with the majority coverage of Spanish in countries where it is an official language, there are those who make up the fundamental part of all Spanish speakers (the group with native proficiency). In the only case of this assumption with any accurate evidence, that of the Hispanics in the United States, they account for an estimated figure of 798,000 million dollars, according to a 2006 study by the Selig Center for Economic Growth, and supported by information from the United States Census Bureau, as total purchasing power.

Therefore, the results of the calculations for the worldwide Spanish speaking community reveal, with 2006 as a reference year, a global purchasing power of 4.2 billion dol-
The economic value of Spanish dollars; this figure reaches 4.5 billion dollars in an alternative estimate of ‘the GDP of Spanish’ in the United States. However, this ‘GDP of Spanish’ is divided geographically with seeming asymmetry to that which dominates the international distribution of income within a large part of the Spanish community.

The crucial part of this large purchasing power is concentrated in two major regions, comprising approximately half of all Spanish speakers: the first is made up of Mexico and the United States, plus Canada, so it includes all North America (or The North American Free Trade Agreement), and the European Union, with Spain obviously leading the way, is the other. Combined, they count for over three quarters (78%) of the purchasing power of all Spanish speakers. This is not something that should go unnoticed: the future of the economic strength of Spanish is absolutely connected to the economic progress of the other 200 million plus Spanish speakers (approximately half of those accounted for worldwide in 2006) whose purchasing power barely reached 22% percent in total. This is also linked to the more equitable distribution of wealth in every one of our countries, especially given that Ibero-America contains some of the most extreme levels of inequality in the world.

By comparing global GDP ‘in the hands’ of Spanish speakers, at the level seen in 2006, with the world GDP figure that the World Bank provides for the same year (48.5 billion dollars), the Spanish GDP is approximately 9 percent of global GDP, which is an even larger share than it seems as the Spanish speaking population when compared to the global population is only about 7 percent (even though in earlier figures duplication is present and must be taken into account, among North American Hispanics, due to a rise in bilingualism).
1.3. A Quantitative Decalogue

As has been noted in the previous books, taking the opportunity to analyze the economic value of Spanish is the aim of the investigation sponsored by the Fundación Telefónica (Telefónica Foundation) that this work is part of. Also, an initial analysis of some of the important data that has been used in research, combined with much investigative commitment, can be found in the box, ‘Spanish in numbers. A quantitative Decalogue’. This data is used in the following chapters to further explain the reasons and arguments.
The Economic Value of Spanish

Spanish in numbers: a quantitative decalogue

1. It is the second most spoken language in the world by number of people who can claim it as a mother tongue. Four hundred fifty million people speak Spanish as either their first or second language, and another 500 million plus can be included as those who have learned it as a foreign language.

2. It is the second most used language in international communication on the Internet, both by number of users and by number of web pages.

3. The purchasing power of Spanish speakers represents 9 percent of global GDP.

4. Spanish generates 16 percent of the economic value of GDP and employment in Spain.

5. The ‘ñ factor’ (Spanish content) of cultural industries accounts for 2.9 percent of GDP of the Spanish speaking economy.

6. Spanish has tripled the appeal of Spain to emigrants from Hispano-America.

7. Spanish has a ‘wage premium’ that reaches up to 30 percent in Spain and also a considerable number in the United States (up to 10 percent).

8. Spanish quadruples the amount of commercial trade between Spanish Speaking countries.

9. Spanish is a significant instrument in commercial internationalization: sharing a language (in a sample with a strong presence of Spanish speaking countries) increases the bilateral flows of foreign direct investment (FDI) seven-fold.

10. Spanish is a decisive factor for the luring of 35,000 college students to Spain on Erasmus each academic year. Spain is the number one destination among the 32 countries that participate in this European program, accepting 17 percent of the total number of students.
Chapter 2

THE ECONOMIC NATURE OF LANGUAGE

Pausing to consider the economic nature of language is a necessary step. From an economic perspective, what is language? In theory, language is an intangible asset which is available to everyone at no cost; it is a good that usually does not operate through a market, although there are economic transactions associated with the teaching of a language. This could suggest that any intention to analyze the language from an economic perspective is misplaced. It would seem that there is nothing more foreign to economics than a good like this one, that anyone can use without restriction and that has no apparent cost. Indeed, language has a number of characteristics that make it very unusual as an economic resource or asset. However, analyzing language with the analytical tools provided by economics offers informative features of notable interest that help us to understand the economic value that appears to be associated with knowledge of an international language, such as Spanish. The following sections are dedicated to examining the nature of the language as an economic resource and asset.

1. A more in-depth explanation can be found in García Delgado, Alonso y Jiménez (2008).
2.1. Language and Economic Activity

Economic activity unfolds through varied and complex transactions between agents in one or more countries. These transactions are of a diverse nature and scope, and affect the factors of production, the assets and resources of the agents and the goods and services that they produce. Some of these transactions are unambiguously regulated, giving rise to explicit and formal contracts between the parties, others are governed by customary laws or by implicit informal agreements, all the while maintaining their normative power. Many of these are settled within a short timeframe (intratemporal transactions), while others require an extended period in order to be fully realized (intertemporal transactions). Some are unique operations in time, while others require recurring transactions. Essentially, there are some that entail simple relationships between a limited number of agents, while others require more complicated methods and can involve many different actors.

Meanwhile, aside from their diversity, a common feature of all transactions is the need to have an understandable channel of communication, in a language that is shared by all parties involved which enables the conditions of the agreement to be set. One way or another, it must be possible for the agents to state their requirements and demands and consent to compliance with the obligations laid out in the contract. This involves communicating the performance and the price of the good traded, establishing conditions of the transaction and providing sanctions in the event of non-compliance.

Ultimately without implicit or explicit communication between seller and buyer (or between lender and borrower), it is impossible for a commercial transaction to take place. For this communication to take place, both parties must share a system
of signs that are mutually comprehensible. Language is the most complete and versatile system of signs that is available to society. Therefore, deciding on a language that is understandable to both parties becomes one of the first requirements for an entrepreneur who intends to expand his business beyond its linguistic boundaries. Conversely, it may be said that language disparity is one of the obligatory obstacles that all agents operating on an international scale must overcome. This all confirms that economic life does not exist without transactions, and without the ability to communicate provided by language, whatever language it may be, transactions would be impossible.

The above arguments tell us nothing about the language in which the transaction is carried out. The only relevant issue is that the language is shared, that is, it enables mutual understanding. It may be a language that is originally common to both parties or a foreign language that has been learned in order to enter into the transaction. Could there be an advantage to using a certain language? If it is assumed that all languages have, in essence, a similar expressive capacity, the only difference that can be identified is, that referring to the original or learned nature of the language used (that is, whether the agent is working in his native language, or in another language that he had to learn). It is not hard to imagine that using one’s mother tongue carries less costs and offers a greater expressive capacity to the economic agents, which could be relevant to the extent that we find ourselves faced with complicated economic transactions². Ultimately, gaining knowledge of a language implies costs, in terms

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2. The difference may appear minimal, given that all languages are acquired through a learning process. However, psycho-pedagogical studies reveal that the language learning process is considerably less expensive (and leads to greater proficiency) when the person is immersed in that idiomatic context and learning occurs, naturally during the period when the person is forming his cognitive capacity, in the early years of life.
of time and effort (including, in this case, economic effort). Due to this, the possibility of resorting to one’s own native language as a way to set out the conditions of a transaction brings with it an obvious reduction in costs. At the same time, it enables a richer and more modulated expressive capacity during the completion of the transaction, which gives greater security to the agents involved. Both these reasons demonstrate that belonging to an extensive and well-developed linguistic community, in which a large proportion of important economic transactions take place, constitutes an undeniable advantage (essentially, an income differential) for economic agents. Therefore, language can add value to (or reduce costs of) economic transactions and, as a result, having a language that is relatively well-established and widespread on an international stage provides an income differential (in the context discussed by David Ricardo), that is, a net gain with respect to competitors.

Aside from its instrumental value for communication, language operates as a privileged means of conveying emotions, both individual and collective. Language is a raw material through which the creative spirit of a population is brought to life. This gives rise to a series of creative industries that use language as a basic resource in their processes of value creation. Therefore, there is also added economic value associated with a language: a value that is higher when the area in which the language operates is expanded. From this perspective, having an international language allows industries to set up where they would otherwise not be present, or where they would have a lesser international impact, if the language was exclusive to the country in question.

Finally, images, metaphors and symbols take shape through language, and in many cases they can only be interpreted within a certain cultural context. They return to this context, inspired, with each additional layer, and this makes up the collec-
tive imagination of a society. This is the reason that sharing the same mother tongue not only aids mutual comprehension, through the instrumental value that the language possesses as a means of communicating ideas, but it also facilitates the integration of the agents in the context of cultural references. These cultural references give meaning to human activity and enable them to take ownership. Through language, symbolic worlds, emotions, values, ways of life, and shared points of reference are transferred. For this reason, language is one of the most powerful and distinguishable elements of collective identity and in identifying status.

Therefore, language is not only a necessary means for transactions, but also an asset that can increase the value of an economic activity. It is a value that appears to be associated with: firstly, the product of industries related to the value of using a language; and secondly, the transactions that it facilitates (or the costs that it avoids) due to the fact that the agents involved share the same language. Either way, greater efficiency is created that ought to be ascribed to the use of that shared resource, language. We ought to now return to the question asked in the beginning, what is the economic nature of language? To put it another way, when talking about language, what type of asset, resource or economic activity is being talked about? In order to move closer to the answer, it is necessary to first take a moment to discuss the particular characteristics that language presents from an economic perspective.

2.2. Some Specific Features of Language as an Economic Resource

Even though it is attributed with the ability to create value, it must be acknowledged that language has a distinctive nature as
an economic good. There are five specific characterizing features (Graph 2.1):

**Graph 2.1.**

*Economic characteristics of language*

- A good with no production cost
- A good that is not depleted by its use
- A non-appropriable good
- A good with a unique cost of access
- The value-in-use increases with the number of users

### a) A good with no cost of production

Language is first of all a good that has a clear value-in-use: it enables people to display their emotional and cognitive abilities, it gives elements of collective identity and contributes to communication and socialization. Because of this, people are willing to dedicate time and resources to learning a language, and conversely they consider the inability to access language to be a costly handicap. However, although valuable, it is an unusual good from an economic point of view, as although we know how much accessing its use costs, it is difficult to know
how much it costs to produce it. In other words, it is possible to know the costs associated with teaching a language (which is equivalent to the cost of accessing its consumption, or its use, on the part the agent who does not know it), but is it possible to estimate what it costs to «produce» a language? The earlier question would only allow a negative response, since, clearly it is not even known how to produce a language. We know that it is reworked and changes over time. Like an old glacier, language adapts to its own circumstances at every moment in history and pulls along the materials that it finds in its path, joining with them, with slow, minor modifications to its original morphology. In this way, language presents itself as the same, fundamentally enduring, although it assimilates minor changes over time. Only over extended stretches of time is it possible to appreciate changes of true importance. Therefore, a language is a given and freely available good that does not need to be produced. For its consumption, all that is required is to accept the costs that are entailed in accessing it (that is, the cost of learning).

The features that have been mentioned here liken the economic nature of a language to those of a natural or environmental resource, as if it were a mineral deposit or a river. In these cases, the supply of the good is also already generated; what is required is bearing the cost in order to access or consume it. The mood of productivity that dominates economic thought has mystified the activity of accessing the use of these resources, named improperly, as «production». However, strictly speaking, no productive activity exists, except in accessing the resource (but not in its generation). Iron or bauxite are not produced. What happens is that iron or bauxite are «extracted» from the corresponding mines, a necessary condition for the subsequent productive use of those minerals. Likewise, it could be said that, in terms of language, not only are there no access
costs, but no costs of production either, because it is a good that the agents present as a given.

Even though what has been said points to a basic characteristic of language, it is possible to qualify the earlier argument. Firstly, even though the cost of production of a language is unknown, it is possible to know the costs that are entailed in its maintenance (and expansion) as a communicative resource. Since its conception, the Real Academia Española has been focused on regulating the appropriate use of the language, to avoid, among other things, its deterioration through the use or presence of dialectal varieties that would fragment the language community, creating added costs for mutual understanding. It is difficult then to keep a language alive and unified (a central topic which we will return to later). It is also necessary to maintain the correct use of a language by teaching new generations its correct use and its orthographic and syntactical norms. In the first years of learning, and throughout secondary education, part of the education system is dedicated to this activity. Equally, it could be said that it is costly to spread a language, to make sure it is used as a second language, by members of other linguistic communities. In the case of Spanish, the activities of the Instituto Cervantes are aimed towards this partially natural purpose (that is, without costs). If one wants a language to be chosen as a working language in the international arena, the task of promoting its learning and use must be undertaken.

The second clarification makes reference to a previously implied point, the unchanging nature of the language can only be interpreted in a reasonable time frame during which the lives of the people unfold. In a sufficiently drawn-out historical period it would be possible to accept a certain (non-deliberate) process of the production of language. The successive editions
of the Dictionary of the Real Academia Española, since its original version of 1726-1739, extending the number of entries to admit new expressions and meanings, take this process into account.

b) A good that is not depleted by its use

The similarity described in the previous point between a language and a natural resource has a very specific limit: language is a good that does not experience any depletion by its use (or consumption), which is not the case with a significant number of natural resources. This is a feature that affects the way that we approach its economic valuation in a decisive manner.

In the case of many natural resources (especially non-renewable resources), the available supply can be considered given (at least at a level determined by technology), but its consumption causes a depletion of the available resource. That is, the resource is depleted through its use, and the depletion is even faster when its usage increases. Obviously, a similar process does not occur in the case of a language. Furthermore, it is possible to say that the phenomenon is exactly the opposite. The value of a language increases through the expansion of its use and the number of people who use it (a topic that will be returned to later). In fact, a language that is not used is a dead language, with a purely historical value.

Of course, it is also possible to establish subtleties in relation to this aspect. The expansion of a language strengthens its value-in-use, but can also decrease its value as an identifying element or weaken its homogeneity. The first process seems to be associated with the consolidation of a *lingua franca*; the widespread use of that language limits its ability to become a mark of identity. For example, this is the case of
English currently, and of Latin centuries ago. The widespread use of a language as a working mechanism of communication limits its capacity to be a unique reference for a specific community. The second process is seen in the evolution of different dialects and phonetics in languages with a vast reach, which can complicate communication between subgroups at the core of the same linguistic community, a problem that affects Arabic, for example. Spanish is a good example of unity in this area, given the effort, led by the Real Academia Española, the Asociación de Academias de la Lengua Española (Association of Spanish Language Academies) to integrate, in an organized manner, the variants of the vast geographic coverage of Castilian.

c) A non-appropriable good

A third unique characteristic of language is that it refers to a good that cannot be appropriated by any individual agent. In this feature, it significantly differentiates itself from most economic goods.

For a conventional good that is subject to a business transaction, the willingness of the agent to compensate the producer (by paying the price) would bring with it the possibility of accessing the private use of the good acquired. Around this connection between the effort to gain ownership of the good, and the private benefit derived from this, lies the optimizing behavior of the agents in the market. Nobody would pay for a good whose consumption was available to everybody. In order for the market to function, the goods must be appropriable, that is, they can be excludable in their supply and rivals in their consumption. In such cases, one talks about private goods, the characteristics of which will be discussed later. A language lacks the aforementioned charac-
teristics, showing partial features of a public good: being only partially excludable in its supply and having no rival in its consumption.

An agent can pay to learn and become fluent in a language: this will enable him to gain the necessary skills to access its use (or consumption), but it is not possible to compete (against other consumers) for the benefit that is derived from this possibility. In other words, an agent benefitting from a certain language does not prevent another agent from having a similar benefit. The absence of rivalry is typical of a wide range of public goods, such as lighting or the sun’s heat, the enjoyment of which by one agent does not prevent another from experiencing identical enjoyment. The same thing occurs with language. The benefit that one person obtains from the communicative and expressive capacities that language provides are not affected by the fact that other agents can also employ it. For this reason, language is a non-rivalrous good. A consequence of this feature is that the marginal cost of adding another user to the consumption of a language is close to zero, a conclusion that will be returned to later.

The absence of rivalry in relation to language is associated with the first feature of its non-appropriable character: one can use the language but it is not possible to gain ownership of it. After all, why would you own a good the consumption of which is unaffected by the consumption of others? Moreover, such a possibility would be meaningless, inasmuch as the value-in-use of a language depends crucially on other agents, and the more the better, sharing the expressive capacities that it provides. A language that only one person possesses, that cannot be shared with anyone does not make sense, because that would negate the communicative function that is the reason for language. It is this feature that makes language reminiscent
of a public good, a good that once produced, is available to everyone without exception.

d) A good with a unique cost of access

Throughout the earlier sections, it has been accepted that access to a language can entail costs: with a large implicit component when the language is native, and far more explicit and deliberate when it is an acquired language. This could suggest a certain adaption between the cost of learning a language and the cost of access to consumption of a good. However, there is a fourth specific element of language that needs to be stressed: the unique cost of accessing the good. Under normal conditions, the market forces agents to pay a price every time they wish to purchase a good for their consumption. They must pay the producer for the cost of the good as many times as they consume it. Even in the case of investment goods, there should be an advance payment for deferred consumption of the good, that will be replaced once it has depreciated. However, when we are talking about a language, the cost of access, associated with learning, is only at the time. Once a language is known, the agent can use it as often as he wants for his expressive possibilities, without needing to incur the cost of access again.

This feature of the economic conditions of language is similar to that of the production of knowledge. The creation of a new idea (or innovation) brings an increased initial fixed cost, but once this occurs, the variable cost of its use (or replication) can be close to zero. Likewise, gaining fluency in a language carries an initial expenditure that can be substantial, but once it has been learned, the subsequent cost of using the language is close to zero. In the same way, the cost of accessing a language is analogous to an investment. It is a single operation through which access to an asset is gained, an asset that con-
tinues to be used throughout various economic cycles. In relation to other assets, the unique aspect of a language is that it lacks depreciation, it does not deteriorate with use.

e) A good that increases its value-in-use when more people consume it

Lastly, the fifth specific element of language relates to its status as a good that increases in value to the extent that its consumption (or use) is increased. The fundamental aim of a language is to enable communication. Consequently, its value-in-use will increase in accordance with the amount of information exchanged between agents. In turn, these exchanges depend on the existing potential channels of communication in that community (relationships between agents) and communicative acts (transfers of information) that are made in that language. It is worthwhile pausing to examine these two aspects.

The number of channels of communication depends on the size of the linguistic community in question, and this determines the number of possible ways that dialogic interaction could be established. Specifically, assuming that the communication is exclusively bilateral, a community composed of two members will have two channels of communication. In a society with three members, there will be six channels of communication, and in one with four, there will be twelve (Graph 2.2). Every new partner has a multiplication effect on the number of independent channels of communication in that linguistic community.

In addition, the value of a language will depend on the combination of interactions that are made via each of the channels of communication. These depend, in turn, on the (economic and cultural) vitality of the linguistic community in
question. In traditional and closed societies, consisting of agents with a high level of isolation, the number of transactions used in each channel of communication will be greatly reduced. When we move towards communicative openness in productive specialization and social complexity, a greater number of transactions will be carried out. Assuming that using the native language carries a benefit in relation to lowering costs incurred in communication, the extent of this benefit will depend on the number of potential interactions (or communicative incidents); the broader and more dynamic the linguistic community is, the greater the expected benefits.

An argument that points to the advantage derived from sharing a language that is widely used is that costs incurred by agents as a result of the transactions they carry out will be lower, since many of them will be able to be carried out in their own language. This asset is inherited (rather than created) by the agents that benefit from it, and is not susceptible to becoming extinct by exercising competence. In short, it is a Ricardian rent.
that is borne from the special «quality» of the asset that generates it (in this case, a language that is in greater use than others).

However, the relationship between the differential advantage derived from belonging to a linguistic community and the scope (potential for transactions) of this linguistic community requires further specifications. For example, the differential income derived from belonging to a linguistic community that consists only of oneself, is equal to zero. Any transaction will entail necessary translation, and the use of an alternative language. However, the advantage gained from being a member of a broad universal linguistic community is equally non-existent. In this last case, the transaction costs would be reduced by the widespread use of the same language, but the reduction would affect everyone equally. The differential advantage gained by being part of a linguistic community only makes sense in an open world, made up of many varied linguistic territories, where only some transactions can be made in one’s own language. It is here that the differential income associated with being part of a relatively extensive linguistic community, with a large number of transactions at its core, can be seen. Incidentally, this is the situation that exists on the international scene, a world with a variety of languages, with different levels of usage, that compete to become vehicles of communication and signs of identity for groups of people.

2.3. Language as a Public Good of a Club

It was mentioned above that, from an economic perspective, language presents partial characteristics of a public good. This feature must be analyzed in greater depth in order to discuss its economic implications. This is a task that firstly requires clarification of what is understood as a public good.
a) The concept of a public good

Even though the market is considered a powerful mechanism of organization and social allocation, there are situations in which it cannot operate correctly, because it leads to socially inefficient results. The existence of externalities and the presence of public goods are two such situations, which have become known as *market failures*. In these situations, prices either do not exist or are not able to convey all the relevant information needed for agents to make an optimum decision. Therefore, in these cases, deliberate social action is necessary to adjust the incentives of agents and to promote a collective response that will be in line with what are considered to be socially desirable objectives.

The existence of externalities leads to the presence of indirect effects on third parties, that may be positive or negative, that are not considered in the decision-making process of those who cause them. In this case, a problem of allocation is created, since there is no link between the cost-benefit criteria of those who cause the activity and that which is derived from it by all those who are affected. In other words, the private cost (or benefit) which motivates the behavior of the agents in the market, does not correspond to the aggregate social cost (or benefit) that results from the activity.

One particular type of externality is that produced by public goods; that is, those that, once produced, generate benefits for everyone in an unlimited fashion (in the same way, although in reverse, it is possible to talk about «public bads»).  

3. In the case of public bads, the corresponding public good will be associated with those activities that manage to prevent, avoid, or mitigate the harmful effects.
These goods are characterized by two features that differentiate them from private goods that are the subject of a commercial transaction. They are **non-excludable** goods, which means that once produced, there is no simple way of preventing anyone who wants from consuming them, and also, **non-rivalrous goods**, which means that their consumption by one agent does not limit the possibility of others enjoying them (table 2.1). The market cannot operate efficiently with these types of goods, since the good either cannot require that the consumer pay a price in order to access its use (since it is available to everyone, by being **non-excludable**) or there is no link between the effort needed and the private benefit gained through the consumption of the good (because it is **non-rivalrous**).

As exclusion is impossible, or extremely costly, none of the consumers is motivated to disclose his preferences and pay for access to a public good. Moreover, it would be a powerful incentive for opportunistic behavior, as each consumer would try to avoid his contribution to the provision of the good in the hope of being able to benefit from everyone else’s contribution. In addition, on treating the goods as non-rivalrous, it would become **difficult to accurately determine the supply** of the good, given that increasing the number of users does not carry an extra cost, it would be inefficient to reduce the number by trying to prevent anyone from enjoying the good. As a consequence of these two features, if the provision was left to individual action of agents through the market, there would be underproduction of the good in relation to the level that would be socially desirable. Therefore, it can be said that the logic of individual interest is a socially suboptimal response. Therefore, some kind of collective action is necessary to guarantee efficient provision of the goods.
The Economic Value of Spanish

Table 2.1. Characteristics of public goods

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<thead>
<tr>
<th>Characteristics</th>
<th>Rival</th>
<th>Non-rival</th>
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<tr>
<td>Excludible</td>
<td>Private goods</td>
<td>Club goods</td>
</tr>
<tr>
<td></td>
<td>• Bread</td>
<td>• INTELSAT</td>
</tr>
<tr>
<td></td>
<td>• Cars</td>
<td>• Space stations</td>
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<td></td>
<td></td>
<td>• Paid TV channels</td>
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<tr>
<td>Non-excludible</td>
<td>Common goods with free access</td>
<td>Pure public goods</td>
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<tr>
<td></td>
<td>• International fisheries</td>
<td>• Combating climate change</td>
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<td></td>
<td>• Communal pastures</td>
<td>• Basic research</td>
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<td></td>
<td><strong>Goods with congestion</strong></td>
<td>• Protecting the ozone layer</td>
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<td>• Control of epidemics</td>
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<td></td>
<td>• Freeways with free access</td>
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b) Impure public goods: club goods

Despite the conceptual precision achieved in the previous section, it is clear that the majority of economic goods and activities that exist, in reality, contain partial and shared characteristics of both public and private goods. A good theoretically considered private can have some effects of a public nature, and inversely, a public good can have effects that are capable of being secured by the consumer. For example, a car is a private good, but its safe technological development has public effects, by improving levels of road safety. Likewise, bread is a private good, but its proper manufacture creates a public good, by increasing levels of health and nutrition among the population. In other words, although it is private, it can create benefits that transcend those who consume it, with its non-rivalrous and non-excludible characteristics\(^4\).

\(^4\) Similarly, it could be said that every public good has partial effects that could be the subject of some form of private ownership.
Obviously, the important thing is the weight that these types of effects have over those others that, although they are rivalrous and excludible, can be the subject of ownership by consumers. When this second class of effects is controlled, we talk about private goods; in the case of the first being controlled, we talk about public goods.

The previous point alludes to a problem that dominates the literature on this topic, the fuzzy and debatable boundary that defines the strict area of public goods. In fact, the range of goods considered to be completely public is rather limited. The case of partially public goods, or impure public goods, is more common. They are those that are only partially non-rivalrous, and non-excludible (again, table 2.1). For example, in an instance where the costs of exclusion would not be very high, it is possible to implement a fee that limits access to the good, creating non-rivalrous consumption for those that pay. This is evidenced by club goods. Examples of this type of good could be management of a geostationary orbit, participation in a communication system or access to a specific network service, such as cable television, for example.

On the other hand, it is possible that although access may not be excludible, consumption of the good presents a certain degree of rivalry. These are goods that are subject to congestion, such as, for example, a freeway, that although accessible to everyone, its usefulness greatly depends on the number of people that use it simultaneously. Another category of good with similar characteristics are the so-called common goods with free access, such as common land, forests, or fisheries in international waters. The freedom of access to these goods presents a problem of basic management, since the criteria derived from private benefit do not correspond to that demanded by public or intergenerational interest. While the first encourages more
intense exploitation, in order to increase individual benefit, the second calls for the establishment of controls in order to preserve the resource.

c) Language as a public club good

In accordance with the features mentioned in the previous pages, it could be said that language has partial features of a public club good.

Indeed, language is clearly a non-rivalrous good in its consumption. The fact that one agent is fluent in a language does not bear any cost to another agent who enjoys a similar level of fluency. To put it another way, the marginal cost of adding one new speaker to a language is virtually zero, this is a clear sign of the absence of rivalry. But does the possibility of exclusion exist?

Firstly, it must be recognized that there is a basic element of exclusion to gaining access to a specific linguistic community, that is, knowledge of the language. The benefits of a language cannot be enjoyed, unless there is level of understanding and fluency. However, gaining fluency comes with the costs of learning, which can be measured in time and, often, in resources invested. There is, therefore, a barrier that must be overcome in order to be part of a certain linguistic club. Once this cost of access has been overcome, the person will be in a position to enjoy all the possible benefits offered by using a language, without any restrictions.

It is this feature that rightly characterizes a club good. Only those willing to bear the cost of access to the club can enjoy the good. In this instance, the size of the club is restricted by the boundary of the effective community of speakers of the lan-
guage. Logically, this boundary may not coincide with that which marks the geographical area of those that have that language as a vernacular. Finally, every language has the potential to expand, which relies on its ability to become a second language (or acquired language) for certain members of other alternative language communities. Undoubtedly, English is the language with the least correspondence between those in the linguistic club of everyone who speaks it, and those that have it as their mother tongue, which is a much smaller group than the first. This is an inherent feature of a language that effectively operates as a *lingua franca*.

Ultimately, language resembles a public club good, to which only some agents have access, allowing non-rivalrous consumption among those that belong to the linguistic community in question.

d) Language and economies of adoption

As a club good, language is characterized by another important and relatively unique feature: it enjoys economies of adoption or network economies. Club goods frequently suffer from economies of congestion, that is, the more agents that access the good, the lesser the benefit that is derived from its consumption. This explains efforts to limit access by establishing barriers to entry; it is necessary to somehow limit the size of the club in order to maximize the satisfaction of the agents who are in the club. Think of a sports club, for example; the guarantee that services are provided in appropriate conditions (without saturation on the premises, therefore) is achieved by limiting the number of members.

However, language, far from suffering from economies of congestion, instead presents economies of adoption, that is,
the services that a language provides are that much greater when there is a larger group using it. These types of goods are also referred to as «hyper-collective goods». The communicative capacity increases to the extent that the language is accessible to a greater number of people. From this perspective, the usefulness to each agent of knowing a language increases with the size of the corresponding linguistic club.

From here, an important consequence is derived: in contrast to other types of club goods, in the case of language, there is no reason to limit the size of the linguistic community. Finally, the benefits resulting from using a language as a communicative vehicle expand (and, as we have seen, in a multiplicative manner) insomuch as the number of people who use and understand the language rises. This is one of the reasons that explains why public institutions, as representatives of a linguistic community, are involved in policies to promote their own language (we will return to this issue in chapter 4). In any case, a more precise analysis of these aspects requires a consideration of the costs and benefits of belonging to a specific linguistic club.

2.4. Benefits Derived from Membership of the Club

In theory there are three functions that can be assigned to a language: it is a means of communication, an element of collective identity and it supports creative activity. Language can be used to articulate thoughts and emotions, converting them into a suitable means to be socially transferred and shared. Moreover, language supports and unites elements of social cohesion in a community. *Language unites and language distinguishes*: two aspects that are also possible to analyze from an economic perspective.
a) Transaction costs and organizational costs

The first group of benefits received by belonging to a linguistic club are associated with the capacity that it provides to communicate. However, in an economic environment, the capacity to communicate translates into a reduction in transaction costs. Transaction costs are understood as those costs that agents incur in Entering into and performing explicit or implicit contracts, that are the basis of economic activity. They are costs that are associated, not so much with the production of the goods or services, but rather, with the exchanges (or transactions) that follow.

A large percentage of these costs could of course be reduced if the representatives belonged to the same linguistic community. Using the same language affords a greater availability of expressive resources, enhancing the communicative capacity and facilitating understanding at a lower cost. In addition, belonging to the same linguistic community usually brings with it the use of referential elements and common idiosyncrasies, that not only contribute to understanding, but also facilitate the creation of an atmosphere with greater trust and closeness between the parties. Again, this environment can reduce costs associated with a transaction. From this perspective, it must be concluded that the use of the same language by the agents can improve the levels of efficiency at the core of an economy.

Until now, only the assumption that transactions are carried out through the market has been considered. However, an important portion of an economy’s transactions happen at the center of hierarchical structures, that is, organizations and institutions. So the transactions respond to the criterion of authority (orders) and not so much to the spontaneity and au-
tonomy of the actors. It is also possible to identify some costs here, comparable to those of the transaction, that are associated with the hierarchical operation of the organizational structure, such as how information is collected and how orders are communicated. Just as was argued above, it is possible to conclude that the use of the same language within a hierarchical structure reduces the organizational costs. Firstly, the use of a shared language enables the reliable transmission of information for decision making. Secondly, it allows for more absolute and understandable expression of orders or instructions, that can be transmitted with less interference. Thirdly, it creates a more favorable atmosphere for knowledge and trust among members of the organization.

The advantage gained by using a shared language, from the perspective examined here, increases when the transaction is more complex, specific and valuable (whether carried out in the market or within an organization). The complexity of the transaction forces a difficult identification of all the factors involved, the specificity requires a design adapted for each individual transaction, and the high value of the asset that is the subject of the transaction, brings a greater risk factor to the exchange. All these cases require a laborious decision about the conditions of the transaction, in order to strictly define the agreements by the parties and the penalties in case of non-compliance.

These reasons explain the increased business demand of those transactions that are singular and unique (for example, the commission of an industrial design, of software adapted to a specific task or of a particular work of engineering), that involve a large number of actors (multiple business or investment operations) or that affect a good that is valuable to the economic agent (for example, technological resources). In such
situations, an elevated communicative effort is required. Consequently, the presence of a common language can reduce the costs involved in the process, providing less uncertainty to the negotiations. On the other hand, less communicative effort is needed in a recurring transaction, that requires a simple relationship between agents and refers to a product of limited strategic value (in the case, for example, of a sales transaction of a daily consumer product).

Aside from the factors associated with the nature of the transaction, the contextual conditions can also influence the associated costs of the exchange. The more unknown or unstable the environment, the more necessary it is to adjust the conditions of the contract in order to reduce risk perception. This is what happens, for example, in processes of internationalization that require the agent to operate in environments that, to begin with, are less familiar to him. This is a judgment that affects the international impact of the company as much as the movement of people (emigration). In all these scenarios, the presence of a common language may be a factor that contributes to reducing costs and risk perception.

b) A feature of identity, image, and country brand

Aside from being an element of communication, language is a reference of identity for a social collective. The fact that it is a social product, has a clear and distinct existence and contributes to recognition and communication among the members of a social collective, gives language a unique value as an element of collective identity. History supports this assertion and, although not all nationalist (or particularist) claims are linked to the possession of one’s own language, the presence of this factor is one of the key elements emphasized in this type of claim.
Furthermore, language is an element of socialization, a factor of integration in a certain social community. Many immigrants originally from different linguistic communities learn from this experience. For them, learning the language of the host country becomes a basic factor of integration. Some migration policies, such as those of Canada and the Netherlands, for example, have even made learning the language part of their policy of integrating the resident population of foreign origin.

Conversely, there are various lines of research into the area of political economics that identify the existence of a plurality of languages (or a plurality of religions) as a risk factor to the unity and social cohesion of a country. For example, to explain the wars in Sub-Saharan Africa, it is claimed that the lack of social expression and cohesion was one of the variables that influenced the probability of a conflict occurring (Paul Collier, 2000). The plurality of languages, in this case, can be seen as a variable that emphasized this lack of social expression and cohesion.

In short, language can be considered a factor in the identity of a specific community, and is a factor that is more pronounced when the language is more unique (or exclusive). Ultimately, the more that the regular use of the language is restricted to a certain social collective, the greater its role as a distinguishing element, or as a factor of identity, will be. On the other hand, when the same language is shared by different national communities, the language loses its sense of an element of identity.

So accepting this role as an element of identity, does the language bring economic value to the community? In theory, one would think not. As an element of identity, there does not
seem to be any benefit to a group being associated to one language or another. Perhaps the only relevant factor is the aforementioned shared or exclusive nature of this language. However, the problem can be analyzed from another perspective. The elements of identity are intangible, and imply in an aggregate and sometimes subtle way, all the features that characterize a community in the international sphere. Much like the factors of product differentiation in the market, the elements of identity are central to the external image of a country. From this perspective, when a company resorts to strengthening its brand image, it is in order to transfer an intangible asset to all of their products; a unique element that will reinforce its position in the market. Equally, it can be said that there is a country image that operates as a kind of equally intangible generic asset, that is spread to each and every one of the products generated in that country.

The country image is built on the experiences, prejudices and perceptions that social agents have in relation to the features that supposedly characterize the community in question. The role of the truth in these judgments is less relevant than the fact that they exist and therefore, influence the shaping of the opinions and decisions of economic agents. This country image is based on those elements of identity that define that social collective. Its economic power, its international influence, its creative vitality, its innovative ability and its unique cultural roots are all potential factors of identity. One of the identifying elements of the collective, perhaps one of the most visible, is the language, that operates as a binding factor and as a factor of recognition for this set of elements of identity. It is a two-way relationship, the language transmits and highlights a community’s own set of identifying elements, and these same elements give the language a value that far exceeds being purely instrumental as a mechanism of communication. Therefore, the estimation of a language
is found to depend on the value that is given to the elements of identity to which that language refers. The value given to English at present is not derived solely from its important use as a means of communication, but also as an element that conveys a whole symbolic group, an element of identity, a transmitter of reputation and a sign of status, that is associated with the strength and leadership of the North American culture and economy. This conclusion leads to the third important function of language, as a raw material for creation.

c) Raw material for creation

There is a third basic function of language that can be considered and that is its ability to provide support in intellectual and artistic creation. Advancements in knowledge need a language in which they can be articulated, so that they can be expressed and communicated. The advancement of knowledge is impossible if it is not subject to critical analysis and debate, and this necessarily entails its logical and argumentative articulation through the use of varied and complementary linguistic structures. As Ludwig Wittgenstein recognized, the limit of our knowledge is set by the boundary of language, since clearly, it is not possible to know something that cannot be expressed.

Likewise, language is needed to transmit feelings and emotions in a lasting way. Literary production relies on this assumption that makes language the raw material for artistic creation. Of course, there are various ways other than language to generate emotions. It is this diversity that justifies the existence of different creative disciplines. However, even those that appeal to other expressive resources (such as images, for example) require a word so that the emotion can be shared and long-lasting. Finally, as Fernando Pessoa noted,
«there is no enduring emotion without syntax»; language is the central means of converting an artistic product into a social construct.

However, if language is the basis of one of the most important foundations on which the production of thought and artistic creation is built, in turn, these same productions develop the language and give it value on an international scale. As mentioned before, one is interested in learning a language, not only because of the ability to communicate that it offers, but also because it is associated with a lively and creative culture. The richness of a culture provides interest and value to the language in which it is expressed.

Something similar can happen in relation to the economic and technological capacity of a country, that is, the development of the productive potential of a certain economy, of its ability to innovate and its capacity for international promotion, besides promoting the richness of a country, contribute to the attraction and value of its cultural expressions, and therefore, also to its language. This factor is undoubtedly influenced by the size of the cultural community in question. Although it is not merely a result of the number, it is clear that interest in a culture and in its language also appears to be linked to its effective weight on the international scale. Again, it could be said that the capacity for economic (or political) leadership of a country gives value to the language in which it is expressed. This is not only due to the prevalence of the language in international transactions, but also due to the generic interest in the social reality that the language is related to.

All these elements (the scientific, cultural and economic vitality) of the society from which they come, contribute to creating a group of factors that make up the «country’s image»,
fueling the social perceptions that are associated with the
country by international public opinion. Language dominates
among these perceptions and this is visible in the form of an
obvious element of identification. In other words, the benefits
of belonging to a specific linguistic club become amplified in
the case of it being associated (or identified) with a social col-
lective characterized by its economic dynamism, its capacity to
innovate, its scientific potential and its cultural creativity.

2.5. Costs of Club Membership

Belonging to a linguistic community does not only offer bene-
fits, but also involves costs. Two of these should be emphasized,
while also mentioning a factor on which they depend.

a) Costs of access

The first of the costs is the most obvious: accessing a linguistic
community that is not your own involves the cost of learning.
This cost can be increased, in terms of time and resources. Re-
ferring to these costs is not necessary in a society such as Span-
ish society, which is well placed to carry out purposeful invest-
ment activities so that its citizens achieve a functional
command of a foreign language (preferably English).

In relation to the payment of the cost of access, it involves
an industry that is especially powerful in the case of interna-
tional language courses. Specifically, the teaching of English to
foreigners has become a complex and prosperous industry,
both in Ireland as well as in the United Kingdom. It is an in-
dustry that includes not only the actual educational services,
but also a wide variety of related activities, such as the publish-
ing of teaching materials (textbooks, videos, CDs...), organiz-
ing trips and home stays in order to attend courses, and promoting the parallel tourist activities. Teaching the language has also become an important industry in Spain, although to a lesser degree (Carrera and Gómez Asensio, 2008).

b) Costs of club organization

A second type of cost is that which is related to organizational activities and maintenance of the linguistic club in question. In theory, it can be difficult to identify what type of costs are being referred to. Is the club not formed naturally and preserved over time? Is fluency in the language not enough to automatically belong to linguistic club in question?

In reality, it is not always so. Thinking of Spanish, it is easy to find an example of what could be considered as a cost of club organization, in relation to the efforts of the Real Academia Española and the other members of the Academias de la Lengua in Ibero-America (Spanish Language Academies in Ibero-America) in their attempts to maintain the unity of Spanish, to promote its correct usage, to stay up-to-date with innovative expressions created by society and to produce the required materials in order to promote these aims. It is clear that these efforts are all the more necessary when the language in question is very widespread. In theory, the greater the area of the language, the more vulnerable it is to the presence of colloquialisms or the spread of various dialects. This justifies the greater effort needed to maintain the elements of unity and collective cohesion.

Until now we have identified the organizational costs associated with the protection of a language (and its unity and purity), but the connection between promoting its use and the value of the language could also be considered in this section.
They should include, for example, those activities aimed at increasing the value of cultural and artistic products produced in Spanish, including the defense of what is known as «cultural uniqueness».

c) Exclusivity factor

Lastly, the third cost that needs to be mentioned relates to access to new linguistic clubs when already belonging to a widespread, powerful club. As has already been seen, part of the value that comes with belonging to a linguistic club is derived from the size, the economic capacity and the cultural vitality of the community that is associated with the language. This can be a delaying factor for an agent who feels motivated to bear the cost of access to other linguistic communities.

This phenomenon is enhanced, in a very visible way in the case of English speakers; the power and scope of the linguistic community means that they have very limited incentive to learn a second language. The nature of English as a lingua franca means that a large amount of communication can be carried out in their own language. Conversely, those belonging to linguistic communities that are not widespread internationally (for example, the Dutch) have powerful incentives to access alternative linguistic communities that enable them to have a greater capacity for international relations and impact. Insofar as simultaneously belonging to different linguistic communities is a benefit in itself, this disincentive that seems to be associated with large, powerful clubs ought to be considered a cost.

Another aspect of the costs of exclusivity relates to the loss of comparative advantage suffered by those who are fluent in a language as a result of the expansion of the corresponding linguistic club. The advantages gained from linguistic skills, all
else being equal, are greater when the number of people acquiring it as a second language is fewer. It is clear, for example, that being proficient in Mandarin is an asset in today’s labor market, given the limited number of people who at this time are fluent in the language, but such an advantage would disappear if the ability were widespread among all Spaniards. The growth of a linguistic club carries with it a cost for those who are part of it, in relation to the potential for market differentiation. Here, then, is a new aspect that should be considered.

2.6. Language as a Private Good

In the previous pages, the nature of language as a public club good has been emphasized. However, we are referring to a complex good, that is capable of simultaneously generating benefits that can be appropriated. Fluency of a language is an asset, which can be subject to valuation by the market. This is how people understand it when they decide to make the investment needed to learn a language, and also how a number of companies that have tailored themselves towards the language learning market understand it.

Clearly, in order to achieve this fluency, the agent needs to assume certain costs: some costs associated with the learning itself ($C_L$) and some opportunity costs ($C_O$), that refer to those activities (including free time) that must be foregone in the learning process.

As in every investment decision, the effort of learning will be undertaken, as long as the return on the effort is greater than the cost. In theory, fluency in a language is beneficial to the agent, who would be able to perform by a multiplication factor $p$ above the corresponding salary for his job. The conver-
The economic value of Spanish involves translating this difference into a present value of net profit accumulated throughout the working life of the agent that learns the language will be:

\[ B = \sum_{t=1}^{T} \frac{pW_t - W_t}{(1+r)^t} \]

where \( I \) is the period of access to fluency of the language and \( T \) is the withdrawal period of the working life of the subject. In turn, \( r \) is the discount factor that is implicit in cash flows over time.

The learning process will be undertaken as long as:

\[ C_L + C_o \leq \sum_{t=1}^{T} \frac{pW_t - W_t}{(1+r)^t} \]

The consideration of these aspects (which we turn to in the next chapter, which also offers a graphic expression of the analytical approach discussed above), enables us to draw some important conclusions. Firstly, whenever costs of learning and opportunity costs are reduced, it will stimulate the process of language learning. Strategies of public support for enrolment in language learning, the availability of classes at flexible times, and combining work with learning during business hours are all methods of achieving this goal (this is further discussed in chapter 4). Secondly, if the discount factor on future income that comes from knowledge of the language is increased, fewer benefits will result from learning the language, agents will be less patient and, therefore, care less about what happens in the
future. The discount rate rises in highly uncertain environments, or when it is presumed that the working life will be very short. In these cases, the desire to learn a language is reduced. Thirdly, if the period of the subject’s working life is increased, the benefits from the learning efforts are increased. This factor explains why younger people make greater investments in accessing languages. Fourth, and finally, if there is an increase in the premium for labor remuneration associated with knowledge the language (which measures the attractiveness of the language as valued by the market), the benefits derived from the learning process also increase. This is what has happened, for example, with English as a result of economic internationalization processes.

It follows from above that if, for example, one wishes to increase the size of the Spanish linguistic community, one should operate not only on the costs of learning, but also on the attractiveness of the language. These days, what determines the attractiveness of a language? It was said earlier that it is the economic potential and creative vigor of the society related to that language. Those are the factors that give value to the learning of a language, which will eventually be reflected in the premium associated with the remuneration of whoever speaks it.

Therefore, if one wants to expand the size of a linguistic club, it is necessary to focus on both aspects, that is, both the costs of learning and the returns on learning. This simple equation forms the basis on which public policy in support of a language should rest. In chapter 4 this relationship is developed, and the different vectors that articulate this policy are investigated.
Chapter 3

THE ECONOMICS OF LANGUAGE
AND THE ECONOMIC VALUE OF
SPANISH

3.1. Conceptual Delimitation

In addition to the subject of study (human behavior, as in the rest of the social sciences), economics and the economic sciences are defined by the way and method with which they are analyzed, and in modern practice, by the use of a highly formalized and mathematical analytical tool. It has been a very rarely examined tool until now (and perhaps this could be the starting point for the brief literature review that is proposed here) in the study of a factor, and its inclusion as a variable in models, that is as intangible (and changeable, in many ways) and as difficult to quantify as language, even though it is vital in every human relationship with an economic background. Adam Smith (1776) warned us of this early on, at the start of his book, *The Wealth of Nations* (book 1, chapter 2), when he asked about «the principle which gives occasion to the division of labour». This is the result of «the propensity to truck, barter, and exchange one thing for another», a propensity that, in turn, «as seems more likely, is the consequence of discursive skills and of language»¹.

¹. In fact, this question of human communication had interested Adam Smith, for at least the previous two decades, in his books *The Theory of Moral Sentiments* (1759) and if possible, in an even more specific way in *Considerations Concerning the First Formation of Languages* (1761).
Language, therefore, is the distinguishing feature that separates human beings from all other creatures. It is language that allows cooperation, trade, and consequently, specialization. Language, as we have seen, has an undeniable economic function, from at least three viewpoints. Firstly, as a *skill for social communication*: in fact, it is the oldest and most powerful technology for social communication. Secondly, as an *element of identity*: language is an attribute of identity and a factor of socialization that dictates the socioeconomic status of individuals. Thirdly, as a *creative support*, that great «raw material of knowledge» that Juan Cueto (2003) talks about. As a tool for communication and creative support, language relies on an *exchange value*, based on the resources to which it provides access. Equally, as an expression of cultural identity and social standing, it has a *value-in-use* (Josep Colomer, 1996a). In both cases, the problems of quantification and valuation of language are evident, and later, it will be necessary to refer back to them. However, for the moment, there is possibly a trickier problem: how can creative and communicative components be isolated from the languages of others, in order to examine and identify, for example, the income differential in the salaries of Hispanics in the United States depending on their level of English, or of French Canadians in Quebec? Or, closer to home, when assessing Catalan, Basque or Galician? Spanish itself, while it is a *practical* language for millions of people, «a business and a source of work» in the words of Humberto López Morales (2000), is a bridge and conveyor, on both sides of the Atlantic, of a rich, historical, artistic and cultural heritage that also has *value*. On the other hand, this double-sided concept of language explains the constant, latent tension between the two distinct languages that have already been mentioned. As communication tools, languages show a strong tendency towards uniqueness. This is happening today with English, the *lingua franca* of international trade, and to a large extent, of science
and the Internet too. The Spaniards, by then with no colonial, or viceregal ties (Marcos Marín, 2007), imposed something similar, the practicality of the same language, over indigenous languages, after the independence of the young Ibero-American republics. However, languages are also distinguishing elements, stores of cultural wealth that contribute to forming the identity of a people. This explains the linguistic diversity that, despite being faced with a movement towards standardization, exists in the world today.

The relationship between language and the economy is, therefore, complex. This is because, additionally, and depending on the case, linguistic variables can produce a two-way causal relationship (or in many cases a circular relationship, which complicates the analysis) with economic variables. On the one hand, language is a condition of the economy, whereas on the other hand, the economy is a condition of language. In fact, the first type of relationship, that is, the explanation of the behavior of certain economic variables from others related to language, forms part of the North American (US and Canadian) tradition within the economy of the language. Equally, the second type of relationship, the explanation of certain linguistic processes, such as bilingualism, from economic variables, forms part of the European tradition, although nowadays it is much more nuanced. In any case, this discipline of the economics of language is accelerating to the extent that, despite have only existed for half a century, «traditions» are already emerging.

The economics of language is, undoubtedly, a young discipline (or maybe still only a field of study); literature related to language was first produced in the 1960s, (incidentally, and not by chance, around the same time as other applied fields, such as the economics of education, health, culture and the environ-
The first work directly related to the economics of language, in fact bearing that same title, is a short article by Jacob Marschak, first published in 1965 in the journal *Behavioral Science* (which is equally revealing). In it, he argues for an economic future with «the most developed communication system between human organizations: that is, the spoken or written language» (Marschak, 1965), and that language was conceived as a means of exchange, a unique kind of currency whose use reduces transaction costs. However, five decades later, one can only talk about the scarcity, and a distinct «lack of density», in the literature, as Donald M. Lamberton (2002) does in his bibliographic compilation on the topic. This same author has come to refer to the economics of language as «a forgotten territory». François Grin (1996), one of the current leading academics in this field, has been far more blunt: «economists concerned with language are few and far between, and face an uphill battle against the academic division of labor (in economics)».

Moreover, in international literature there often remains a certain terminological confusion between the economics of language and the language (and rhetoric) of economics, perhaps an understandable play on words in the Anglo-Saxon arena, which up until now has developed the discussion, but that should be defined. The most widespread example of the second concept can be found in the work of Ariel Rubenstein (2000) named *Economics and language. Five essays*. What this author presents, in reality, is a mathematical analysis of language as if it were a product that a maximizing agent, who is developing a
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code of communication, tries to optimize, in a line that is not without certain concomitants with the ideas laid out by Marshak in his seminal article. The initial joint work, with the same title as before, by Willie Henderson, Tony Dudley-Evans and Roger Backhouse (eds.) (1993) is also of great interest, although it is framed more as linguistics than economics. Having said that, as economists use the weapons of language, starting with metaphors, in reasoning and in economic explanations, the rhetoric of economics, to adopt the term used by Donald McCloskey (1990), can be a very interesting question, but that is not the focus of these pages. Here, attention will, of course, center on the economics of language.

It is still significant, although in latter times this has not made much progress, that the most primitive (and undoubtedly, original and well-founded) contribution to the economics of language was that by a renowned econometrist, the aforementioned Jacob Marschak, founder and president for many years of The Econometric Society. The focus of attention that he proposed for the economics of language (which was the survival of languages based on their efficiency, understood as the ability to transmit the maximum amount of information in the least amount of time), has not been continued by more than a few specialists, as François Vaillancourt noted at the time, as the majority (and, notably, he himself) tended towards the analysis of how relationships turn, from language, towards economics, and their role in the explanation of various economic variables (especially the salary differentials between different social groups, or trade between countries), or have rightly focused on the economic evaluation of linguistic policies, a growing topic.

After nearly five decades, the current literature related to the economics of language can be categorized under three main headings. The literature is:
• scattered, that is, with attention centered on various aspects, barely linked by the connection between a few linguistic processes and certain economic variables;

• on the border, in relation to mainstream, or orthodox, approaches by the economic sciences, merging its boundaries with other branches of knowledge, both economic and otherwise; and

• a hybrid, that is to say, multi- and interdisciplinary, as it is mixed with influences from various disciplines, from sociology and linguistics (and sociolinguistics) to anthropology and political sciences, among others, usually from the theoretical standpoint of rational choice.

Ultimately, it is a young discipline, and one that is still in the making, in formation. With growing academic interest defining the intangible elements of the economic reality (and language is one of the most fundamental), they assume greater importance in economic and business activities (and in the explanation of this economic growth, by the endogenous growth theory). Also, the rise of knowledge and information technologies increases the value of social technology, the software, which serves as an essential vehicle. Language generates, in the sense that was already elaborated on in the previous chapter, certain «network externalities», which multiply their positive effects with its use and expansion.

In short, language, like a great canopy that covers human relationships and the main social technology of communication, maintains an undeniable and already recognized relationship with economics. There is the absence of, perhaps, complete scientific recognition as an individual area of economic research, without renouncing its relationships, its complementa-
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rity, with other disciplines. This balance is not easy; the economics of language should not distance itself from the fundamental core of economic analysis; and, at the same time, it should draw upon other branches of scientific knowledge, which requires overcoming the mutual suspicions that so often appear in academic environments. Economics, that «box of tools» that Joan Robinson spoke of, can provide us with useful resources in the study of human behavior and relationships, from a linguistic approach. In the same way that the natural environment (also comprising goods of a public nature, with a frequently intangible character and with strong externalities), can be examined from an economic perspective (environmental economics is, in fact, a thriving applied field), language allows, and needs, an analysis that is no less conventional in its methods and approach, although also open to a number of variables that until recently have been mostly ignored by the economic sciences.

In any case, what can today be called, with a certain consensus, the economics of language is, more than a compact body of doctrine connected and articulated around modern mainstream economic analysis; a mosaic (or perhaps, still only an incomplete puzzle) of applied studies about questions in which language appears as a key variable in the explanation of certain facts of an economic nature. This ranges from the study of differentials per capita income between different linguistic communities within the same country or of those who choose to increase their knowledge of languages (which drives those who study the economics of education or topics of labor discrimination, depending on different qualifications, from that which has occupied labor economics towards the returns on human capital) to the economic value of the different linguistic policies (linked to the cost-benefit analysis of welfare economics). Likewise,
from the analysis, with the common language as a variable to consider, or from the trade flows or investment between countries (which in this case, brings us to international and trade economics) to the study of the interaction between one another’s languages in a multilingual context. This has inspired suitably elegant models in the area of Game Theory, like that of Jeffrey Church and Ian King, to which we will return in some detail later.

Faced with this apparent magma, Grin (2001) has offered a concise definition that may be useful to focus, from the outset, the ideas in this point: «the economics of language, as a field of investigation, is mainly focused on the theoretical and empirical analysis of the ways in which linguistic and economic variables influence each other, usually within the framework of orthodox (or neoclassical) economics». From this definition, a whole group of analytical contributions, that in recent years have investigated the relationship between language and economics can be classified.

Grin himself has emphasized how, increasingly, in many language conferences, in one way or another, questions related to the economic dimension of language tend to appear. This happened in the II International Congress of the Spanish Language in Valladolid, Spain in 2001. Spanish was referred to then as «our oil» (Jaime Otero, 2005), with a specific table dedicated to its «economic power»; and again in 2007, in the IV Congress in Cartagena de Indias, Colombia, with a panel about «Spanish, the language of commercial exchange», and was equally expected at the cancelled 2010 event in Valparaíso, Chile.

Many of the issues raised by the interest of linguists, in fact, come to coincide with the most commonly tackled
topics of the economics of language. In this sense, it must not be forgotten that in Spain it has been mostly language students who have alerted economists about its economic value, as did Lodares (2005), with his work «The Future of Spanish». Grin (2001) has counted six of these major issues, whose mention may serve as a summary, on the one hand, of what has already been said, and on the other, as a preface to the following sections. They are: a) the importance of language as a defining element of certain economic processes, such as production, consumption and distribution; b) the importance of language as an element of human capital, in whose acquisition, individuals may have good reasons to invest; c) the teaching of language as a social investment that yields net benefits (which may or may not be related to the market); d) the economic implications (in terms of costs and benefits) of linguistic policies (again, these costs and benefits may or may not be related to the market); e) the inequality of incomes based on language, particularly through wage discrimination against groups defined by their linguistic attributes; and f) the jobs related to language (teaching, translation, interpreting) as an economic sector.

From here, we will select, in a non-exhaustive, but orderly way, some of these lines of investigation through which economics has become interested in language (in reality, through variables related to language), which may or may not be listed as part of the economics of language. The focus will center on the most useful contributions in order to understand that which occupies the attention in the following pages; that is, the economic value of a language, underlining the contributions that have been made in recent years to the specific topic of the «economic value of Spanish».
3.2. The «Content» of Language of Economic Activities

This contribution to the economics of language is, undoubtedly, originally Spanish, and in Spanish. As a starting point, we can look at the work conducted at the time by Ángel Martín Municio (2003) entitled *The economic value of the Spanish language*. In an article with an intriguing title, Grin (in a language journal, rather than an economic journal, *World Englishes*), wondered about «English as economic value: facts and fallacies». His three crucial questions were: does English have an economic value? How can we find out? And if it does, how much? However, he did not present these questions, or at least, he did not answer them, from a macroeconomic perspective, but rather, a microeconomic one: how much is English worth (and in terms of the market, i.e. privately) in Switzerland for the individuals who possess this linguistic ability? The result of his regression with the usual technique of ordinary least squares (OLS) does not matter so much here; in every case, it confirms that knowledge of English is associated with important wage gains, of up to 30 per cent, in the Swiss labor market (Grin, 2001). The important thing is that the analysis of the value of language, of one particular language, and surely the most «valuable» in the world, should still be reduced to commercial prospects (the market value, and not social value) and away from the microeconomic kind (the value for particular economic agents, not all the countries or linguistic communities). Until now, this has been the most usual way to measure the value of a language in economics. Hence the importance that can be attributed to the pioneering research by Martín Municio and his associates on the economic value of the Spanish language, in which, above all, a global and macroeconomic perspective is adopted.

In it, in effect, he talked about a fraction of the Gross Domestic Product (GDP) of Spanish, linking the language to
almost 15 per cent (with 2004 as the reference year). The method involved assigning certain products with a basic connection to the language and, from there, quantifying how those products framed in various activities or branches of the economy, get involved in others, incorporating into them a «value» that can also be considered «due to language». The figures are, in any case, the result of choices (they are well-founded, but there are alternatives) about which activities are supported by language, under the hypothesis that «language is an essential part of the main product», how they are weighted in this component (i.e. the «language coefficient»), and how supplies are provided in others. The tax figures are also methodological limitations of the statistical source used: the national accounts. The authors do not hide either of these: «(…) the limits of the selection of the activities which are part of the economic studies of language contain much decision making in this regard» (page 16); and «the economic impact of language (…) requires (…) the creation of new methods of measurement» (page 29).

All this comes from an understanding of language as a private good. It is certainly interesting, although also somewhat reductionist. Essentially, as a private good, language is, on occasion, the object of a commercial transaction (as happens in the «language learning industry») or the basis for essential communication for goods and services sold by various economic sectors (named, in a rather more generic manner, «language industries»). It can even be a classification of these «language industries», useful for the effects of their economic delimitation, even though the language is an input, present, in a more or less direct or indirect way, in whatever activity (and of course, susceptible to valuation): technological inputs, such as the social technology of communication, and labor inputs, incorporated into the labor factor as part of human capital, an-
other skill, possessed by workers. These aspects were elaborated on before, in identifying the economic nature of language.

It is therefore necessary to know how activities connected to language are identified, since any «Spanish accounts» have their starting point here (and a decisive point, in that it depends on the content of «language» that is assigned to each of the goods and services in the economy). The classification by Óscar Berdugo (2000) of the language industries offers a good initial taxonomy and is less restrictive than the proposal by Joaquim Llistírer and Juan Manuel Garrido (1998) based on «linguistic engineering». Following various criteria among which should not go unnoticed, is the potential for expansion into foreign markets, a «central hub» of activities related to linguistic services, teaching Spanish as a foreign language, and textbooks for learning Spanish, distinguishes Berdugo. Then, a «strategic sector», language technologies, and another three «of dissemination», the editorial, audiovisual, and musical sectors; finally, he potentially opens the field of activities that are associated with the concept of Spanish as an economic resource to other activities related to language more indirectly, but which can take advantage of its «spillover effects»: design, fashion, tourism…

This classification can undoubtedly serve as a first demarcation of the land we are treading on. For the moment, it must be emphasized that a common characteristic of many activities related to language is that a large proportion of them contain in an almost natural way economies of scale (think, within cultures, of CDs, books or the cinema, within communication, the telephone is a clear example); the greater the amount produced and sold, the greater the possibilities of a reduction in the average costs of production. Hence the importance, from this point of view, of the demographic scope and depth of a linguistic
territory, in terms of the purchasing power of its speakers. This can, in cases of bilingualism, lead to having to consider the opportunity cost of production (books, as the clearest example) in the minority language, in relation to doing it in the majority language (it need not be the only criterion, and perhaps not even the most decisive, but it also cannot be ignored). Ezequiel Baró and Xavier Cubeles (2001) have expressed it concisely, «In bilingual territories, the effects of a language policy in favor of «one» of the languages, generally has a direct effect over the use of the «other» within the same society». As a result of this, «everything seems to indicate that the central problem of the question does not lie so much in the justification of a public intervention in the linguistic field, but rather in its application in bilingual societies».

The classification by Martín Municio’s team in El valor económico de la lengua española (The Economic Value of the Spanish Language) is, however, somewhat different to that of Berdugo, as it is more accommodating to the «accounting» purposes of the research. They distinguished three types of activities related to language, in each case, subject to different weights: firstly, activities directly linked to language «by the very nature of the products», whether goods or services (such as the publishing or education industries); secondly, activities that provide inputs to the previous group (like the paper industry); and thirdly, activities relating to their marketing and distribution.

Either way, and referring now to the subset identified, with some or other criteria of the language industries, as they relate in general to goods and services with a market price (or to which a market price can be attributed), can be valued economically from a private perspective. Of course, another option is setting the corresponding weighting as, within each of those activities,
and within the goods and services through which they are produced and marketed, there is a «language» component.

On the heels of Ángel Martín Municio, two of the main members of that team, Francisco Javier Girón y Agustín Cañada have revised certain hypotheses and, each time, have updated and, even more importantly, refined and complemented the previous calculations in a methodological and analytical way. In his work *Las «cuentas» del español* (The Spanish «Accounts»), a result of the *Economic Value of Spanish* project, calculations dating back to 2007 are revealed, and projections until 2010, that confirm, with significant nuances and enlargements, the previous estimates of «Spanish in GDP».

To that end, two complementary techniques are used (Girón and Cañada, 2009); the first, based on the selection of products and the subsequent determination of their market value; the second, a radical new methodology for this study, based on the selection of groups of workers within the companies who carry out tasks in which language is either a raw material, or an essential productive input (it is the «extended procedure» based on the methodology of professional occupations).

The method in this second technique involves using one variable, employment, and one aspect of this, the job (or the type of tasks performed by the workers in the job, identified through job classifications), as indicators of the dependence on or link to the productive processes related to language. It is ultimately accepted that language is an intangible productive asset whose economic importance is difficult to understand under the sole prism of products that «include language», or the corresponding branches of activity; within these, and independently of the products that constitute its primary objective, there are jobs that require language in an essential way.
Therefore, the combined result of both techniques emphasizes, in a possibly more precise and fundamental manner than in the previous study of Martin Municio, the importance of the Spanish language for economic growth, in terms of income and employment.

In summary, between 2000 and 2007, and with the new «extended procedure», they discovered that the economic value of Spanish in GDP increased by one percentage point, from 14.6 per cent to 15.6 per cent. This signifies a jump in monetary terms from the 92 thousand million euros (92 billion) recorded in 2000 to 164 billion in 2007.

In terms of employment the figures are possibly even more impressive; according to the «extended procedure», in those years, employment has moved from nearly 2.6 million jobs related to Spanish in 2000 (15 per cent of employment) to nearly 3.5 million in 2007 (16.2 per cent). That is an increase of some 900 thousand jobs in only seven years.

From a sectorial point of view, five groups of activities (the industries specialized in products most related to language) contain the highest figures for the «economic value of Spanish»: education; communication; cultural services and the publishing industry, both of which are included in the broader «cultural industries»; and those referred to as other business activities, that include sectors such as advertising, the «language industries» and business services associated with «call centers» and «information services».

Lastly, there are two important observations that supplement the main results of the study outlined here. On the one hand, taking the figures for the whole period into account, the fact that the economic value of Spanish grew so sharply stands out; and
furthermore, it has done so with higher growth rates than the reference macroeconomic variables. On the other hand, in projecting the data to 2010, bearing in mind the post-2008 crisis environment, the projections suggest that the relative weight of Spanish, as much in terms of production as in employment, will be maintained in fundamentally similar proportions.

Aside from these global perspectives, the successive perspectives of first Martín Municio’s team, and then Girón and Cañada, about the value of Spanish from the group of goods and services considered in the Cuentas Nacionales (National Accounts), language as a private good, or language as a market, justifies the analysis of a whole collection of economic activities, those related far more directly to it; although one author doubts that the studies which are merely descriptive of these sectors can, strictly speaking, fit within the economics of language, which would appear cautious to analysis using a theoretical foundation.

Be that as it may, it is unquestionable that the value of a language, Spanish, in this case, is shown not only in global and macroeconomic terms, but also, logically, in concrete activities that employ language as a main raw material. Of course, almost none of the activities that make up any economic classifications escape the use of language, benefitting from one or many of the positive elements that have already been mentioned. Due to this, a more detailed analysis is required of the markets that develop in Spanish, and of the industries, within them, in which language is a fundamental and specifically quantifiable economic good. At least three activities deserve specific attention from this point of view.

First, and perhaps the most obvious, is concerned with the teaching of Spanish as a language. It is a sector that continues
to grow and with no less promising expectations in light of the gradual implementation of Spanish as the second language, after English, in non-Anglo-Saxon education systems, not to mention its proposal for the equal official status of the language, in Brazil, as it is de facto in much of the United States.

Secondly, the wide range of industries classified under the heading of «culture and leisure», starting with the tourist sectors and of publishing in Spanish, but also including the sectors related to performing arts and the diffusion through audiovisual means, a reality that is still impressive, but which pales when faced with a glimpse of its potential.

Thirdly, but of no less importance, are the companies classified as new communication and information technologies; it is in these activities, with mobile phones and the Internet as the main symbols of renewed oral and written communication, where the aforementioned quality of the language as a great «social technology» unfolds to its full extent, and where its virtues are expressed more clearly as a public good and as a generator of social capital, spreading positive externalities and crucially reducing the information and transaction costs. It is no surprise, therefore, that together with other industries and markets of Spanish mentioned before, the companies have been protagonists of the spectacular process of internationalization of Spanish since the 1990s.

The Economic Value of Spanish project, through specific studies, has enabled more in depth analysis of the realities of each of these three major sectors so directly linked to Spanish, and of such relevant economic contributions.

Firstly, it is worth stopping to look at the teaching of Spanish as a Foreign language (ELE). The team, from the Universi-
ty of Salamanca, led by Miguel Carrera and José Gómez Asencio have made advances in the task of obtaining an estimate, as close as possible to the economic value of this heterogeneous and largely unexplored sector of Spain, exploring, at the same time, the possible measures for economic and cultural policy to strengthen their activity. Their work on the subject is: *La Economía de la enseñanza del español como lengua extranjera. Oportunidades y retos* (The Economics of Teaching Spanish as a Foreign Language. Opportunities and Challenges). It has been noted that the demand for learning Spanish has seen a significant increase in recent years. This is undoubtedly influenced by the fact that it is the language of a widespread international community, that is present in four of the five continents, although in very different proportions. In addition, it is a community that has an expansive demographic and that has, at its core, countries with an enormous cultural and economic impact. All this means that the teaching of Spanish in Spain has a demand many times greater than that of other native languages of countries of a similar size (such as Poland or Italy, to use two European examples). The education services that provide Spanish teaching in other Spanish-speaking countries must also be added to this industry.

The interest in learning and, of course, the value of teaching Spanish is essentially related to the possibilities of professional advancement that knowledge of the language offers, on the one hand, and to the interest raised by the creative capacity of Spanish and Ibero-American science and culture, on the other. The first of these factors is, in turn, related to the economic vitality of the great Hispanic community, as an area for the development of economic activities. Hence, the economic prosperity of Spain and Ibero-America, their ability to attract investments and to project themselves into third markets, to attract tourists and stimulate international trade are relevant
factors in the explanation of the interest awoken in Spanish as a second language. The second of the factors refers to the interest caused by scientific, and especially, cultural creations of the Spanish-speaking community. The originality of their literature, of their cultural traditions, of their fine arts, and their music form a second group of factors that can motivate interest in learning the language in which these creations are expressed.

Calculations of the Instituto Cervantes, in its *Enciclopedia del español en el mundo* (Encyclopedia of Spanish in the World), showed that the number of students of Spanish as a foreign language worldwide is 14 million, which makes it the second most studied language, only behind English. The common feature of all the countries examined is a growing trend in the demand for Spanish as a foreign language, behind English. This explains the need for an ever greater number of professionals to assume the role of teacher of Spanish as a foreign language. On the other hand, the students of Spanish as a foreign language around the world is more than 50 times greater than the number of students who study it in Spain; that is, only one out of every 50 students of Spanish in the world comes to our country to attend courses. This makes the teaching of Spanish a market that is growing internationally, in which the operators that provide services in Spain necessarily must compete with alternative offers to maintain or increase their share of the market. However, the fact that it as a global market, means that competition leaves room for the simultaneous growth of various operators in different locations.

The estimates of Óscar Berdugo (2006) put the number of educational institutions, in the 2004-2005 academic year in the range of 350-400 centers. Based on this estimation, Carrera and Gómez Asencio (2008) show how the sector has seen a noticeable dynamic expansion in recent years, due to
which it is possible that the current figures would be even higher. This affects both the private sector, through the progressive entry of generalist academies, as well as the public sector, in the expansion of courses offered by universities, official language schools, town councils and autonomous governments.

Aside from the students of Spanish courses for foreigners, we should also take into account those students of the Erasmus/Socrates Programme that come to Spain to receive university education in Spanish, and also most of whom attend Spanish classes. Spain has traditionally had a low share of the market in this type of university teaching; however, an improvement can be seen as a result of the Erasmus Programme. In fact, Spain has become the top European recipient of these types of students, with some recent statistics referring to figures of over 35,000 students annually, with an average stay of around 7 months for each student. Spain receives 17 per cent of the students from the 32 countries that participate in this European program. Carrera, Bonete and Muñoz de Bustillo (2007), in a working paper for the *Economic Value of Spanish* project have estimated that these students spent between 131 and 135 million euros in Spain in the 2004-2005 academic year.

In short, despite the policies of international promotion, where clear economies of scale and evident market failures exist (since individual agents cannot appropriate all the benefits generated by external promotion, and would lead to less than optimal distribution), an important margin of public and collective action exists to reinforce the attraction of studying Spanish, and the image of Spain and other Spanish-speaking countries as destinations for the learning of Spanish as a foreign language (ELE).
A second sector that has been the object of specific attention has been that of the cultural industries of Spanish. We know that culture has an aesthetic and symbolic value that is more important than its material content, but it needs commercial support, and because of this, it forms part of the economic activity of a country. One speaks of the “cultural industries” to refer to that economic and commercial foundation of culture. The Spanish language has a central role in the creation and distribution of cultural goods, and therefore, in the value of cultural industries. This was the field of research in *Economía de las industrias culturales en español* (Economics of Cultural Industries in Spanish) led by Manuel Santos Redondo, delving deeper into the line of previous works, especially those of María Isabel García Gracia *et al.* (2000, 2001a, 2001b and 2003), but adding a decisive value: an estimate of the “content that is in Spanish” in the cultural industries.

In the work of Santos Redondo (2011), a “map” of the cultural industries in which Spanish has significant weight was established; they are the following: performing arts; music; cinema; television and radio; books; the press and magazines; archives and libraries; games, toys and videogames; language tourism; advertising; and to a certain degree, computing. They analyzed the weight of the language in each sector, reflected in a “weighting of the Spanish language”, just like the “cultural weighting” that was assigned in those sectors in which only part of the activity is related to this. Using both weightings, they arrived at an economic valuation for Spain of the group of “cultural industries in Spanish” and for each of the subsectors.

The “cultural industries in Spanish” represent, for the Spanish economy, a value of 31,737 million euros, using data from 2007, and this is equal to 3.3 per cent of GDP. Besides this direct contribution of the language to the value of cultural
industries, the expansion of the Spanish language around the
world means it is possible that that same economic value cor-
responds to a great deal of creative talent and an important
facility for the spread of culturally produced goods. It can be
said that, Spanish in cultural industries does not only create an
economic value, but also contributes to that economic value,
«providing more» in cultural terms.

Each of the cultural industries possesses its own charac-
teristics. In the performing arts, along with conventional the-
atre, what stands out is the intensity of the musical perfor-
mances with singing and dancing and music in Spanish.
«Latin» music is gaining presence in the music sector, in
Spanish-speaking countries, but, especially in the United
States. Spanish cinema is little by little becoming more pres-
ent in the world, but in particular, cinema «in Spanish», and
not necessarily dubbed: Latin American cinema. Television is
almost omnipresent nowadays and on it, images are almost as
important as the spoken word. Books are a classic cultural
industry and firmly grounded. The publication of newspapers
and magazines in Spanish is becoming global, thanks to In-
ternet editions. To these traditional sectors can be added oth-
ers that are relevant today: tourism related to the learning of
the Spanish language and culture; games, toys and videog-
ames, since some of them are connected to culture and lan-
guage; advertising, that transmits values and symbolic con-
tent in Spanish, and part of the computing that the public
uses to access cultural content.

Therefore, measuring the economic value of culture is im-
portant in order to understand about the culture as much as
the economy, while not forgetting that, by definition, culture
has a symbolic and aesthetic value outside of its utilitarian val-
ue, which is not always reflected in its economic value.
Aside from the contributions made in the work by Santos Redondo (2011) for the Spanish case, equally, there were already a number of studies about the economic impact of the cultural industries in Ibero-America, by an ambitious project (*Economía y cultura*) sponsored by the Convenio Andrés Bello\(^2\). The step that would be most interesting here (examining the role of language in this connection between economics and culture) was not carried out, but they are still valuable documents, prepared by a common methodological approach, to channel the issue at the time.

The third sectorial area of analysis covered in the *Economic Value of Spanish* project was that of the new information and communication technologies, beginning with the position of Spanish on the Internet, and going deeper into the consequences of the generalization of this great tool that has revolutionized communication between human beings and a lot of routine habits, and the characteristics of the products of the businesses that are most directly linked with language.

On one hand, in *El español en la Red* (Spanish on the Internet), a work by Guillermo Rojo and Mercedes Sánchez (2010), they offer a thorough account of the issue. Certain noteworthy elements can be highlighted:

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2. It is possible to select, from the many papers already published under the heading «Economía y Cultura» (Economics and Culture), those of the Ministry of Culture of Colombia and Convenio Andrés Bello (2003), Consejo Nacional de la Cultura y las Artes de Chile (Chile’s National Council of Culture and the Arts), Universidad ARCIS (University of Art and Social Sciences, Chile) and Convenio Andrés Bello (2003), Carlos Enrique Guzmán Cárdenas, Yesenia Medina and Yolanda Quintero Aguilar (2004), Instituto de Investigación de la Escuela Profesional de Turismo y Hostelería de la Universidad de San Martín de Porres (Research Institute of the Professional School of Tourism and Hospitality, San Martín de Porres University, Lima) (2005) and Eduardo López Z., Érick Torrico V. and Alejandra Baldívia R. (2005), all edited by the Convenio Andrés Bello (Unión Editorial, Bogotá), and dedicated, respectively to the cases of Colombia, Chile, Venezuela, Peru and Bolivia.
Firstly, Spanish rather *resists* the emergence of the new languages on the Internet, consolidating its position as the second language of international communication on the Internet, with a relative weight of around 8 per cent of the world total. It is an outstanding position that is reaffirmed if we look at the indicator on web sites, with 680 million pages, far more than are in French, German, Russian, or Arabic.

Secondly, and in respect to what is referred to in the Internet statistics as «penetration» (the *ratio* between the number of users and the total estimated population of the language respectively), Spanish holds a less *significant* place. The global average (with data from 2010) is 28.7 per cent, the Spanish-speaking community reach 36.5 per cent, not far off the 42 per cent that the penetration rate produces for English. Moreover, the growth rate among Spanish-speaking users of the Internet is not only far higher than the world average, but also is far superior than the average rate of the ten languages with the highest Internet presence.

Thirdly, although the dispersion of values by country within the Spanish-speaking world remains high, the differences tend to be significantly narrowing between these.

At this point, it should be stressed that the presence of Spanish on the Internet is an aspect that is directly dependent on the number of Spanish speakers, but even more on the economic and educational levels of these people, as well as the development of the information society (accessibility to the Internet and availability of equipment) in our respective countries. This is the conductive title of the second contribution to review.

In *Lengua y TIC* (Language and ICT) also part of the *Economic Value of Spanish* project, Cipriano Quirós (2010) per-
formed a comparative analysis of the relationship that exists between the information society and the presence of languages on the Internet in three linguistic communities with international reach, which were Spanish speakers, Francophones and Anglophones. In general terms, although the information society in the Spanish-speaking community still finds itself at a great distance from the levels that are observed in the other two reference areas, in recent years, this gap has been reduced. With respect to the position of the languages on the Internet, English, as has already been mentioned, maintains a clear lead.

Spanish, although in second place among the major languages of international communication, holds a manifestly improvable position on the Internet. This is because the key variable that determines its presence in this medium is not the weight of the population of a language, but the development of the information society of the countries that speak the language. In fact, an increase in the provision of fixed access in Spanish-speaking countries (in the number of fixed telephone lines), until the levels shown by Anglophone countries in this indicator are reached, would enable the presence of Spanish on the Internet to quadruple.

However, many other factors exist that determine the presence of a language on the Internet, linked to the lingua franca status of a language, a characterization that currently only falls on English. In any case, Spanish, as one of the most spoken languages in the world, has the opportunity to also place itself among the main languages with a presence in the greatest idiomatic showcase that currently exists. The road to achieving this goal requires that Spanish-speaking countries, especially those in Ibero-America, sooner rather than later, put in every effort in the development of connection infrastructure, just like in other areas that show a relative delay, like education, to al-
low for the expansion of the information society to the majority of their population.

Beyond these aspects, the relationship between language and ICT allows a second line of analysis. From an economic point of view, and avoiding the more complex aspects, language can be considered a basic input in the production of communication services as either a final good or as an intermediary for other productive activities. In the latter case, some of the features of language as a public club good can be found. The role of language in the reduction of transaction costs, to a large extent, appears linked more to the trade generated by the economic activity rather than to the goods and services produced. The more complicated these transactions are, the greater the transaction costs that will be avoided as a consequence of the use of a language that is shared by the agents involved. One of the areas where these relationships take on particular complexity is in the processes of internationalization in regulated environments; this is an area that greatly affects telecommunications companies.

If it is certain that a common language reduces the transaction costs, this should be reflected in the productivity of the companies. This relates to an ambitious proposal to estimate the impact of language in ICT, that has also been developed by Cipriano Quirós. A preliminary step in the analysis is to observe the process of internationalization by the major global operators in the telecommunications industry. It can therefore be asked whether the vast size of the linguistic community has influenced investment decisions made by these operators. However, it is completely excessive to assume that language is the decisive variable in this process; there are other cost, opportunity and technological factors that have an impact on the process of internationalization. In which case, is it possible to
find a pattern of internationalization in this sector that is linked to linguistic geography?

The tentative answer to this question is affirmative, and supported by a significant statistical relationship: the greater the number of speakers of the language that is native to the operator’s country, the greater the presence that the operator will have in the markets in question. However, it should be noted that the information studied does not include all global operators, but only the most relevant. The operators in countries with a language that is clearly multinational show a very high level of internationalization (Vodafone and Telefónica are two examples that best demonstrate this relationship). On the other hand, operators in countries with a language that is almost completely confined to its country of origin, or with a low number of speakers outside its borders, also display a low level of internationalization (exemplified here by Chinese and Japanese operators). All this only serves to emphasize what was already mentioned about the role of language as a generator of network externalities. This is an aspect that has received theoretical and applied interest from the economics of language, and to which the next section is dedicated, in review of the literature of this chapter.

3.3. Language and Network Externalities

At this point, it should be recalled how language combines, although in an asymmetric manner, the two fundamental requirements of a public good (something that is unrelated to its supply, whether it is free or not, through the state, but rather as an economic characteristic): they are the non-rivalrous and non-exclusive requirements. As a public good, one of the vital characteristics of language is that it generates exter-
nalities, that is, economic effects on third parties. Some of these are direct effects that depend on the size of the market, the way in which a language is more useful when it has more speakers, and the way that an increase in the number of speakers creates a virtuous circle that favors its expansion. Other effects are indirect, as these increases in the size of the market, on the one hand, make possible a reduction in the costs of the production processes of all the activities that benefit from greater trade volumes (economies of scale). On the other hand, they enable an expansion, in the range and variety of complementary products, starting with the industries with the closest links to language, such as cultural industries (economies of scope).

Furthermore, language has another way of spreading positive external effects, in its role as a factor of production that is capable of stimulating growth. In particular, as part of the capital factor, in the same way that physical, human, technological and financial capital are nowadays indisputable; in this case as a source of social capital (José Antonio Alonso and Juan Carlos Jiménez, 2007). Although economic literature has not yet analyzed this channel (the difficulties in quantification are obvious), it is undeniable that language, as already mentioned, the great «social technology of communication», fulfills a vital function in the development of the social capital of a community. Incidentally, this concept is currently in fashion. The Organisation for Economic Co-operation and Development (OECD, 2001) defines social capital as «networks together with shared norms, values, and understandings that facilitate co-operation within or among groups». According to the World Bank «social capital refers to the norms and networks that enable collective social action. Social capital is not just the sum of the institutions which underpin a society – it is the glue that holds them together». 
This last definition is very much in line with Robert Putnam, and in general, with the authors who have tackled the concept of social capital, for whom this is seen in the reciprocal trust and cooperation in honor of common objectives. The three components of social capital, in Putnam’s (2000) understanding, are, specifically, moral norms and obligations, social values (in particular, trust) and social networks. Ultimately, it is a concept that is practically inseparable from language, and which shares its intangible nature, at the same time reducing information and transaction costs; and far from being depleted through its use, this lends it an accumulative characteristic.

However, it is not simply that language has evident externalities; that is, being a social technology of communication, it leads to the way in which we make material technology for communication, like the telephone, or more recently, the Internet or email, so-called network externalities. Furthermore, maximization of network externalities enables the communicative potential of a community to multiply. This is a fundamental point, and deserves the specific attention that it received in the previous chapter, since the concept of network externalities, is the focus, directly or indirectly, of much of the literature about the economics of language. For Spanish speakers, there is something else that reinforces that importance and interest, because it cannot be forgotten that Spanish, a language that today is primarily American, bases its strength, and its economic strength, on the undeniable demographic power lent to it by its almost 450 million speakers, the majority of whom are situated in a relatively «middle class» world, and many of whom are ascending, as is happening in North America.

The economic potential of the North American Hispanics, who are a very heterogeneous community in many other aspects, such as the same lack of consensus in their name, seems
beyond doubt. According to the annual report, «The Multicultural Economy» by the Selig Center for Economic Growth of the University of Georgia, the purchasing power of Hispanics is, since 2007, the highest among all minority groups in North America, exceeding that of African Americans, and lifting them to the virtual status of the tenth greatest economy in the world (and second, behind Spain, in the Hispanic community). The «Hispanic» purchasing power in the United States, which in the words of Jeffrey M. Humphreys (2009) is now «immense», evolved with a rapid increase (greater than that of any other large ethnic collective, outside of African Americans and Asians), and it is estimated that it reached a billion dollars, more than 9 percent of the total purchasing power of the country, in 2010 (and will surpass 1.3 billion in 2014, more than 10 percent of the nation’s total).

María Jesús Criado (2007), in a working paper for the Economic Value of Spanish project, has outlined the socio-demographic profile of the Hispanic («Latin») population in the United States and their expected trends: «In 1980 only one out of every 17 residents [in the United States] were of Hispanic origin; in 2005, it is one in every seven. And according to official calculations, by the middle of this century, it will be one in every four. By then, the Latin population will have increased from the figures of today by some 60 million and will exceed the hundred mark». Some sections of this Latin population, those with more human capital and socioeconomic resources to begin with, are experiencing a clear upward social movement. It is therefore faced with a collective, the «new face of America», with an increasing purchasing power, entrepreneurship and influence.

Returning now to the overall perspective, it is evident that the presence of network externalities gives the language (equiv-
alent, in this case, to communication software) the character of a «supercollective» good; that is, the more individuals that participate in the consumption of a good, the higher its value will be. When given these network externalities, the value of belonging to a linguistic group, a «club», as was discussed already, increases with the size of the group, and without congestion problems, launching a cumulative game of possible binary interaction. In relation to this same idea, although from a sociological viewpoint, Abram De Swann (1998) has developed a model of global linguistic structures based on the communicative value of various languages (Q-value). Some function as centers of «national solar systems»; others are the center of more or less extensive «continental systems», as in the Spanish community; and only English is found at the center of the global system of languages between speakers of various national and continental systems.

Be that as it may, from the presence of network externalities comes, among other things, a fundamental economic consequence: the decisions of private investment, in our case, in language, do not lead to the optimum allocation of resources, since their social benefits for other members of the network are undervalued (that is, for the linguistic community that we are referring to). The advocates of linguistic policy and planning base it on this. Another very specific consequence, but of no less importance is the tendency of dominant languages, as they grow, and due to the increasing returns associated with network externalities, to displace others. This is obviously related to the topics of bilingualism and the maintenance of linguistic diversity that have been given so much attention in recent years. Without forgetting, as Silvana Dalmazzone (1999) has tactfully expressed, that «multilingualism is a public good», but quickly follows by clarifying that «it is a common language that constitutes a public good (...) and not the mere existence of a multitude of languages». 
The 1993 study by Jeffrey Church and Ian King on «Bilingualism and Network Externalities» is a necessary reference at this point. Starting with a bilingual situation (two languages, E and F, with the first having a greater number of speakers than the second) within a certain community and analyzed under equal conditions that do not favor the speakers of one language over another. These authors demonstrate theoretically, through Game Theory, that, in the presence of this type of externality, the private optimum of learning a second language, that which results in maximizing decisions of its utility taken by every individual, without coordinating with others, did not coincide with the collective optimum, that is, that which maximizes total social wellbeing. Everything would depend on the cost of learning. Expressed in terms of Game Theory: if the cost were very high, nobody would learn the other language, with which there would be a single pure strategy, in the sense of a Nash equilibrium. If the cost were very low, there would be equilibrium in two situations: one, in which all the speakers of F would learn E, and none of the speakers of E would learn F; and another, where exactly the opposite would occur. In the case where the cost of learning moved to an intermediate range, the language E, spoken initially by a greater number of people (here is where the concept of «network externalities» is found) would replace F; all the speakers of F would learn E, and none of the speakers of E, F.

The key of the game is that «the greater the number of people in the group of the other language that learns the native language of an individual, the lower the benefits will be from the acquisition of a second language [the other]». By examining the various options, Church and King arrived at an emphatic conclusion on economic policy: that «it is never optimum to subsidize the learning of the minority language» and, on the other hand, «there are ranges of value of the costs of
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learning for which a subsidy in the majority language can be defended». Game Theory: pure microeconomics.

Ignoring these theoretical constructions for now, which are always based on very restrictive assumptions (languages being perfect substitutes, equal costs of learning each for all individuals…), and focusing on how the presence of network externalities in the case of language has, at least, four fundamental economic implications from the point of view of its economic consideration: as part of human capital; for the valuation of linguistic policies; as a stimulating factor for trade; and as an intangible factor in choosing the working language of a multinational company and facilitating its expansion into other countries. These will be examined in the following four sections, as further aspects, all linked, directly or indirectly, to the concept of network externalities and to «club goods», which form a fundamental part of the literature about the economics of language.

3.4. Language as Part of Human Capital

The first implication (without the list indicating any preference, except perhaps forming a more prolific line of work) affects the valuation of the labor input in the labor market. Mostly, in labor markets with various languages, usually one language dominates: therefore, the main studies have usually referred to the United States, Canada (Quebec) and Switzerland, and most recently, Australia. In this case, the social benefits of the positive network externalities that follow the use of one or other language that accumulate private returns on linguistic knowledge that individuals gain, and are expressed through wage differentials that depend on the language throughout their working life. It is, however, in this last aspect,
the private returns, rather than the social benefits, on which the literature has focused on until now.

In fact, language can be seen as a kind of built-in technology possessed by individuals, in the same way that other forms of technology are sometimes found in machines, and hence form part of technological capital. Or as a (linguistic) skill that forms part of human capital, and is, of course, susceptible to the same type of economic valuation that the economics of education makes in investment in education. It is a perspective present in the literature, from the initial work of Toussaint Hočevar (1975), and explicitly formalized soon after, in Albert Breton (1978), for whom language is, above all, knowledge. Note that underneath the conceptual framework of the theory of human capital, there is a clear criterion for the optimization of the acquisition of a language: individual earnings. The most standard process consists of calculating the rates of return that come from every level of investment in training (in our case, in language acquisition), that is, the rate \( r \) that, in every case, the net present value equals zero, discounted over a period of time \( T \), of the costs and benefits of this investment. As discussed in the previous chapter, the benefits associated with fluency in a language for an individual can be represented through the multiplication factor \( p \), where \( p > 1 \) above the corresponding salary for the job \( W \). That is, \( pW - W \), «capitalized» during the \( t \) years of working life, from year 1 to retirement in \( T \), at the discount rate \( r \). The costs that an individual should assume in order to carry out linguistic learning, can be divided into costs associated with learning (CL, or direct costs of the investment in education to access the language), opportunity costs (CO, in the form of income lost as a result of starting to work later, with the aim of acquiring this linguistic knowledge, or the foregoing of other activities, including free time). Analytically:
In Graph 3.1, this can be seen perhaps more clearly: the returns on education (the training in the knowledge of a language) would be the discount rate $r$ that would equal area A (the extra returns that are obtained during the working life thanks to specific linguistic knowledge) with the addition of B (the opportunity costs incurred CO) and D (the «direct» costs of an investment in language CL).

Perhaps it should be mentioned that the difficulties incurred by the available statistical information, frequently mean that the studies that are usually carried out to value the knowledge of a language are more focused on the simplest calculation of the income differentials than in that of the correspond-
ing rate of return. Note that investment in language differs from other educational investments in which area B is not so clearly delimited (for example, immigrants continue to work, if they can, while gaining skills in the usage of the language of the country that they are in), and in which area D, associated with the direct monetary costs of learning is often practically nonexistent. It can therefore be said that the acquisition of a language is a process of investing in human capital that is undertaken when the expected private benefits exceed the investment costs, as was explained in the previous chapter.

In this sense, language, or more specifically, linguistic ability or capacity, fulfills the three basic requirements of human capital. One has already been discussed: language is essentially built-in to individuals, it is productive (within the labor market), and is costly (it usually requires time and resources, and often money too). The interrelationship between language and income has been modeled based on this, in a large number of jobs, for different countries and periods, and on various methodological assumptions. The work by Barry Chiswick and Paul Miller, published in 1995, offers some interesting international comparative results and deserves a specific mention at this point.

Before briefly describing it, and given that the language-income relationship has been until now the focus of a fundamental part of literature about the economics of language, according to Grin (2003), four perspectives, four different focuses of attention should be distinguished (within which some of the main contributions will be framed):

- Studies that measure discrimination based on language, according to the mother tongue of the individuals, that usually confirm the presence of wage differentials among
individuals in different linguistic communities, as in the case of Julie A. Phillips and Douglas S. Massey (1999).

- Studies that measure the value of education in a second language, when it is dominant in the country or region in question, which confirms, in this case, the high wage benefits that immigrants gain through their knowledge of the host language. A large part of this literature has centered on the immigrant population in the United States and their knowledge of English. A work that is often referenced, and is interesting for our purposes, is that by David E. Bloom and Gilles Grenier (1996), in which they document the vast, obviously negative, income differentials, that Spanish speakers have compared to those who speak English in the United States. These differences are only partially attributable to the language, and indeed due to other deficiencies in education. Most recently, Marie T. Mora and Alberto Dávila (2006a) have established how this «penalty» for not knowing English, technically for its limited use, among (male) Hispanic immigrants in the United States has shown a tendency to decline over time, between 1980 and 2000; it is less clear when women are taken into account and when they are distinguished by types of Hispanic origin (Mora and Dávila, 2006b).

In summary, this literature reveals that, consistently since the 1970s, the «penalty» for not knowing English among immigrants in the United States has seldom been below 15 percent of earnings, observing greater and lesser «penalties» depending on the origins of the immigrants (greater in the case of Hispanics), the way in which knowledge of language is defined, and also personal characteristics such as level of education, or gender (Rodolfo Gutiérrez, 2007).
The research by Rodolfo O. de la Garza, Jerónimo Cortina and Pablo M. Pinto, found in the *Economic Value of Spanish* project (Alonso y Gutiérrez, 2010), has examined the economic consequences of bilingualism for Hispanics in the United States, from the data of the 2000 census. Their results indicate that bilingualism, understood as fluency in Spanish and the ability to speak very good English, was incrementally related to higher incomes all across the study, even though this positive effect is relatively small. Furthermore, bilingualism is not rewarded in all sectors or job categories in the labor market. The results point to a negative correlation between bilingualism and salary income for workers in supervisory and management roles in the industrial sector, and for all those who work in the public sector.

In addition to research focused on the United States, among many others, Derek Leslie and Joanne Lindley (2001), and Christian Dustmann and Francesca Fabbri (2003), have studied salary differentials of the immigrant population, paying specific attention to language, in the case of the United Kingdom; also Christian Dustmann (1994), for Germany; Barry Chiswick and Paul Miller (2003) for Canada... and these same authors, who will be referenced later, comparatively for many countries. Almost without exception, (except for a pair of studies, referring to Norway and Japan), a direct relationship is found between linguistic competency and employment and salaries: «all else being equal, it can be said that immigrants capable of expressing themselves, capable of writing and understanding the language of the host country, will earn a salary that is at least 10 percent greater than those who lack these competencies» (OECD, 2003). This does not mean that other differentials do not
frequently appear, overlapping, for example, with gender, education levels, the specific origin of the immigrants…

• Equal to the previous case, but when the second language is not demo-linguistically dominant, as in the case of bi-lingual (Quebec, Catalonia, the Flemish part of Belgium…) or multilingual (Switzerland) communities when a foreign language is simply learnt as a second lan-

guage. The studies by François Vaillancourt, about the salary differentials between Anglophones and Francophones in Canada occupy a large part of this type of literature. Within their relative modesty, the highest rates of return on English-French bilingualism are obtained in Quebec, and more among men than women (Vaillancourt, 1996). Switzerland has also been the object of preferential atten-

tion, in this case researched by Grin (1999). In an interest-

ing study he reveals how the returns on English are high across the whole of Switzerland, (the social rates of return of teaching English, excluding the costs of teaching, vary between 6 and 13 percent), but especially in the German region, where they exceed those of a knowledge of French. Meanwhile, in the French area, German exceeds English itself. In any case, the great disparity in the results produced by these studies cannot be verified, given the very dissimilar situations examined.

• Lastly, the until now fairly rare studies that estimate the rates of return, the profits, of immigrant languages in their new countries of residence (what it is worth to know Turkish in Germany or Arabic in France, for example), and the very low rates of return gained. At least, this is what is deduced by François Grin, Jean Rossiaud and Bülent Kaya (2002). In any case, little is still known about this.
The contribution by Chiswick and Miller (1995) that has already been referenced, and their results which require further analysis, are classed among the second of the issues that have just been mentioned. Their objective was to study the relationships (that turned out to be circular, endogenous) between dominance of one language, English, and the incomes of immigrants with other mother tongues, in four countries with immigration (Australia, the United States, Canada and Israel).

As in other studies, with the aim of controlling (that is, isolating) the effect that the capacity to speak or not speak a language (and to speak it well or badly) has on the income differentials of the immigrants, regardless of the other detectable factors that can influence them, they estimated, using the common econometric technique of ordinary least squares (OLS), a regression equation, like this:

\[ \ln Y = \alpha + \beta_1 E + \beta_2 X + \beta_3 X^2 + \beta_4 L + \beta_5 F + \varepsilon \]

Where \( Y \) is the annual individual income, \( E \) is the level of education, \( X \) is the work experience, \( L \) is the capacity to speak a language (in this case, English, identifying various levels of expertise)\(^3\), \( F \) combines other relevant factors (years of immigration)\(^3\). This is an essential question (not only for linguists) that Barry Chiswick and Paul Miller have expanded on in some works written subsequent to the 1995 work referenced here: the concept of «linguistic distance from English», with respect to any other language, that attempts to measure and quantify, through a scalar measurement, the relative difficulty that a native Anglo-Saxon has in learning another language. See Chiswick and Miller (1998 and, in particular 2005). The process is based on academic results obtained by North American natives learning various languages, after a specific number of weeks of study (Lucinda Hart-Gonzalez and Stephanie Lindemann, 1993) the range of results goes from 1 (the lowest, that denotes the greatest difficulty in learning) for Japanese, to 3 (the highest, that denotes the greatest ease), for Afrikaans. Spanish is found at 2.25, in the range of intermediate difficulty, but more diffi-
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... and ε is the error term. The peculiarity of the work of Chiswick and Miller is that \( L \), language, is also considered to be a function of the following factors (in parentheses are the expected signs of each of the partial effects): the expected salary increase due to fluency in the language (+); the expected duration of emigration to the destination country (+); years already spent in the destination country (+); marriage to a native of the destination country (?); marriage to a native of the country of origin (–); having children (?); the intensity of the use of the immigrant’s native language in the area where they live (–); formal education in the language of the country of destination (+); the aforementioned «linguistic distance» (–); the age at the time of emigration (–); education (+); and, refugee status (–). These factors react to the three fundamental reasons for which in the opinion of Chiswick and Miller, a specific linguistic competency is acquired when you emigrate: the economic incentives (directly related to salary differentials and the expected length of the emigration), the exposure to a language (related to the length of the stay and the intensity of the use of the language, based on the linguistic proximity to the language of the country of origin, the extent of its use in the destination country, its specific study…) and the efficiency of its learning (that will depend, among other factors, on the age of the emigrant and their previous level of education).

cult for Anglo-Saxons than other romance languages, such as French, Italian or Portuguese (all three at 2.50). Linguistic distance is obviously the opposite of this result, and was later used by these authors to estimate the (theoretical) difficulty that immigrants have in learning English, according to their origin. This does not prevent immigrants from Hispanic America from appearing, along with those from China, at the bottom of the rankings regarding the level of use of English in the United States in accordance with broad regions of origin (Chiswick y Miller, 1992).
The results suggest a substantial differential in incomes (around 9 per cent) for immigrants who are fluent in English in Australia; a differential that is even greater in Israel (11 per cent), Canada (12 per cent) and especially in the United States (17 per cent), particularly for permanent immigrants, in which case the differential can, in the United States reach 34 per cent. What is being measured, in terms of figure 3.1, is the benefit gained, for the immigrant that arrives without the linguistic skills required in the host country, incurring the cost $B+D$ with the aim of increasing their income line to the superior level $A$; or, for those that know the language, what is being estimated is the area $A+B$ (since it is not necessary to delay entry into the labor market, and without $D$, since learning the language is also not needed), above the lower income level of immigrants that do not know the language. These authors did not just observe the importance of fluency in a dominant language on the income of the immigrants, but also how the acquisition of this fluency, reacts, in part, to the economic incentives that create this inequality: in a way, there is in fact, an endogenous relationship between language and income.

However, this is not the opinion of Andrew Henley and Rhi- an Eleri Jones (2005), after empirically examining another bilingual reality, that of Wales «where bilingualism is subject to state protection». According to the authors, bilingualism can be an exogenous, and not endogenous, variable, in the determination of income: they find, in fact, some differentials in income, around 8 to 10 per cent (depending on the expertise, especially in written language), in favor of bilinguals, but much less in those that use Welsh in their workplaces, in comparison to those whose workplace is monolingual (in English, of course). From this, they deduced that bilingual workers are not necessarily better paid to use their abilities in both languages, but that employers should have other reasons for preferring this type of worker, perhaps to fulfill
public regulation «the high demand [for employees with a knowledge of Welsh]» they say, «may have resulted from the state intervention in promoting bilingualism» (although they do not reject other explanations either, such as the insider effect on the labor market, in favor of some bilinguals who know the area better and are better informed about possible job opportunities).

One cannot help but compare these results to those obtained, for Catalonia, by Amado Alarcón Alarcón (2004), beginning with an analysis based on this point, on opinion polls. He concludes that «the educational credentials play an important role in the selection of personnel [in Catalonia], from a formal point of view or as a credential, but not in the final execution of tasks that the job requires». Also in Catalonia, Silvio Rendon (2007) has published a study about the «premium» of Catalan in the job market (which he claims, is greater for women, than for men) in which he concludes that the increased probability of employment increases between 3 and 5 per cent, if the individuals know how to read and express themselves in Catalan; and between 2 and 6 per cent for those who can write it.

Essentially, proof of these language-income relationships is very complex, through incorporating the double dimension of language as an element of communication, but also as an ethnic attribute. This can be found in other works by Chiswick

4. And that, without considering other topics that have attracted the attention of linguists and psychologists and that would only complicate economic analysis, such as the possible relationship (that is positive, in some empirical studies) between bilingualism and cognitive and verbal abilities, in terms of greater creativity or greater capacity to organize information by those who speak more than one language. See, for example Elizabeth Peal and Wallace E. Lambert (1962) and Josiane F. Hamers and Michel H. A. Blanc (1989). This question has received a growing interest in scientific literature, as much in the field of neurosciences as in that of psychology: see Ellen Bialystok, Fergus I.M. Craik, David W. Green and Tamar H. Gollan (2009).
himself, in which he observes how, in Bolivia, Spanish monolinguals do not only earn higher salaries than Quechua, Aymara or Guarani monolinguals, but also than those who are bilingual in Spanish and any of these indigenous languages, by some 25 per cent more (Barry R. Chiswick, Harry A. Patrinos and Michael E. Hurst, 2000); the authors attribute this to fact that «bilingual persons can be penalized in the labor market for their poorer grasp of Spanish». Along these same lines, but in relation to a radically different socioeconomic reality, Italian in Switzerland, the work by François Grin and Claudio Sfredo (1998) with the rather expressive title, *Is Italian a Liability?*, should be mentioned here. Finally, the contribution of Richard Fry and B. Lindsay Lowell (2003) does not find positive returns in the bilingual abilities in the United States, once the variable of «human capital» is fixed.

On a more general level, this question of language and the labor market, has been of little significance in Spain until the last few years, when it has gained prominence parallel to the accelerated migratory phenomenon. At least, from three perspectives: a) that which involves sharing a language at the time that the emigrant is choosing a destination country; b) the possible savings of social costs and the advantages for social and labor integration that could involve a common language; and c) the retributive «sanction» imposed on immigrants with a lack of knowledge of Spanish (or, to look at the positive side, the «premium» which immigrants that speak Spanish can initially count on).

It is here, in this area of studies applied to the role of language in the labor market, where we find the recent contribution by José Antonio Alonso and Rodolfo Gutiérrez in the *Economic Value of Spanish* project series, expressed in *Emigración y lengua: el papel del español en las migraciones internac-
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ionales (Emigration and Language: the role of Spanish in international migration). Alonso and Gutiérrez (2010) have investigated the role that language has in the decision-making processes of emigrants and in the results of their migratory experience, using the case of Spanish as a reference.

Their first step was to identify language as a factor that has an impact on the costs that the emigrant assumes in order to access the new country and access the labor market, as an asset that incorporates the human capital of the emigrant and as a channel of integration in the new social environment. In relation to these plural dimensions of language, they ought to consider four relevant aspects: firstly, the role of the language community in the selection of the market the emigrant choses as their destination; secondly, the processes of acquiring the linguistic competencies by the emigrants; thirdly, the labor advantages (in employment and salary) that are derived from fluency in the native language of the host country; and finally, the role of the language in processes of social integration. In each of these areas, interesting conclusions can be reached.

• Firstly, a simple approximation of the migratory decision suggests that this is the result of a balance between the (present and future) net benefits associated with moving and the costs that may be involved for the emigrant and their family. Emigration is more likely, the higher the expected returns on emigration and the lower the (economic, and other) costs that are associated with it. Proficiency in the language of the destination country is a factor that minimizes risks and reduces the costs associated with setting up and integration of the emigrant in the destination market. For this reason, it can be assumed that the possession in the country of origin of the official language of the destination country facilitates the deci-
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The case of Spanish does not stray from this pattern of international behavior. The conclusions confirm, in line with some previous research into this subject, that proficiency in Spanish is one of the greatest determinants of migratory flows to Spain.

Due to being part of an international linguistic community, a large number of emigrants who originate from Spanish-speaking countries have chosen Spain as their destination country. The effect associated with language is, however, in the case of Spanish, greater than that ascribed to English in immigration into North America. The reason for the proposed relationship has consequences in the area of immigration policy. If the language community increases the rate of migration, it is because knowledge of the language of the destination country reduces the costs faced by the immigrant in integration and acceptance in the new environment. In the same way, it can be assumed that costs of integrating immigrants who know and speak the official language of the country (with all the uses and meanings that the language brings) will also be lower for the host country.

Secondly, in relation to the learning of Spanish, it is evident that, even with the imminent arrival, the process of acquiring a sufficient level of Spanish is fast and successful for many immigrants who have a romance language as their mother tongue, or who know a romance language. However, this is not the case for those that do not know one of these languages, among whom, a third will still have a very poor knowledge of Spanish ten years after their arrival. The analytical results show that the level of education, the linguistic proximity, and the duration of
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residence are all key determinants for gaining a good level of Spanish. Therefore, the expectations of the evolution of this process of immigrants achieving linguistic skills are relatively optimistic, since it is a young population, with a high number coming from countries that speak romance languages. The expectations may be concerning for Asian or African groups, with a lower level of education and greater linguistic distance, with serious risks of language deficits. Another determinative feature of the level of education and schooling of the second generation, indicate the importance of a wide range of education policies, and not only linguistic policies, as a means of reducing the risks of economic and social penalization due to these deficiencies.

• Thirdly, comparisons of average monthly incomes of immigrants have shown that the differences can be as much as 30 per cent more favorable for those who speak Spanish very well; the type of wage premiums for linguistic competencies are much lower, but reach values near 10 per cent in favor of immigrants who are proficient in reading and writing in Spanish. Together, the results obtained allow us to conclude that proficiency in the Spanish language is a significant resource and cooperative with other components of human capital in the ability to gain employment by immigrants in Spain. Even though the influence of language may seem a moderate entity, the positive aspect of this influence and the consistency of these estimates can be emphasized, even more so when the reference group of the study is limited to economic immigrants.

• Finally the results of the effect of language on social integration also indicate a positive, albeit weak, influence. It is an influence that is more evident for immigrants
who do not have Spanish as their mother tongue, but who have learned it until they can speak it at a proficient level. It can be said that the influence of Spanish is more positive for work achievements (employment and salary) than for social integration, which coincides with the characteristic that is crucial in immigrants finding work in the initial phase, characterized by high levels of occupational segregation and a lack of upward labor mobility. This makes it more reasonable that the influence of common linguistic capital is reflected more in labor integration than in other areas of social integration, and which, combined, reflects the predominance of a pattern of segmented assimilation. Essentially, it can be said that nowadays there is an analysis, comparable to other international studies, of the effects that a language like Spanish has on the decision making process of emigrants, and in the labor and social outcomes of emigration.

3.5. Evaluation of Linguistic Policies

We must next refer to another great ramification of the presence of network externalities, for the economics of language. These also have an impact on the valuation of the linguistic policies, in which, aside from the private cost benefit component, the social profitability (and cost) that comes with them, must be incorporated.

The planner must find, for example, the optimum level of public spending on «linguistic diversity»; that is, in prioritizing a local language, so that it does not disappear when faced with another majority, by noting a topic of recurring interest. Under the assumption that the benefits of this type of policy increase with spending, but at a decreasing rate, while costs increase at
a growing rate, the application of the «golden rule» of the maximization of net benefit carries an optimum expense $Gd^*$, as is shown in Graph 3.2 (Grin, 2003): it would be the level of expenditure for which the difference between the costs and benefits of the policy of linguistic diversity are maximized.

In any case, here begin the difficulties: valuing these costs and benefits that are derived from linguistic policy. It is already a difficult task which is carried out privately and which is monetized in the market, but is often elusive when social costs and benefits are included, especially those that do not pass through the market (Grin, 2004).

Graph 3.2.

*Optimum spending on linguistic diversity*

There is, in fact, a private (and market) component to the costs and benefits of any linguistic policy that can be assessed as is done in economics in other areas of public intervention.
In relation to the valuation of bilingualism in Spain, firstly, the studies published by Josep Colomer (1991, 1996a y 1996b) in the 1990s must be referenced. In short, Colomer suggested (from certain models of linguistic interaction between individuals and groups based upon broad assumptions), that the widespread learning of a second language would possibly be the most efficient solution (in terms of net social value) in solving the problem of communication that is the systematic use of translation and interpreting. On the other hand, is the most recent work, also referring to Catalonia, by Amado Alarcón Alarcón (2004). His book, the result of a doctoral thesis, contains an exhaustive review of the literature and an interesting empirical study, to which we already alluded, about the relationship between language and the labor market in Catalonia, both from the perspective of companies and individuals. It is clear according to his results, that «in Catalonia, knowledge of Catalan is an element of employability and social mobility».

At this point, the contribution of two of the most respected international specialists in the economics of language cannot be ignored, Grin and Vaillancourt, in particular, their joint work carried out in 1999 about the evaluation of the cost-efficiency of policies related to minority languages. They estimate, that in 1997, the cost of linguistic policy per student per year was 133 euros within the field of education in support of Basque (costs of training teachers, manufacture of teaching materials and general «institutional» expenses were included). This means, given the average cost per student per year of teaching in Spain (2,800 euros), the extra cost of a bilingual education system is, in this case, only 5 per cent (similar to calculations in other case studies). This does not seem much,
and furthermore, they believe that spending on teacher training will logically decrease. In a more recent contribution, Grin (2008), responding to the question of why there is a concern for multilingualism, concluded: «because it is morally correct, technically viable, and is worth the cost».

Within the complexity of this question, Vaillancourt and Grin (2000) have developed a methodology to analyze all types of costs and benefits that are incurred in using a specific language for educational purposes. This is one of the fields into which the economics of language has entered with most conviction, which is related to the growth that in recent times seems visible in everything that is related to linguistic diversity (worldwide, and also in Spain); growing interest, in revealing the language, sometimes almost at the margin of its communicative function, as a powerful identifying language of nationalism, and an intangible asset, and therefore, worth (including economically, in its fiscal disposition), to the speakers of certain languages: a store of intangible value, ultimately, that each linguistic community conserves and enriches as a sign of collective identity, in the same way as, for example, historical heritage.

Without engaging in other related issues, the economic implications of the European Union’s own linguistic plurality as new countries and languages enter, all with the intention of prevailing, remains a topic of great academic and practical interest. Jonathan Pool (1996) has studied the conditions for an «optimal language regime» within the European Union, with a view to how the lineal increase of countries causes an exponential increase in the costs of translation and interpreting in the community bureaucracy. The argument is the same, just in reverse, to what before served to illustrate the advantages of a common language: now, in a forum shared by a number of countries with \( n \) different languages, the need for, and the cost of translation, in-
cluding the possibilities of binary interaction is $n(n-1)$; and a new country with a different language would add $2n$ potential need for translation. When we talk about the relationships between citizens of these countries, the costs become exponential.

All this has created a perception, although Grin (2003) states that perhaps it is only subjective, of a rise in the international linguistic diversity. This is contrasted with another, surely more objective, perception towards linguistic uniformity worldwide (logically though English) that globalization and new communication and information technologies bring with them, the Internet being the most obvious example. All this suggests, as has already been mentioned, that the presence of languages on the Internet is affected by the development of the information society experienced in the countries where the language is spoken. Although not referring to the only influential factor, the relationship appears to be confirmed by the available information.

It can be said that part of the delay in the presence of the Spanish language on web pages is derived from an economic and technological phenomenon associated with the level of development in an information society in Spanish speaking countries. However, other factors exist that determine the presence of languages on the internet. For example, the social, cultural and economic vitality of the countries (beyond what can be measured by figures of per capita income) is probably an important factor in the explanation of the level of the international impact of a language. Think of investigative activities in the majority of scientific fields, where English is the lingua franca, in many cases, and indeed, growing.

Geoffrey Nunberg (2000), after confirming the overwhelming presence of English on the internet, maintaining
that «the speakers of major languages don’t have to leave their linguistic neighborhood to consult an online newspaper or encyclopedia; hunt for jobs or housing; participate in discussion about horticulture (…); or buy air tickets, books, perfume, furniture, or software». This is not only related to the number of speakers of a language but also, and maybe especially, to the *why* and *when* of the speaking, and to the meaning it carries to them in terms of *social identity* (and of course, with everything from socioeconomic variables to the geopolitics of the linguistic community in question, as is the case for example with the Chinese language).

However, on the other hand, one cannot lose sight of how the network externalities of the language multiply with the development of new communication and information technologies, that are also *of the network* and increase the intensity and expand the geographic area of the interactions between human beings. The tendencies that they provoke towards a reduction in the number of «dominant» languages in the world (a reduction, not imposing a single *lingua franca*), and also, in a non-contradictory mode, towards a greater demand for bilingual workers, has been studied by Richard G. Harris (1998).

Linguistic diversity has given rise to other approaches from an economic viewpoint. For example, that of Edward P. Lazear (1999), who maintains, from the North American experience, that the value of *assimilation*, promoted when there is a powerful linguistic and cultural majority, but curbed in situations where, faced with a dominant linguistic group, there is a widely represented, or well protected immigrant language and cul-

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5. The author claims that it is a study in the spirit of the work by Gary Becker, in particular in *The Economics of Discrimination* (1957), searching for a theoretical framework, from within economics, of how different ethnic groups interact.
ture, in the new country; it is, in any case, greater for an individual that belongs to a small minority than one who is part of a larger minority. Empirically he verified that the probability that an immigrant learns English and grasps it fluently is inversely related to the proportion of the local population that speaks their mother tongue; and a rational response is seen in how different groups of immigrant populations value learning English differently. All this is of particular interest when it is observed in relation to Hispanics in the United States, the immigrant group that are slowest to give up dominance of their mother tongue, Spanish, through successive generations, and that therefore, to express it positively, maintain it best: Spanish is the most persistent language among youths of all immigrant groups in the United States, and also has most adoptive speakers; in all levels of education, Spanish is the most chosen language (Criado, 2007).

Another noted author within the economics of language is the aforementioned Vaillancourt (1985), also linked to Gary Becker (in this case with his «A Theory of the Allocation of Time» (1965)), and in a sense that should not go unnoticed either by Spanish readers: «In his 1965 text, Becker showed that the variables related to the environment, as much as those related to schooling, could have an effect on household productivity and domestic activity. In our text, it is shown how the influence of linguistic competencies over the choice of a language of consumption can be analyzed by treating these competencies as an environmental variable (…). The empirical observation confirms the hypothesis of the existence of a link between the linguistic competencies of an individual [the analysis included 2,185 residents of Quebec] and the preferences shown in favor of a given language of consumption». This conclusion is directly linked to the next topic we will address: language as an encouragement to trade.
3.6. Language and International Commerce

Another important economic implication of network externalities of language is that they connect to international trade (the early idea of Adam Smith was already referenced: the ability to trade is the key to the human condition, and language is essential to this). This idea has been crystallized in later works, such as the previously cited Lazear (1999): his thesis is that «common culture and common language facilitate trade between individuals», which means that «individuals have incentives to learn the other languages and cultures so that they have a larger pool of potential trading partners». Essentially, sharing a language, a religion, or certain historical ties (a culture, to phrase it concisely) are factors that strengthen trade between two countries, and so it has become clear in various studies that have considered cultural proximity, with a specific mention of the linguistic variable, as an essential determinant in trade flows (from that of Vincent J. Geraci and Wilfried Prewo, 1977, to those of Jeffrey A. Frankel and Dale Boisso and Michael Ferrantino, both in 1997, and, subsequently, those of Jeffrey Frankel and Andrew K. Rose, 2002, and Henry L. F. De Groot et al., 2003).

Confirming the essential role of language in any form of human exchange, it is necessary to emphasize how the connection between language and international trade is based on two economic qualities which are, namely, language as a means of reducing transaction costs (for example, in the same way that a technological innovation or a shared currency do), and language as a buffer for the «psychic distance» between markets, that is not, in turn, anything other than a broad way of taking the costs into account, and which is also very consistent with the economic nature of language. It is this concept, this «psychic distance» (always a perceived psychic distance), that adheres to the Swedish
Uppsala University, and that has been used as an explicit factor in market flows, and equally, in investments in capital and people. According to the initial contributions by Beckerman, Vahlne, Johanson and Wiedersheim-Paul, and others, the selection of external markets and the internationalization of companies themselves, especially in the initial phases, would tend to occur, in a sequential way, in the country or market that is closest psychologically to the country of origin (the «easiest»), which would, moreover, be used to gain essential international experience to tackle new jumps. The proximity does not necessarily correspond to geographic distance, but to the psychological ease of access, which depends on a number of factors, among them, the linguistic variable, which is explicitly recognized in all studies, is one of the most prominent.

There is another aspect, that has already been mentioned, that makes particular sense here: language is an essential element to introduce trust, social capital, not only in a national community, but on an international scale, with an undeniable reflection on commercial trade. Not only this, the link between language and trade has an added connection through cultural industries. In the case of Spanish, it can rightly be said that it is rather more than a connection: it is a wide bridge. This is because language is not only a tool for communication or an identifying element, as mentioned earlier; it is equally an essential raw material for goods and services that are the objects of exchange, and increasingly, for trade on an international scale, as is happening with the products of the publishing industry (books) or a large part of the audiovisual sectors (from music to cinema, whatever the medium).

The analogy between a common language and a common (unique) currency, raised by Jack Carr (1985) with other research purposes in mind (to show the tendency towards mo-
nopoly that all languages have\textsuperscript{6}), nevertheless, lights the way to
an analysis in order to study the \textit{commercial} benefits of a lan-
guage, in the way that a common language, like a common
currency, eliminates some of the transaction costs. The justifi-
cation for a \textit{lingua franca} is specifically based on the existence
of network externalities and on the subsequent increasing re-
turns that are derived from the also increasing number of users
that contribute to these externalities. Another issue is that
these growing returns can lead to multiple situations of equi-
librium, and the \textit{lingua franca} is finally triumphant, every time,
from Latin to English, by a combination of historic factors
(Albert Breton 1998); or as Paul Krugman (1991) stated, be-
cause the «wheel of fortune» stopped at the essential moment
for that language, as seems to be happening now with English
and the Internet. Moreover, extending the analogy, having a
language that can be commonly used is a condition for unity of
the market: what type of perfectly competitive market could
develop at the foot of the Tower of Babel? Silvana Dalma-
zonne, in her work mentioned above, has expressed this in a
very clear way: «a common language (…) strengthens compe-
tition» (Dalmazzone, 1999).

Of course, the empirical study of the connection between
language and trade has so far moved under other methodolog-
ical assumptions: namely, that of the gravity models that in-
clude, among their explicit variables of trade between countries,
the common language\textsuperscript{7}. The idea on which these models are

\textsuperscript{6} Besides this one from Carr, there have been at least two other (theoretical)
interpretations of the relationship between language and trade. The first, in the
same work, by Michel Boucher (1985), compared linguistic policy to tariff pro-
tection; and the other by Albert Breton and Peter Mieszkowski (1977), compa-
red language to transportation costs.

\textsuperscript{7} For an overview of the, already very abundant, literature about the relation-
ship between language and international trade through gravity models, see Jac-
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based is as simple as Newton’s law of universal gravitation: two bodies are mutually attracted with a force directly proportional to their respective masses and inversely proportional to the distance that separates them. *Mutatis mutandis*, two economically large and close countries will trade more with each other than two small and distant countries.

However, as economic phenomena usually present added complications to those of physics, not to mention their greater level of vagueness (in the relevant economic specializations), other variables should be considered that, depending on the case, can affect the final outcome: on the one hand, belonging, or not to an economic area with some level of commercial integration (European Union, NAFTA, Mercosur...), and, on the other hand, language, whether common among the countries, or not, usually combines many other factors that are related to cultural identity, and affinity, and is also only a factor of distance (of the aforementioned «psychic distance», that is sometimes alluded to when one tries to explain why the Ibero-American market is closer to a Spanish businessperson than China, for example).

The *log-linear* gravity equation, that is typical in these studies, can make the following type of specification:

\[
\ln X_{ijt} = \alpha_i + \lambda_j + \beta_1 \ln (Y_i Y_j) + \beta_2 \ln (D_{ij}) + \delta_1 (L_{ij}) + \delta_2 (AIR_{ij}) + \epsilon_{ijt}
\]

Where \(X_{ijt}\) represents the bilateral trade between two countries, \(i\) and \(j\) (their «gravitational attraction», in the metaphor of the model); \(Y_i Y_j\) is the product of their respective national incomes (technically, gross domestic product or GDP, that would be their «masses»), and \(D_{ij}\) is the variable that in-
includes geographic distance between two countries (much like celestial bodies), calculated as a rate, based on one of the criteria established for this.

Aside from these basic variables «of gravity» (mass and distance), dummy variables should be taken into account, which will be included in the analysis with the aim of seeing what other factors influence bilateral trade. There are two represented here: one is the common language, $L_{ij}$, and the other is whether or not they belong to the same tariff-free trade bloc, $AIRT_{ij}$ (later the reason will be explained: different studies include different variables, depending on their aim). Both dummy variables, as usual, will have a value of 1 when both countries share a language (or membership to an integration agreement), and a value of 0 when they do not. Of course, it is possible to keep adding variables to the model, with the aim of improving the specification: variables, for example, that include the effect of the two countries having a common border, or not: a «contiguity» variable, or «border effect»; or dividing the previous variables to distinguish the effects on bilateral trade of different languages or different trade blocs. Finally, $E_{ijt}$ is the error term in this regression equation.

In these models, the linguistic variable (common language) always appears as a positive (obviously with different results in different cases), and therefore, favors, to varying degrees, bilateral commercial exchanges between the countries.

Perhaps the most influential work in this field is that of John F. Helliwell (1999). As well as common language and belonging to a trade bloc, this author also includes in his model, two dummy variables: remoteness (or relative distance) based on Jacques Polak (1996), and the previously mentioned «border effect», in this case from John McCallum (1995). Further-
more, having a common language between two countries has a positive effect on their volume of trade; a positive effect that can be estimated, for his original sample of 22 developed countries, with a coefficient of 0.564, which means that two countries with the same language, isolating all other factors, will trade 70 per cent more than those that do not share a language. However, further analyzing this general pattern of behavior for specific languages, Helliwell discovered that the language effect is especially strong in the case of English (that is, of the countries where English is the dominant language, trade will be 130 per cent greater), appreciable in those with German, and hardly significant for those with French (except for Canada). A conclusion of little significance is also obtained for Spanish when another eleven less developed countries are included, among them four from Ibero-America: Colombia, Ecuador, Peru and Venezuela. It is too small a sample, of contiguous countries, to glean significant results in the case of Spanish, which, even Helliwell himself admits, seems to require new evidence.

On the other hand, the usage, as has traditionally been the case, of the dummy variables to measure the effect of linguistic proximity continues to be an inconvenience to the practical nature of the analysis. For example, in the case of those countries that have a number of official languages, or that have distinct dialects (those that include situations that make it difficult to resolve in terms of zero-one), or, the opposite, when linguistic proximity exists that facilitates understanding between speakers of different languages, as happens with Spanish and Portuguese. Jacques Mélitz (2001) lists some of these and other problems that require investigation with more appropri-

8. The factors referred to in this section are based on Juan Carlos Jiménez and Aránzazu Narbona (2011).
ate measures than current ones, to determine when there is a «common language» for the purposes of the model. So far, the definitions of the Ethno-linguistic Fractionalization Index (used, by Rafael La Porta et al., 1999, and James E. Rauch and Vitor Trindade, 2002, among others) or of linguistic diversity (the probability that any two people from a country chosen at random, have a different mother tongue (Barbara F. Grimes, 2000) seem to be alternative possibilities to using these dichotomous variables.

Other works, like that of William K. Hutchinson (2001), consider the concept, previously established by Chiswick and Miller, and to which we alluded in reviewing the work of these authors, of «linguistic difference from English». Hutchinson, from a sample of 36 countries that do not speak English, concludes that the linguistic distance significantly reduces the volume of trade between the United States and those countries, even though there are immigrants from those countries in their territory (a factor that the authors had considered very important for trade, but Hutchinson, not so much: an increase by 10 per cent in the number of immigrants translates to approximately 1 per cent more trade. Another trend in earlier works was an interest in analyzing whether the effect of language on trade varied according to sector, as Marta Noguer and Marc Siscart (2003) initially concluded.

Mélitz (2003), however, has established two measures of linguistic proximity in the specification of the gravity model, also applied to trade. The first of these is called «open circuit communication», and it occurs when the two countries of the exchange have the same official language or a shared language that is spoken by a sufficiently large proportion of the population, a figure of 20 per cent or more of the total. According to
this criterion, he determines up to 15 «circuits», that explain the «yes» (one) or «no» (zero) of sharing a language or not in absolute terms. The second measure, with the same differentiating object, depends on the number of inhabitants who speak the language and is called «direct communication». Taking into account that at least 4 per cent of the population speak it, a total of 29 important worldwide languages were used, allowing a significant reduction with respect to the over 6,000 languages counted on the universal scale. He evaluated, following from James Rauch (1999), that the open circuits of communication can have particular importance in the trade of homogeneous goods, in which the most rudimentary communication is sufficient, whereas direct communication operates more with heterogeneous goods, that require a more sophisticated relationship.

With all this, Mélitz carried out an interesting study, in which he compares these two measures with other indices: that of the «common language» of Frankel and Rose (2002), the previously mentioned «linguistic diversity» of Grimes (2000) and literacy.

He concludes that a common language stimulates international trade, and encourages positive network externalities in relation to trade; but English, despite its position of dominance internationally, does not promote trade any more effectively than the other big European languages of trade. Perhaps the strongest and newest result, literacy of the population (that is, the capacity to read and write itself) is the factor that has a greater and more positive influence on trade. He states: «according to the estimates, much more can be done to increase trade between two countries by promoting an extra percentage point of literacy than an extra percentage point of a common language».
With all these methodological cautions, it can be claimed, however, that the importance of a common language as a stimulus for trade between countries is such that, even some studies whose initial aim was to identify the relevance of other economic variables, and not the language itself, have demonstrated that this linguistic proximity was stronger, as an element of attraction, than the variable being tested itself. This has been the case, for example, in the works by Aránzazu Narbona (2005) and by Celestino Suárez Burguet et al. (2006).

In the first instance, the specific equation of gravity had the objective of measuring the positive effect of regional integration (specifically, Mercosur) on the trade flows of the countries. However, after carrying out various different specifications on the model, the author concluded that the cultural affinity, brought together by language, stimulates trade by around 150 per cent, and belonging to the same trade bloc only 10 per cent. On the other hand, this corresponds with the conclusion of Inmaculada Martínez Zarzoso et al. (2003) with respect to the value of the language coefficient, that is «persistently high», and «shows an importance that sustains cultural ties in international trade» between Ibero-America and Europe. In any case, the contribution of these factors is positive, regardless of the specifications used in Narbona’s model, serving as both, a common language and tariff-remover, like motors of bilateral trade exchanges. Notably emphasized is the fact of sharing a language: evidently, it stimulates trade more between two countries in a linguistic community than belonging to an area of economic integration that has removed tariff barriers. Language is stronger than Customs!

Suárez Burguet et al. (2005), in turn, in trying to value the transaction costs related to international trade concluded that speaking the same language is the most important variable
when explaining trade flows (estimated coefficient: 0.42), even more than the economic size of the countries (population, estimated coefficient: 0.22) or their own freight transport (estimated coefficient: -0.25). Speaking the same language translates into an increase in trade volume of 52 per cent and means a major stimulus is generated by trading with big countries, with large populations (25 per cent).

In these studies, as in the majority of those that have used gravity models to analyze trade, a strategy is set out in stages, starting with a basic gravity equation (including the common language as a key reflection of ethno-cultural similarities between two countries), in order to later add other dummy variables that reflect the cultural similarities. Normally, in the first of the aforementioned estimations the coefficient obtained for language would be the highest, and then, in the way that the rest of the dummies are used, this effect, and as a result, its meaning, are assessed. In the regressions in the work of Gert-Jan Linders et al. (2005), for example, the importance of speaking the same language is reduced by the way in which they include the existence of family connections and belonging to the same religion. Initially, sharing a language increases trade by 197 per cent; while in the most complete specification of the model, this effect if reduced to 32 per cent, as it then appears that historical links stimulate trade by 166 per cent, and practicing the same religion increases it by 22 per cent.

The Economic Value of Spanish project has enabled a substantial development in the knowledge of the ties between trade and language, especially in relation to Spanish, through the works of Juan Carlos Jiménez y Aránzazu Narbona who concretized them in El español en los flujos económicos internacionales (Spanish in International Economic Flows).
Spanish, a language spoken by around 450 million people around the world, has a «purchasing power» (derived from the average income of its countries) that can be calculated as around 9 per cent of global GDP, which becomes a strong argument for an economic interrelationship for the group of countries that speak Spanish (Jiménez y Narbona, 2011). There are many reasons to support this assertion. The common language, and even more so when the club of its speakers is bigger and more dispersed, is a key factor in order to improve knowledge of exterior markets and reduce the psychic distance between countries, bringing them closer and making them more attractive for the entrance of their respective products or for the trade of their productive investments. Furthermore, it is a valuable intangible asset for the internationalization of companies that find a great advantage in operating with a working language that is common in a large number of markets. The case of Spain, having achieved economic maturity, and of its business network, that requires an active outward projection, is very revealing in the exploitation of these advantages.

From the point of view of trade, a common language, in the gravity models that enable a quantitative approximation of this phenomenon, sets itself up as a determining variable, of great statistical importance and significance, within the current market flows. In the estimates contained in Jiménez y Narbona (2011), a «common language», considered generically, causes a multiplication factor of close to three.

Indeed, Spanish has been confirmed as a powerful driving force for commercial trade worldwide. According to the gravity model with panel data applied to a sample of 51 countries

9. The figures are found in detail in the work of Francisco Moreno and Jaime Otero (2008), also the product of the Economic Value of Spanish project, Atlas de la lengua española en el mundo (Atlas of the Spanish Language in the World).
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(11 Spanish speaking) for the period 1996-2007, sharing a language, any language, creates a multiplication factor in world trade of close to 190 per cent for trade between countries that share the language. Sharing it, within the pan-Hispanic community of nations, increases the bilateral trade between them, on average, by nearly 300 per cent (even more so than English in the Anglo-Saxon countries).

That Spanish is substantially above this number (quadrupling the trade flows between Spanish speaking countries), and even, as soon as institutional factors come in to play in the model, above those of the English language itself (beyond its other role as the *lingua franca* of international business) representing the Anglo-Saxon countries, Spanish is reflecting its importance as a cohesive element for trade within the large Hispanic community. Therefore, Spanish, approximates, and more: more than *adding*, as has sometimes been said, it *multiplies*. However, it is also clear that the potential of Spanish as a stimulating factor for international economic relationships is to be developed, as can be seen in the case study of the publishing industry presented in Jiménez y Narbona (2011).

3.7. Language as an Intangible Business and Factor of Internationalization

One final aspect now needs to be emphasized: a private or public good (or service), language, although sometimes supported by physical means, has an essentially intangible nature, a sort of economic *software*, that inevitably complicates its valuation from a physical and accounting point of view.\(^{10}\) The valuation of intangi-

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\(^{10}\) This is the reasoning that is emphasized in the article by José Luis García Delgado and José Antonio Alonso (2001).
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ble assets is one of the topics, undoubtedly one of the deepest, in the study of business economics. However, language as an intangible asset has until now not appeared in this business literature. If anything, some studies are interested in the choice made by companies, particularly multinationals, of a «working language», based on the minimization of transaction costs (basically, those of communication and information) within the company.

Initial studies, both from 1990, by Carol S. Fixman and Nigel B. R. Reeves, were concerned with the necessity to take other foreign languages into account in US-owned multinationals (revealing how those of a smaller size would appear to be more sensitive than large companies in valuing foreign languages) and UK-owned multinationals (in this case, with the threat of a European expansion in the making that could linguistically Germanize the continent). Later, the work of Rebecca Marschan-Piekkari and Denice and Lawrence Welch (1999) examined, through a case study of the Finnish multinational (Kone), the impact of language on structure, power, and communication in the company. Two conclusions stood out: the first, that language, although often forgotten, imposes (sometimes as a barrier, sometimes as a facilitator) its own structure on communication flows and personal networks, equally influencing the ability and the manner of controlling the management of subsidiary companies; the other, that language is often used as an informal source of power within multinationals that move in certain linguistic areas11, in any case,

11. Managing to create, as maintained by Marschan-Piekkari, Welch and Welch, an authentic «structure in the shadow», based on the language, that overlaps the formal organization of the company: The linguistic distance between the headquarters and the subsidiaries reveals a hierarchy of languages. Clearly, the position of a subsidiary within a multinational does not necessarily coincide with the organizational structure or the economic importance (…). Moreover, the data from Kone indicates that proficiency in Finnish and/or English allows the staff of the subsidiary to exchange information with the
we are told “it is not possible to effectively govern any organization on a world scale from a monolingual headquarters”.

From another perspective, an interesting work by de Krishna S. Dhir and Theresa Savage (2002) about “The Value of a Working Language”, offers a methodology to evaluate the most efficient language within a company. In a more recent contribution, Krishna S. Dhir (2005) again suggested, very shrewdly, that language assets” in a similar way to how they currently do about their “portfolio of financial assets”. He bases his argument on the combined effect today of the economics of knowledge, the globalization of business, and the growing diversity in the workforce for shaping the language (the working language of a company) as a source of the creation of intellectual and organizational capital: language performs a vital role in the formation of the organizational culture of a company through its use in the creation and application of knowledge, information flows, and the performance of the organization.

It can be concluded, despite the literature still being tentative in this respect, that language is a fundamental intangible asset for companies, particularly at times of internationalization, when relying on one common working language in various headquarters, and operating through this language in various local markets, becomes a benefit “of ownership” compared with other companies.

headquarters and with other subsidiaries. Obviously, middle managers and operators outside of these linguistic clusters deal with unequal possibilities of becoming fully integrated into the Kone “family”. In fact, linguistic abilities can be considered an important component of the basis of power concerning the subsidiary within the multinational, and it can even be suggested that, to a certain point, the hierarchy of the language replaced the hierarchical structure within Kone.
All this acquires two new extensive possibilities of quantification through the gravity models, in a similar way to how they are used to measure the links between language and trade; in this case, between language and direct investment. The economic literature already depends on significant support from these types of models in which a common language is included in explaining the determinants of foreign direct investment.

In *El español en los flujos económicos internacionales* (Spanish in International Economic Flows), Jiménez and Narbona (2011) provide new and significant evidence. From the perspective of foreign direct investment, the amplifying effect is emphasized for a common language in the case of trade, and it is even more intense. In this instance, the fact that the same language is used approximately triples (in the basic specifications of the applied model) foreign direct investment flows between countries. On including other cultural variables in the model, the weight of the common language is reduced; however, as in the case of trade, on including the institutional determinants, in the full specification, the numbers rapidly increase, and the «common language» even reaches a coefficient with a multiplication effect of 580 per cent, in relation to bilateral investment flows. This reveals the great power of a common language as an instrument in business internationalization: the fact that the language is shared (in a sample with a large presence of Spanish speaking countries) multiplies by almost seven the bilateral direct investment flows between countries.

In the case of Spanish in particular, and especially, in observing it from Spain, the language community (and the interpersonal, historic, and cultural ties that hold it together) has been a decisive factor, without which it is impossible to explain the enormous amount of investment flows heading towards
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Latin America since the 1990s. According to the calculations by Jiménez and Narbona (2011), in the middle years of the great movement of Spanish companies onto the international stage, sharing the same language multiplied nearly 24 times the flows of direct investment.

The case of Spain is a clear example of how the linguistic factor is of particular relevance in the initial phases of business internationalization. Hence, the undeniably exceptional results derived from the model in relation to the Spanish experience in the previous two decade. It can however, be expected that as advances are made to further stages in external projection, the factor of proximity that is associated with the common language will decrease in importance.

At any rate, the countries that speak Spanish have been the great «test bench» of Spain’s commercial internationalization in the past few years. The other great pending task is the materializing of this advantage of Spanish as an international economic asset in a collection of countries that require further development, and in particular, higher institutional quality. These are countries in which Spanish is still an intangible asset that makes up for other deficiencies, such as the obvious lack of institutional quality, getting closer to distancing these. Indeed, it is a potential resource that needs to be materialized, in the way that many others already have been across the Hispanic community.

According to what has already been stated, the great potential capacity for the international business of Spanish is unquestionable. It is a capacity that rises from its linguistic character, that relates to a large number of countries and that is reinforced by its demographic potential, but it cannot be based on this alone.
3.8. Concluding Note

The previous overview of the literature framed within the rather broad and varied limits of the economics of language has enabled us to confirm what was predicted to begin with: the characteristics of its border, its mixed nature, and dispersion. Initially very focused on the relationship between language and economics, the microeconomic perspective of what a language is worth on the labor market, especially for emigrants, has entered, little by little, in other areas of analysis which have been recorded in the previous pages.

In the scientific field of the economics of language, the different lines of investigation developed in the *Economic Value of Spanish* project, and duly included in the precious pages in their respective international molds, are contributions that pave the way to offer a thorough response to the key question: *how much is a language worth?* How much is it worth, indeed, for the group of its speakers and for the countries that share it, that is, with a global and macroeconomic perspective. Progress in this direction does not require a thick cold chisel so much as a small chisel, with which a great number of pieces are carefully sculpted, just as the facets contain the value of a language, that form what is, after all, nothing more than a great puzzle that only makes sense when examined together.

The scale of the overview of the economics of the language in its main areas of study is not small, certainly nor is the new terrain that is being discovered. However, what is known is enough to confirm that having a language with an international reach is important, and furthermore, in the economic life of a country, so are the benefits derived from belonging to a widespread linguistic community that extends beyond the national borders. Firstly, in this way it stimulates those industries that
have in the language (or in any derived product) a basic component of their productive function. Secondly, having a common language can reduce the transaction costs of all those operations that are carried out between the countries belonging to the same linguistic community, promoting the mutual exchange of factors and products.

Finally, including the «language» variable, or common language, in the models and analysis of economics has proven useful to gain a greater understanding and value its impact in multiple facets of economic activity and in relation to this. At the same time, it has enabled knowledge of the reality examined in the research, already known from economics, to be perfected, in areas such as international trade or labor economics, for example. It can be said that language has already overcome its initial phase of settling in order to enter into a promising future of academic development.
4.1. Precedents

The overview carried out in the previous chapters serves as the basis for the reflection that is starting now. To that end, we should begin with an aspect that has been duly recognized in the previous sections: the two-way relationship that exists between economics and language.

On the one hand, it has been shown that possession of a language with international reach is important, especially in the economic life of a country. Despite referring to an intangible, and to some extent elusive, asset, belonging to a linguistic community that transcends national borders is a source which generates economic value for a country. Beneficiaries of such assets are allowed to: a) firstly, externally promote and project industries that use language as a primary input in the process of generating value (cultural industries, of language teaching or communication, for example), creating a productive fabric without which the good would either not exist, or the good would be less significant; b) secondly, reduce the transaction costs of all those operations carried out between countries be-
longing to the same language community; in this way, strengthening the internationalization of their economies and the international impact of their economic agents (through trade, investment or migration, for example). Either way, language is a source of economic value, whose contribution is vulnerable, as we have seen, to being quantified, albeit in an imperfect way.

On the other hand, it has also been proven that this relationship between economics and language works in the reverse direction to what was described above: the economy of a country, its size, and especially its competitive capacity, affects the international range and dominance of the language. It is no accident that the languages that have served as a lingua franca throughout history, those with the greatest reach and use, correspond to the languages spoken by the dominant economic power of the time. It is the economic, political and cultural vigor of a country, its capacity for external impact and dominance, its economic and intellectual rise, that are the most certain driving forces for the attractiveness of a language as an international language in the medium term. Ultimately, economic power operates as a multiplicative factor in relation to two of the basic functions that language fulfills: serving as a means of communicative exchange and acting as a sign of status. In the first instance, the economic vitality accentuates the number of international transactions that the country carries out in its own language, encouraging the members to learn and use the language as a means of improving their negotiating position in exchanges; in the second, it elevates the reputation by association, from its belonging to the linguistic community to which the main country is a member. Both factors work in improving the international impact of the language of the country in question.
Although reference has been made on the international scale, clearly, this same logic is behind the reasons for linguistic hegemony at the center of multilingual political communities. In fact, this factor of economic, population, and finally political dominance, was part of the progressive dominance of Castilian Spanish among the Romance languages in the Iberian Peninsula in the seventh and eight centuries. Fernández-Ordóñez (2004) clearly states this when he asserts that Castilian Spanish «was the preferred language for legal and administrative practices», and noted that it was due, in large part, to the fact that «since at least the middle of the seventh century, Castile was the kingdom with the most demographic weight, greatest territorial extension and a thriving economy».

Therefore, the two-way relationship between language and economics forms a kind of virtuous cycle, of relationships that reinforce each other: the economic strength of a country increases the capacity of international impact of the language, and in turn, this international impact can act as a source of economic benefits for the country.

All this can be applied to the case of Spanish as an international language. It is the economic, political and cultural vitality of the community of Spanish speakers that largely determine the future of Spanish as an international language. Promoting the international progress and strength of this community will be the most reliable way to boost the attractiveness of Spanish. However, at the same time, it must be recognized that the position of Spanish as a language of international communication is a factor that is contributing to the creation of economic value that is a benefit to the countries in which it is an official language.

Yet now is the time to turn this argument around: the important influence that the economic foundation of a coun-
try has in the promotion of its language has so far been accepted; now, what we hope to emphasize is how language policy is also important in promoting the use of a language. To put it concisely, although vital as a determining factor, economics is not everything. The measures adopted in support of a language can also, when sufficiently designed and applied, generate results in terms of consolidation, use and impact of the language. This relates to measures geared towards emphasizing the attractiveness of a language, through the distribution of its own cultural products of high quality and interest, campaigns aimed at promoting the reputation of the linguistic community and the factors of identity that define it, and lastly, initiatives designed to expand the circle of speakers, facilitating the language learning process. How would this be known if not for the investments made by the British Council, the Alliance Française, the Instituto Camões, the Goethe Institut and the Instituto Cervantes in the defense and promotion of English, French, Portuguese, German and Spanish, respectively?

It seems obvious, therefore, that the role reserved for language policy would be of even more importance the more hard-fought the international hegemony of the speaker of this language, the weaker the control of the language itself in its own territory or the less dominant the boundaries of its influence. Conversely, the more evident the international leadership of a country, the less effort will have to be spent in terms of language policy to support the international promotion of the language, an assessment that explains the lesser energy that English-speaking countries spend on policies to promote their language internationally. Conversely, this justifies the extra effort made by countries whose international linguistic impact is in decline, such as French, in this field. Language policy is undeniably important.
In this chapter, some of the contents of a policy of international promotion of a language are addressed in detail. An initial clarification of two aspects may be appropriate. The first is to deliberately state what is understood here as language policy. Under the generic title of language policy, a wide range of activities can be included that go from looking after the health of a language to setting its development standards, from the study of its origin and evolution to the stimulus for learning it, and lastly, from the promotion of its most valuable products to the support for its international projection. All across this extensive field, the attention will center only on those aspects most directly linked to the promotion of the language, in this case, Spanish, as an international language. Other aspects that are more related to the linguistic foundations of the language (origin, evolution, variations, and standards, for example) will be deliberately ignored. This boundary of language policy finds its justification as much in the specialized intention of this work as in the educational background of its authors, that places it far, far away from the strict fields of linguistics.

The second specification is almost the exact opposite: it relates to some of the measures that must be adopted to propel the international projection of a language, in this case Spanish, beyond the area where it could be strictly considered a language policy. They are measures that affect language, but that operate in multiple fields, such as the drive towards cultural industries in Spanish, the activation of international relations within the Spanish-speaking community, the promotion of transnational social capital by Hispanic migrants, and the distribution of scientific achievements in Spanish. As seen, these are very different areas, but all have an effect on the value-in-use or the reputation of the language.

After these caveats, now it is a matter of explaining what the authorities can do to improve the use and impact of Span-
ish as an international language. The issue is of vital importance in the context of what has been studied throughout the research to which this work relates.

Perhaps, in order to further this observation, it is necessary to attempt to respond to two earlier questions, that later development of this argument is conditional on. Firstly, do authorities have a responsibility in terms of international promotion of a language? Or, alternatively, is this an area that should be guided by volunteers and public resources? Secondly, if this is the case, what is a reasonable objective that should guide this policy, specifically in relation to Spanish? The following section will answer these questions.

4.2. Justification and Scope of Linguistic Policy

Although it can often appear unnecessary, it does not seem unreasonable to wonder about the relevance of a public policy in support of the international projection of a language. Why would responsibility in this field be given to public authorities? What is the justification for the government to be involved in such an activity?

Disregard the first obvious, although unsatisfactory, answer: the high interest in the task. Despite the intuitive aspect of the proposal, it must be conceded that although it would be desirable as a specific goal in itself, this does not justify voluntary and public resources being involved in its attainment. There are objectives that everyone agrees are of interest, but it is judged that economic agents should be allowed freely decide.

For example, it may be desirable for a Spanish company to invest in a new factory, with the goal of increasing its operating
capacity and creating employment, but it is understood that the
decision ought to be strictly within the sphere of the company;
or it may be desirable for a family be more careful in the use of
its income, avoiding unnecessary costs or excessive debt; but it
is accepted that this is a private decision by the owners of these
resources. In which case, why, in relation to the promotion of
language, do we think that the authorities should be involved?
This response was anticipated in chapter 2 when it was argued
that language has partial characteristics of a public good. The
reasoning can be formed in a more thorough manner.

The attributes and advantages of a language belong to all
those who make up the linguistic community. More specifically,
language was defined as a club good, that is, a good to which
everyone does not have access; to enjoy the advantages of a lan-
guage one must first master it, but once integrated into the lin-
guistic community, they enjoy the benefits that come with it,
without any possibility of exclusion or rivalry. Additionally, the
strong externalities that characterize a language, which was de-
defined as a hyper-collective good, were mentioned. These mean
that the more people who speak a language, the greater the
benefits gained by the potential users of the language.

In keeping with this dual characteristic, it could be said
that the social benefits that are derived from an increase in the
number of speakers of a language exceed the private ones ob-
tained by those that are affiliated with this linguistic commu-
nity. All the speakers of a language have an interest in that
linguistic club expanding and gaining a reputation, because
they know that from it, they will derive benefits. However, it is
necessary to remember that these benefits are available, simul-
taneously, and without any restrictions to everyone who speaks
that language, independent of whether they have put in any
effort to achieve this dual objective. As a result, none of the
people who initially belong to a linguistic community will have sufficient motivation to independently undertake any effort that will ultimately benefit everyone; furthermore, everyone would be expecting that others will do this task, knowing that afterwards, they would benefit from the effects. In other words, it produces what is known in economic analysis as «opportunistic behavior». The problem is that when this attitude becomes widespread, the aggregate effect is detrimental for everyone: no one stimulates the growth of the club or improvement of its reputation, so then everyone is deprived of certain potential benefits that they would gain from the spread of more diligent behavior in relation to this aspect.

This is the general problem that characterizes the provision of a public good: there is a contradiction between the aggregate interests and individual motivations. The way to solve this problem is well known: try to articulate a coordinated response, through institutions, so that the collective benefit overcomes individual interests. This also happens with the speakers of a language: everyone is interested in gaining prestige and international expansion, but nobody is prepared to individually assume the costs that are associated with promoting that objective. It must be the institutions, which act on behalf of everyone, who take on this task, knowing that the cost they will incur will be financed by the collective benefit that is derived from achieving the proposed objective. Therefore, because of its nature as a public good, it is reasonable for the government to design and promote a public policy to support the use and international projection of the language. The fact that a large number of the countries with an international language have public policies in support of their language only serves to validate this argument. In short, to the question of whether it is the role of the authorities to support the international projection of a language, the answer is unequivocally affirmative.
Having reached this conclusion, it is appropriate to now analyze what should be the aim of this policy in the specific case of Spanish. It could be argued, in principle, in the opposite way, noting what objective should be avoided. In this respect, a strong conclusion seems to emerge: it is not a matter of Spanish attempting to rival English as a *lingua franca* internationally. Such an intention would not only be unachievable, but also demonstrably wayward.

It is unattainable because there are many spheres in which English has already been established as the language of international use, without any possibility of competition. Moreover, its nature as *lingua franca* means that it would be used as a preferential means of communication, even in contexts where other languages could perform a similar function as a working language (that is, even for certain uses within the Hispanic community).

The prior assertion rests on the following findings:

- Firstly, the growth of English as a *lingua franca* in *international business*. This relates to a trend that finds its justification in the leadership that the United States has had over the international economy throughout the last six decades, that followed that which the United Kingdom maintained for a large part of the nineteenth and twentieth centuries. The intensification of the process of economic globalization under this hegemony has ended up turning English into the language in which a wide range of economic transactions are carried out, converting that language along the way into the working language of many economic institutions and operators. Consequently, the executives and directors of internationalized companies find themselves obliged to be flu-
ent in English in order to preserve the minimum requirements of competency in their role. Inasmuch as the trend has spread out and taken root, the value of having another language, for example Spanish, as a resource and means of negotiation has lessened, even though this would be the language of the economic operators; instead they avail of another language, English, that is equally shared, up to a point, has developed a technical vocabulary suitable for business management and has a greater capacity for global communication.

• Secondly, the loss of validity of Spanish as an operating language in international forums. There are two priorities that should be analyzed: the European Union on the one hand, and the United Nations on the other. In both institutional frameworks, Spanish appears as one of the official languages; however, in both cases, a certain criterion of flexibility and efficiency in the decision-making processes has caused these institutions to effectively reduce the number of languages used in working sessions and decision-making processes. Under these circumstances, English progressively rises with the (implied) characteristics of a lingua franca, to the detriment of the rest of languages recognized as official. This process is especially damaging for French, which in the past occupied dominant positions in both institutions, but it also makes it difficult for Spanish to have a more desirable presence.

• Thirdly, the dominant presence that English has in scientific and technological fields. Again, we are dealing with fields in which the language has imposed itself, with very little rivalry, as the dominant language. The main scientific journals, the most relevant international conferences and the shared efforts of technical teams on an
international scale are in English. As a result, Spanish and Latin American researchers and scientists are forced to turn to English as a working language for the presentation and dissemination of their findings, even when they are aimed at Spanish-speaking communities. From this, in Hispanic areas, specialized journals that are published in English or scientific seminars organized in this language have emerged. In view of the crucial role that scientific progress and technological innovation have in contemporary societies, the limited presence of Spanish in those fields diminishes the capacity of Spanish to have an impact.

Undoubtedly, the elements mentioned do not exhaust all the benefits that English has already claimed as an international language, but they are enough to lay the foundations for the enormous difficulties that Spanish would have in removing English from its role as *lingua franca*, if it were to try. In fact, as Mora Figueroa (1992) recognized, in practice, Spanish does not behave like a *lingua franca*, but more like an international language. With very few exceptions, corresponding to certain areas of the bilingual communities in its midst, and some groups that have it as an acquired language, the Spanish-speaking community have Spanish as a native language, not as an additional working language to their own. They use Spanish as a first language; and the fact that the native language is common to some twenty countries, gives Spanish its position as an international language. This is not the case with English or French. The international presence of both languages is largely determined by the existence of countries that adopt it by a majority as a second language. The most extreme case is English, which visibly operates as a *lingua franca*, being the resource for working communication between many groups that are native to other languages.
The feature noted brings both advantages and disadvantages for Spanish. The main advantage is, undoubtedly, the strength of its scope as an international language. This is because many countries share the language as a native language and not because anyone has acquired it for reasons of its communicative function. The weakness derives from its limited capacity, at the moment, to become an effective second language of communication beyond the boundaries of Hispanic regions, that is, to operate as a *lingua franca*. Moreover, deciding, to any extent, to enter into a rivalry with English, is a demonstrably wayward aim, not only because it would waste resources through unattainable projects, but also because it would mislead the managers of public policies. *The intention should not be to displace or compete, but to complement English in the portfolio of most used international languages.* In other words, it is not about persuading a potential new speaker that learning Spanish will free them from learning English, but rather that Spanish should be included, along with English in their store of international languages.

In short, the aim that the public policy should follow in this area should not be to convert Spanish into a *lingua franca*, so much as to improve its standing as an international language, increasing its use and expansion, in a complementary way to a language such as English, that is already well established in international forums.

The two questions at the start of this section have already been answered; the topic should now be sealed by referring to the areas in which this public policy in support of language should be carried out. For this, remember that language has been defined as a *club good*, whose non-exclusive benefits are accessed only by those who belong to that linguistic community. This same economic characterization can offer a guide in
order to consider the responses that could be given from the public authorities to promote the value of Spanish as an international language. Developing this plan would require a slight change of tack. As with every club good, there are, first of all, some costs that the consumer must satisfy to access the good: in this case, these costs are associated with knowledge and fluency of the language (in the instance where it is not the mother tongue). Once within the club, however, certain benefits exist that are derived from the non-rivalrous consumption associated with the good, that in this example, is language. In turn, the benefits of the language are associated with its triple function as a mechanism for communication, a platform for thought and creation, and a transmitter of marks of status and references of identity. The fact that some of these benefits have a non-rivalrous character means that increasing the size of the club does not bring any costs, and instead, it brings benefits. This is the reason that virtually all countries are interested in promoting their own language, and expanding the club of those who speak or understand it.

Meanwhile, beyond the willingness of the governments, it must be assumed that, in general, the subjects behave in accordance with the criteria of rational behavior, trying to maximize the net returns gained from their actions. Therefore, they will use very little effort in learning a language that is someone else’s (for which they will need to spend time and resources) if it offers them a very limited benefit. The public policies will only be effective if they rely on those factors of interest that determine the behavior of the agents. For example, there is a growing interest in knowing Mandarin Chinese because it is assumed that in the future both companies and international institutions will be interested in being able to directly communicate with a country and an economy destined to have an increasing importance in the international arena; conversely, the
interest in learning Finnish is limited because the use gained from using this language is very limited. Therefore, increasing the size of a linguistic club depends, less on proactive policies aimed at increasing the scale of a language, and more on those actions geared towards raising the returns that individuals would gain from belonging to the linguistic club that speaks this language. As has already been said, some of these actions go beyond the narrow limits of what can be considered as language policy, and influence other fields of public policy.

Put this way, the relevant question therefore becomes: what determines the returns gained by an agent by belonging to a linguistic club? In general, it could be said that the net effect will depend on the evaluation that each individual makes between the costs of accessing the club, on the one hand, and the benefits derived from belonging to the club, on the other. These benefits, in turn, will depend on the extension and intensity of the communicative interactions that are carried out in the language, on the one hand, and the signs of status or identity associated with the linguistic community in question, on the other. The lower the costs of access and the greater the benefits (in communicative capacity or status gained), the greater the stimulus will be for a person to integrate themselves into a linguistic club.

This plan enables the identification of three complementary aims around which the policy of support for language should be based. They are: firstly, raising the communicative value of a language, increasing the number of speakers of Spanish or the amount of communicative interactions carried out in the linguistic community; secondly, reducing the costs of access to the club, making it easier for a larger population, originating from other linguistic communities, are able to acquire functional skills in the use of the language at a reduced cost; and
finally, improving the reputation of the club, so that benefits are increased in terms of a mark of status and a factor of identity, derived from belonging to the linguistic community of Spanish. These three objectives will be the basis for the next three sections in this chapter. It is interesting to note that the suggested classification is not very far from what Kloss (1969) proposed in his day, in identifying how aspects of language planning, those referring, respectively, to the body of the language, the process of acquisition and the status or social function attached to it.

4.3. Increasing the Communicative Value of the Language

The value of belonging to a specific linguistic club will depend, more than anything, on the number of communicative interactions that the subject thinks that they will have in that language: the greater the communicative capacity of a language, the greater the returns that will be drawn from the investment made in learning it. This explains why people attempt to learn English, but do not show the same interest in Latvian, for example. They assume that the number of communicative interactions that they would experience in the first case will be far higher than those in the second. In which case, what does the number of interactions carried out in a language depend on?

Undoubtedly, firstly, the number of people who speak the language. In this case, the relevant issue is not the number of people who have it as a native language so much as the group who use it (although it may be as a second language). This is what is seen as more worthwhile in learning English rather than Hindi. There is not much difference in the number of people who speak each of these languages as a mother tongue, but instead, the total number of speakers (including those who
learn it as a second language) is far higher in the case of English. Therefore, the first factor that determines the value of belonging to a linguistic club is the total number of people who speak the language, both natively and through acquired fluency.

However, the communicative capacity of a language does not solely depend on the absolute size of the group of people who speak it, but also, and to a considerable degree, on the number of communicative interactions carried out in that community. The latter will depend, in turn on the number of economic transactions, information exchanges and personal and institutional relationships that are carried out between the members of that linguistic community. The more developed the countries that speak the language, the stronger the communication links between them, and the greater the number of communicative interactions produced on an international scale in this language. Again, this serves to make English more profitable than learning Mandarin Chinese, given the economic, scientific and technological hegemony of the United States, the number of communicative interactions carried out in the first language is today far higher that the number of interactions carried out in the second.

What can be derived from what has been said in the previous paragraphs in relation to Spanish? A first conclusion is that the future value of Spanish will depend on the number of people who know and use the language. This group is formed, mainly by those who have Spanish as a mother tongue and have native fluency. Obviously, it is difficult for public policies to have a major impact on this first component, whose future expansion will be determined by the respective demographic dynamics of Spanish-speaking countries. In relation to Spanish, this first factor is definitely not presented in a negative way. Moreover, the demographic projections in relation to Ibero-
American countries makes it possible to envisage a Spanish-speaking community in slow, but steady expansion.

There are, however, two potential threats that should be considered: the first is due to the presence, at the center of the Spanish-speaking community, of groups with a mother tongue other than Spanish; the second is the eventual loss of Spanish linguistic skills in Spanish of the immigrant communities in countries resident in countries with a language different to that of the immigrant (the case of Hispanics in the United States is the most significant). We will return to these two issues later. Now the attention will focus on the first of the aforementioned factors: the number of people who can speak and understand Spanish, as it is their mother tongue or they have native fluency.

4.3.1. Expanding the Size of the Linguistic Community

As was mentioned above, one of the factors that determines the communicative value of a language is the number of people who actively use it. This mostly depends on the demographic scale of the linguistic club in question. What is the scale of the Spanish club?

As was anticipated in chapter 1, and according to the most recent statistics from Ethnologue, Spanish is already, at the beginning of the second decade of the twenty first century, the second most spoken language in the world by the number of people who claim it as a first language, behind Mandarin Chinese. More than 450 million speak Spanish as a first or second language (around 400 million residents in the Hispanic world and nearly 50 million outside this area, mostly in the United States), and over 500 million if counting the people who have learnt it as a foreign language, putting it as the third most spo-
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ken language by total number of speakers, after English and Chinese. Furthermore, in relation to the number of countries that use it officially, the Spanish situation is still outstanding: it is only behind English and French; while English is spoken in 50 countries and French in 27, Spanish is the official language in 20 countries. The next language in terms of international presence is German, which is spoken in six countries, a good distance behind Spanish. All these statistics give an idea of the interest relating to joining the linguistic club of Spanish, but what does the future hold?

The future evolution of the group of native speakers depends on the demographic behavior that will supposedly develop in areas where Spanish is spoken. In this respect, the two most dynamic demographic hubs are located around the Hispanic American population, and also Latino migrants. The demographic progression of Spain is hardly significant and is highly dependent on the migrant population. Therefore, altogether, reliable demographic projections refer to a group which, by 2050, would be around 528 million, in the case of Hispanic America, and around 51 million in the case of Spain. In other words, within four decades, almost 580 million people will be part of the Spanish club residing in Spanish-speaking areas. If the migrant population in non-Hispanic areas (mostly the United States) is added, it results in a total of around 640 million people with native fluency in Spanish in 2050. Putting this in perspective, it refers to a limited, but significant progression of Spanish speakers in the next decades. This development will not occur without a certain shift in the international hierarchy of languages according to the number of their respective speakers. In 2050, Chinese will continue to dominate, and will be spoken by around 890 million, although the motivation for the expansion of native fluency in this language will be somewhat reduced in coming
years. Following that will be English, with nearly 850 million native speakers. And, finally, Hindi, which will grow to around 690 million speakers in 2050.

The variables that influence the demographic evolution of native speakers of various languages exceed the sphere of linguistic policy, and even that of public policy. As already noted, what the government can do to adjust these demographic trends is limited; and, in any case, their interventions in this field will be commendably an extralinguistic objective. It is better to focus on policies that try to influence population growth and its structure, by age, thereby pursuing economic and internal composition objectives of demographics.

However, it should be repeated that the communicative capacity of a language depends not only on the number of those that actively share that language, but also the communicative intensity that exists between members of that linguistic community. To use an extreme example, an international language that is common to countries between which there is no communicative relationship would, from the perspective being examined here, be equivalent to the existence of as many languages as countries in the community. In other words, there would be no advantage to sharing the language. The opposite occurs, as is obvious, when the communicative interactions are intense, in which case everyone enjoys the advantages of the linguistic community. Finally, a language is not exclusively, but is to an important extent, a tool for communication. Its value-in-use, therefore, will be greater when the network of communicative interactions that are produced in this language is more dense.

It is certainly possible to think of public policies that stimulate the communicative depth within the Spanish speaking
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community. It must be noted that these policies, to a large extent, transcend the strict field of language policy. As has been mentioned, the potential for international communication of a language depends on the economic, political and cultural relationships that are weaved between the institutions and agents of many countries that form that linguistic community. It is a very broad field, with hardly any spheres in which measures to motivate the communicative exchanges in the Spanish-speaking area could not be put into effect. Moreover, on doing this, it will not only raise the level of communicative density between the communities that express themselves in Spanish, but will also strengthen the interest of those belonging to other linguistic groups to follow these initiatives.

It is far from pointless to illustrate what is meant, though numerous examples. We will start in the academic sphere. The intention in this instance would be to not only strengthen communication, mutual knowledge and collaboration between epistemic communities with the Hispanic area, but also to support the international impact of its achievements (through, for example, conferences or publications referenced on an international scale). In this way, if the meeting and communication of researches from both sides of the Atlantic is encouraged, it will not only increase the density of communicative interactions within the linguistic community; it will also motivate other actors coming from other linguistic communities to take an interest in Spanish as a means of access to those channels of communication and the content that circulates within them.

An example that is perhaps nearer to the experience of the general public is that of book fairs in Spanish which take place in different cities in Spain, Latin America and even the United States. Through these, contact is created between writers, publishers and distributors, from both sides of the Atlantic,
promoting mutual communication, trade relations and networks of trust among participants. In doing this, the value of Spanish as a shared language is strengthened, in the way in which it increases the communicative density within the club of Spanish speakers. Undoubtedly, the fairs are a means of promoting the publishing industry, but at the same time, they are a platform to expand the communicative interactions within the community of those whose native tongue is Spanish and of an internationalized industry that has that language as a basic input.

Another example, far from the cultural sphere, is that of the Ibero-American Summits. As we know, since 1991, Spain, Portugal and the Latin American countries have had an annual summit for heads of state and governments. Every year a specific topic is addressed, but additionally, the summits are used for ministerial meetings related to various topics. In the same way, meetings of civil society and social forces (business owners and unions) happen throughout Ibero-America. Regardless of the scope and efficiency of their agreements, the summits establish a process of dialogue, at different levels, between public and private actors in the Ibero-American area, amplifying interactions. If one of the factors in the value of a language is the density of its communicative interactions, there is no doubt that the process of multiple dialogues forms one of the paths to strengthening Spanish (and Portuguese, the other official language of the summits).

These examples could be extended to support a similar argument. What we would like to point out with these examples is that the communicative value of Spanish will largely depend on the communicative density of its linguistic club on the international scale. Everything that boosts relationships between agents and institutions in the Spanish-speaking community
will strengthen the language and increase the communicative value of Spanish. This is an important conclusion that adds another goal (in this case, a linguistic goal) to those others that control the specific policies which promote all kinds of relationships between the countries that speak Spanish.

In addition, it must be noted that the communicative density within a linguistic community depends, not only on the language community, but also on the level of uniformity in the language. There are international languages (Arabic being a good example) that despite being spoken across a large geographic area, have varied dialects that are not always mutually intelligible. In the Hispanic area, Quechua, on a smaller scale, suffers a similar problem with its, at least, six major dialects. However, this does not happen in the case of Spanish, which maintains a standard unity and a degree of uniformity in its truly remarkable use. This achievement is especially associated, as has been mentioned, with the activity, in recent times, carried out together by the Real Academia Española and the Asociación de Academias de la Lengua Española.

It is time to summarize: the communicative value of Spanish will depend, on the one hand, on the size of the community of Spanish speakers, especially those who have Spanish as a native language; and on the other hand, on the intensity of the communicative exchanges carried out in that international community. In relation to the first factor, it is difficult for the public policies to have an impact, but in relation to the second, the scope for action is far greater. Any action that stimulates mutual relationships within the multinational language community will increase the communicative value of the shared language. Sometimes, the means by which to expand this communicative density goes beyond (as in the examples offered) the specific scope of language policies.
4.3.2. Spanish and Other Vernacular Languages of the Hispanic Community

Two factors that determine the communicative value of a language have already been mentioned: the size of the club and the intensity of communication within it. Both factors can be debilitating if, as a consequence of the existence of other languages within the linguistic community, some of its members resort to using the other language in their communicative interactions or, if, as a consequence of the use of the vernacular language, there is a deficiency in fluency in the common language. These situations are especially relevant in the case of Spanish, given the existence of bilingual groups within the linguistic community of Spanish speakers. It is the case with Galician, Catalan and Basque in Spain, and with Quechua, Aymara, Guarani, Miskito, Nahuatl (Aztec) and Zapotec in Latin America, to name some of the most obvious examples.

In theory, the existence of bilingual communities should not present any problem for the use of the shared language in this case Spanish. It would be the language chosen for more general communication, reserving the vernacular language for communicative exchanges within the bilingual community. However, if the language policy is not sufficiently well-balanced, it could produce problems in relation to knowledge of one of the two languages. As much in Spain, as in Latin America, problems of this type have emerged in the media that have inspired complaints from citizens confronting the unbalanced treatment of languages in schools and public institutions. The problem is complicated because, all too often, the treatment of these topics appears charged with strong political connotations. This is not without reason, as language is one of the most recognizable features of a people’s identity. How can this type of issue be raised from the perspective considered here?
The analysis could begin by recalling that, among the functions of a language, there are two that operate in potentially opposite directions. Firstly, language is a vehicle for communication, for which its value, as has been seen, depends on the size of the group of people who speak it; the larger this group, the higher the communicative value of a language. At the same time, language is an important feature of identity, that functions with greater strength when the community that speaks it is more exclusive. The contradiction between these two functions of language is obvious. In order to illustrate this assertion, we can consider extreme situations (undeniably absurd situations): that of a private language of one individual person, who would have a communicative value of close to zero, but would operate as a powerful factor of identity; and the opposite, that of a universal language, Esperanto, for example, that would have maximum communicative value, but at a cost of nullifying its capacity as a sign of identity.

It is natural that communities that have their own language try to promote its use to preserve those signs of identity that are their own and that seem to be transmitted and strengthened through language. This resource will be more emphatic the more the communities lack the political institutions that would translate and clarify this sense of identity, or even when they have the institutions, but they are subordinates to others associated with a different language. Through the demand and support for their own language, attempts are made to strengthen the signs of identity, the cultural referents and, sometimes, the autonomous or otherwise political impact. However, taking this objective to the extreme could lead to a serious reduction in the communicative capacity, to the extent that it damages knowledge of the shared language. It also constitutes a risk that could unbalance the relationship in the opposite way, nullifying the capacity for effective use as a vernacular language.
It cannot be forgotten that after the attempt to impose a language on a multilingual community, there is an underlying power conflict both in the political arena and symbolically. It was recalled precisely by Antonio de Nebrija in his Gramática (Grammar), now more than five centuries ago, when he advised the Spanish monarch that «after your Highness placed many barbaric villages and nations with pilgrim languages under your yoke, and with defeat, they had to accept laws that the conqueror enforces on the defeated, and with them, our language». This shows the imposition of a language as an expression of effective and symbolic power. Therefore, it is not unusual that the treatment offered to both languages has become a sensitive topic in bilingual communities, the object of heated political debates and passionate individual support. It is difficult to find suitable treatment for coexistence of the languages, while these issues are raised as an exclusive expression of interest by one of the warring parties; it requires the strength to strip one of the languages of its political symbols, accepting bilingualism effectively as a value to keep, whatever the political relationship between the affected communities may be.

In fact, a certain sense of equilibrium would advise accompanying the promotion of a vernacular language with an activity that would guarantee the satisfactory fluency of the shared language, in this case, Spanish. At least, for two reasons: a) firstly, because the communicative capacity of Spanish, as a common language, is necessarily superior to that of the particular language of that community (a greater number of people speak it); and b) secondly, because Spanish also carries certain elements of identity (although not private ones) of the bilingual community. Therefore, for these reasons, the aim within the bilingual community should be to promote teaching and rendering of public services in both languages, so that there will be an adequate native fluency of both within the population.
In relation to the opposite, it would be an error to favor Spanish as a shared language, at the expense of the vernacular languages of the various bilingual communities. Such a choice would bring notable costs in terms of loss of cultural heritage and the erosion of one of the most important foundations for socialization and the identity of a social collective, damaging their sense of assertiveness and belonging. The result of this course of action would be nothing other than a way to foster a permanent feeling of grievance on the part of the affected linguistic community, that would end up damaging the foundations of social coexistence; and, in the long term would damage the chances of survival of that language.

This is not a remote possibility, especially in the case of Hispanic America. Currently there are 271 living indigenous languages in that region (Margery, 2005). With the exception of four or five of these languages (among which would be Zapotec, Aymara, Guarani, Quechua and, perhaps, Miskito), most of the others are found in the states that experts refer to as in resistance, decline and obsolescence. The assessment made by someone familiar with the topic could not be more clear: «the immediate future of the languages indigenous to Hispano-America is not promising. Most are unprotected, others considered by their own speakers as useless instruments and even detrimental to personal and family development, cannot expect great miracles. Of these 271 languages, a little over 90 percent are in almost imminent danger, of death» (López Morales, 2010). The loss may be noticeable, because when a language disappears, as Mithun (1998) noted, it coincides with the disappearance of «the most intimate elements of a culture: fundamental ways of organizing experiences into concepts, of associating ideas and mixing with other people. Also, the most conscious forms of orality will be lost: traditional rites, oratory, myths, legends, and even humor». It short, it seems obligatory to actively support the maintenance of these languages.
However, it would be equally erroneous to strengthen the vernacular language at the expense of limiting sufficient fluency of the shared language within the bilingual community. Such behavior would also damage specific elements of identity of the bilingual community, part of which is associated with the use of the common language and would additionally penalize the communicative ability of those affected, to the extent that it would deprive them of sufficient fluency in a language, just as much their own, but that goes beyond the borders of their community. Moreover, through that process, not only would the communicative possibilities of the bilingual population be damaged, but also those of the larger collective who speak the shared language that would see part of their linguistic universe segregated.

The plan laid out in the previous paragraphs champions a balanced promotion of bilingualism, under the assumption that it is the best way to profit from the overlapping presence of different languages within a community. However, this view seems to coincide with the future that the international community is heading towards. In an increasingly open and interconnected world, the elements of identity must be understood as referents that, on occasion, intersect and overlap; and not so much as disjointed elements that juxtapose and contradict. In other words, all too often, the referents of identity are built on multiple and overlapping truths. Due to this, it does not make sense to define a factor of identity in opposition to the others, rather it should be understood as an additional element that interacts with the rest, with varied effects and considerations depending on the case. One can feel Galician, Spanish and European simultaneously, without betraying any of the referents, at the same time trying to express oneself in Galician, Spanish or English according to the context being operated in. In the same way that it is necessary to again consider the con-
cept of sovereignty in order to serve those combined loyalties that are produced in the contemporary world, it is convenient to review the concept of identities, in order to enable the multiple presence of shared referents.

In accordance with this view, the objective would be to establish a policy capable of strengthening effective bilingualism of the population in those areas that have a specific language, making the promotion of the vernacular language compatible with shared fluency in Spanish. There are many linguists who tell of the advantages that bilingualism provides for subsequent processes of learning new languages. Bilingualism should, therefore, be understood as an expression of richness and as an opportunity to increase the skills of the population.

That process should be accompanied by an activity to permanently strengthen the elements of identity that are associated with both languages, trying to bolster their complementarity. Faced with the «language war», to use a previously coined expression, it would be necessary to talk about the «complementary coexistence of languages» as an expression of the increasing linguistic capacities of an ever more cosmopolitan and better educated society. Clearly, the proposal outlined is easy to achieve, not because of the results and transparency, but in view of the political conditions that rotate around the actions that relate to language, when the aim is to emphasize identifying factors of a distinct nature.

4.3.3. Spanish in Migrant Communities

Another factor that can weaken the achievement of a linguistic community is that which relates to the continuing use of the original language by of the migrants, especially by the second
and third generations. As is obvious, if the migrant moves to a country where their own language is spoken (an Ecuadorian in Spain, for example), there is no problem in the preservation of the language through successive generations. However, this is not the case when the migrant moves to a country that has a different language (an Ecuadorian in the United States, for example). In that case, it is highly likely that the migrant, at least for the first and maybe second generation, will become imperfectly bilingual: speaking the mother tongue with their family and with the community of the diaspora, but taking on the language of the host country at work, in official arenas and in part of their daily lives. The problem, as time goes by, is that the communication needs within the surroundings demand an increasing reliance on the language of the host country, and with this, skills in the native language decrease in the children and grandchildren of immigrants. They know some words and expressions in Spanish, but are not capable of speaking fluently and correctly in that language. As a result of this, some of the second and third generation take to encouraging those that have an imperfect knowledge of their own language (in this case, Spanish), but, can anything be done about it?

Moving forward once more to what should be rejected: the intention cannot be to defend the native language by limiting the exposure of the migrant to the language of the host country. Such a strategy would not only be inefficient, but also highly costly. Inefficient, because the migrant will require the local language for their work relationships and for adequate socialization in the host country. Pressure from the media and from their social and work environments will eventually enforce the utility of having an acceptable level of the language of the host country. Delaying this process not only has potential costs for the migrant in the labor market, in the form of reduced salary or greater difficulty in gaining employment, but
also complicates the process of socialization which is necessary for them and their children in their new place of residence. Finally, fluency in the language of the destination country is a basic way to provide the processes of integration and socialization to the migrant and their family.

Discarding the criteria of a language barricade, the most useful recommendation that can be prescribed for the migrant is to learn as much of the language of the host country beforehand, to facilitate their social and labor inclusion in the best conditions possible. In fact, in some countries, this knowledge of the local language by the immigrant is considered a requirement for gaining residency, or where appropriate, citizenship in the host country. In which case, does this process affect the value of the native language for the migrant? The answer must be in the affirmative.

In fact, the migrant, in their own experience, suffers from the effectiveness of the two most central ways that have historically caused language to die: the change in the relationship that the person (or the community) has with the country and the interruption of intergenerational transmission of the language, whether in school or in the family (Monteagudo, 2009). The first of the vectors is suffered by the migrant as a result of abandoning their country of origin and their move to an environment in which the dominant language is different to the one they speak; the second, in which their children and following generations become educated, both formally and informally, in the language of the host country.

As a result of this process, a migrant with permanent residency acquires, as has been mentioned, a level of asymmetric bilingualism: the work and public life are carried out in the language of the host country, the private and family life in a
combination of the native language and that of the host country. Over time, the private universe, is ever more penetrated by the language of the host country, which becomes the dominant language. Finally, the migrant loses some of their linguistic abilities in their native language, so that using Spanish is difficult and somewhat fragmented in specific circumstances or very narrow communicative contexts.

There are two circumstances that can lessen the effects of the process described: firstly, if the social environment of the host country values and rewards the native linguistic skills of the immigrant; secondly, when the migrant maintains a strong communicative interaction, with their community of origin, and with the group of migrants in the diaspora. In the first instance, giving additional value to the language promotes its preservation; in the second, an expansion is produced of those communicative environments and contexts in which the language of origin is operational and functional, therefore, adding value to its preservation. Both situations are worth examining further.

The first happens when the destination market values the bilingualism of the migrant; that is, when they are simultaneously fluent in their native language and the language of the host country. This situation usually translates into ease in gaining employment or in a premium in the salary of an immigrant that is fully competent in the simultaneous use of both languages; in the case of Hispanics in the United States, English and Spanish. In order for that to occur, it is necessary for communications in Spanish to be relevant for the company that hires the migrant. This happens, for example, when the company has subsidiaries in Spanish-speaking countries, when part of their workforce speaks Spanish, when production is orientated towards the Hispanic market or when they have business and transactions with operators situated in Spanish-speaking markets.
The benefit to the company of fluency in Spanish by the immigrant should, therefore, be significant enough to compensate for the mark of status that is associated with that language, in the event that it is negative. For example, until the year 2000, studies related to the labor market of Hispanics in the United States revealed that knowledge of Spanish (in addition to English), far from being associated with a premium generated a penalty in the salary of migrants. In other words, the potential advantages of bilingualism were so small for the companies that it did not compensate for the negative status marker (in terms of education, labor discipline or social adaption, among other things) that would appear to be associated with the typical education and social situation of a Hispanic migrant. It must be mentioned that such results started to change after the year 2000, when fluency in Spanish (in addition to English) began to be associated with a salary premium in some sectors of activity (Alonso y Gutiérrez, 2010).

What has motivated this change? There is no unequivocal answer, but it can be expected that the two variables that determine this result have changed. In particular, it is likely that there has been an increase in interest in United States companies in Hispanic markets, given the advances experienced by the Latin American economies in the last fifteen years, and the emergence of companies with Hispanic origins and international impact, all of which has translated into an increase in the returns on bilingualism. It is also highly likely that this has enhanced Spanish as a status marker, as a result of the economic and social progress of professionals with Hispanic backgrounds in the United States.

In effect, if one wants to preserve the use of Spanish among the community of Hispanic immigrants in the United States,
one sure way of achieving this is for the labor market in the destination country to reward the possession of these linguistic skills, through easier access to employment or a wage premium for the immigrant. Achieving this will, in turn, result in, firstly, the activation of economic relations between the host countries with the countries of the linguistic community to which the migrants belong. Again, the economic progress and impact of the countries that speak Spanish will be the best guarantee that those relationships will be stimulated, and through them, motivation for knowledge of Spanish will increase. However, this result can also be triggered by increasing the status marker that is linked to fluency in the language. Achieving this aim is a result not only of the social progress of migrants, but also of the image that is perceived by the rest of society in relation to their social characteristics and behavior.

It has been mentioned that one of the ways that preservation of the language is strengthened is when the labor market where the migrant resides values bilingualism; the other, not necessarily incompatible, way, is that the vitality and capacity for the promotion of the specific community of migrants expands the social and communicative contexts in which the use of Spanish is required, which undoubtedly would bring an increase in the value-in-use of the language. As has been repeatedly mentioned, this valuation crucially depends on the role that Spanish has in the communicative exchanges between immigrants and in the function that this language has as a symbol of status and identity. Both aspects are important.

The utility of Spanish will increase, firstly, if the migrant community continues strong communicative interactions among themselves, or with their countries of origin. This possibility will increase if, for example, if media (radio, television,
newspapers) is available in the host country in the language of the migrants. In the case of Latino immigrants in the United States, the existence of the media (particularly, television) in Spanish is an enormously important factor in the preservation of the language. Also important is the encouragement of a united spirit among migrants, promoting their own organizational structures that strengthen social gatherings, common support services and the celebration of their own cultural activities, so that the use of their native language will be promoted. The conventions of the extended family in the case of Latino immigrants and the loyalty to certain cultural traditions are a good starting point in order to strengthen those forms of socialization in Spanish in the destination country. Equally, the objective can be considered through the continuous relationship between the communities in diaspora and their countries and communities of origin, either because the migrant has frequent visits to their country of origin or because they maintain permanent communication ties with their family. In this case, the Latino migrants in the United States can be fortunate due to the physical closeness between the countries and the dense communication network between them.

In fact, the density of the links between the community of origin and the diaspora forms a strong social capital of a transnational nature, on which continuation of these processes of communication, that necessarily must be carried out in Spanish, can be based. Moreover, it is a process that is considerably stimulated by the facilities that are established by the new communication media, the reduction in the costs of travel and the generation of all types of undertakings (in the fields of communication, transport, nostalgic trade, remittance transfers…) associated with these links between the communities of origin and destination of migration.
Secondly, another method of preserving the use of Spanish, on the part of the migrant, is to boost its role as a sign of identity or as a status marker, in this way emphasizing the sense of identity and assertiveness of the diaspora community. In order to achieve this objective it is necessary to stimulate the meeting of members of the diaspora, preferably through shared cultural activities, and spread the successes achieved by that community by its outstanding members or by the countries of origin. In this respect, the progress of the members of the Latino community in the United States, becoming the highest authorities of the State, reaching positions of leadership in important companies, or gaining notoriety in the arts, is an excellent path to strengthening the language. In this way, the use of Spanish transfers to the migrant, not only a sense of identity, but also reputation. Again we return to an idea that has repeatedly been brought up throughout these pages: the value of a language depends crucially on the economic, political, scientific and cultural vitality of the society that sustains it.

4.4. Reduction of Costs to Access the Club

Until now, attention has been focused on the tasks associated with increasing the value that the language has for those that already speak it; in this section, we will consider how to increase the size of the club of Spanish speakers, including people belonging to other linguistic communities that wish to learn this language. Clearly, if a person wants to join a new linguistic club they will have to deal with a costly investment, in terms of time and resources, associated with learning a new language. This is referred to as «access costs». The higher the access costs, the less likely is it that the club will expand, and vice versa. Therefore, one of the ways to expand a linguistic club
is through the promotion of activities that are aimed at reducing the access costs of the language.

It must be understood that if one manages to reduce the access costs of the club, it is reasonable to hope that a greater number of people will decide to learn the language in question; however, this expansion will generate potential benefits for all the members of that club, in that it expands the communicative capacity of the respective language. In other words, there is a shared benefit that affects not only the recently joined, whose portfolios of linguistic activities are increased, but also those who were already members of the club. Therefore, reducing the costs of access makes the corresponding processes of learning easier and cheaper. Both aspects, accessibility and cost, are important.

Accessibility makes the task of learning the language easier. This objective involves, firstly, establishing a large network of training centers on an international scale. Furthermore, it will be necessary to have available the pedagogical approaches, teaching materials and procedures for selecting instructors to guarantee the quality and efficiency of the training process. Finally, it is important to accompany the learning of the language with other types of activities that not only allow students to put into practice the knowledge acquired, but also reveal the usefulness of the effort they are putting in to learning the language (access to cultural products or the labor market). In relation to these topics, there is ample international experience, in particular in the case of English, which has generated an enormously successful and profitable industry from teaching the language. In relation to the most successful international models, the case of teaching Spanish still carries deficiencies and limitations, in size, quality and accessibility of the supply, that should be removed (Carrera y Gómez Asencio, 2008).
In the case of international languages it is important, however, to establish minimum standards that are accessible to those who wish to have Spanish as a working language. In other words, attempting to create a supply, certain content and a training process that guarantee access to minimum functional skills for the use of the language in daily life. There are many people who are not able to invest the time and resources required to reach complete mastery of the language, in this case Spanish, but they would be willing to put in the effort to acquire functional capabilities for communication in Spanish that will help them on the international field. It is interesting that there is a standardized supply of this type of quick and practical training and a growing demand in international markets, and that in the case of Spanish, it is still virtually untouched.

In short, it is necessary to bear in mind that the reasons for attempting to learn a language are very diverse, as are the situations (in terms of time and availability) of those who are potentially interested. Therefore if one wishes to boost the demand for Spanish courses, it is necessary to structure a flexible offer that can be adapted to these different types of demand, maximizing the ability to attract those who show an interest in learning Spanish.

To further these activities of promotion in supporting the language there are dedicated (public or semi-public) institutions, created by countries to support their own language and culture. This is the case of the Instituto Cervantes, for Spanish, but also the case of the British Council for English in the United Kingdom, the Alliance Française for French or the Goethe Institut for German. In all instances, the institutions listed maintain an offer of education in their own language that is available in various formats, together with continued activities for the promotion of their own culture and interna-
tional diffusion of their most outstanding achievements and activities.

When a comparative analysis is carried out examining the performance of these institutions, the value that our Instituto Cervantes deserves is ambiguous. On the one hand, given its recent establishment, there is no doubt that it has gained a notable level of activity and international presence in a very short time. However, if its figures are compared to the institutions of other linguistic communities that have a similar role, the verdict is less optimistic.

To begin, it must be said that the Instituto Cervantes is the newest foundation among the respective institutes that support international languages of European countries (table 4.1). Specifically, the Instituto Cervantes was created in 1991, whereas the Alliance Française dates from 1883, the British Council from 1934 and the Goethe Institut from 1925 (although it was relaunched in 1955). In other words, the institution charged with giving support to the international promotion of the Spanish language is hardly 20 years old.

If one looks at the budget, that of the Instituto Cervantes is just over seven times less than that of the British Council, but it is nearly 19 times inferior to that which the Alliance Française controls. This difference in budget also translates to the number of courses that each institution runs, and therefore, the number of students that they attract. In fact, the activities of the Instituto Cervantes are only comparable to that of the Goethe Institut, with between 14 and 15,000 courses each year, with a total number of students that exceed 133,000 in the first case, and 185,000 in the second. In order to put this comparison into context, remember that Spanish is spoken in three times the number of countries that German is; and
moreover, the population that speaks Spanish is more than triple that of German speakers. The differences become even more pronounced when compared to the cases of the British Council and Alliance Française. The Instituto Cervantes, as has been mentioned, had almost 133,000 students in 2010, but this figure is around half a million in the case of the two institutions above.

However, to a large extent, the most noticeable place where the Instituto Cervantes still has a great distance to cover is in its international presence. In a short period of time, the Instituto Cervantes was able to create a network of 75 centers, with a presence in 42 countries: this is an important achievement. However, the reality is that the Goethe Institut has 160 centers in 93 countries, the British Council has 225 centers in 140 countries and lastly, the Alliance Française leads the way, with 1,040 centers and a presence in 135 countries (table 4.1).

In short, Spain is making a major effort to create the institutional architecture and establish the policies needed in order to support the international promotion of Spanish, and with this, expand the community of Spanish speakers. However, it suffers from a notable historical underdevelopment in this task, especially when it is compared to similar institutions that protect the international impact of the most widespread European languages. Therefore, it could be said that Spanish has a clear advantage in the number of people who have this language as a native tongue, an advantage that places it ahead of French and German, but has a lesser capacity than these language to expand its circle of speakers, through an active policy of teaching and advancing Spanish. Compensating for this lack of balance should be one of the tasks of the authorities. Therefore, the teaching of Spanish is not only the responsibility of the public authorities.
In the same way that there is a private benefit to learning a language, teaching Spanish is also, as we have seen in chapters 2 and 3, an important private market in which a varied set of universities, specialized training centers and academies function to a high level of quality. Having a large market available for teaching Spanish as a foreign language is an objective of interest for the previously mentioned purpose of reducing costs of access to the Spanish language club. The effect of that market does not only expand the available supply of teaching Spanish, but also reduces the costs (in time and resources) associated with learning.

Therefore, essentially, the expansion of the supply and diversification of centers means that the range of courses has in-
creased and adapted the methods to best satisfy the diverse segments of the demand. The benefit derived from this expansion of the supply can justify the public support received on certain occasions to guarantee products and more affordable prices. The goal should be to form a vast market of educational services for Spanish as a second language, as much in Spanish-speaking countries as outside them. The certain competition between the training centers derived from that market should facilitate the adjustment of costs and diversification of the supply. The public sector would be responsible for regulating the activity anyway, in order to guarantee the required quality levels and establish the successful criteria associated with an official qualification: again, an area specific to the Ministry of Education and the Instituto Cervantes.

Moreover, the increase in the number of speakers of Spanish will depend, not only on the supply of courses associated with the formal teaching of the language, but also the informal supply of learning that is carried out in many ways. Some of them (such as regular homestays by tourists in Spanish-speaking areas) have a long tradition in certain countries (such as Spain), others (such as the exporting of Spanish language cultural products: TV series, for example) are more recently founded. The authorities would do well to bear in mind the effect that these types of internationally distributed products and services have on the promotion of Spanish, taking advantage, to a large extent, of the potential to secure Spanish as an international language.

4.5. Improvement of the Markers Associated with the Status of the Language

It is appropriate now to move to the third feature that needs to be addressed in relation to a policy in support of the internation-
al promotion of a language. Recall that the first two features referred to, on the one hand, increasing the communicative value of the language among those for whom it is a native language and, on the other, reducing the costs of access for speakers of other languages to extend the size of the linguistic club; indeed, the third is related to strengthening the identity factor that is attributed to language and to improve its significance as a mark of status. This third aspect relates to the fact that language is not only a form of communication technology, but also the means by which creations of human intellect are produced and disseminated, and a visible feature of the factors of identity of a social group. In this way, language forms one of the potential markers of status, to the extent that its use associates a person with the symbolic meanings that seem to characterize the group of speakers of a language. Ultimately, one learns English not only because the language provides a greater communicative capacity that Spanish, but also because this knowledge enables direct access to the scientific and cultural output of a community that is endowed with the capacity for leadership in economic, scientific, and cultural arenas. In one way, through the knowledge of English, the referents of status are raised for those that learn it. The language transfers the prestige of the community to those that speak it: the more prestigious the community, the greater the interest in knowing the language.

Again, this is an area for public policy in support of a language of extraordinary importance but that exceeds the strict limits of language policy. How can the status of a language be raised? It is difficult because the status depends on the cultural vitality, on the scientific and technological capacity, on institutional prestige, and on the economic potential of the society that uses it. Achievements in any of these fields usually translates into increases in international interest in the language of the community in question. The effect of a good movie by
Almodóvar, an excellent novel by Vargas Llosa, an envied international sporting success or an original TV series on the promotion and reputation of Spanish can be better than any Spanish course for foreigners in the Hispanic universities, even though these activities can be considered useful and necessary. The achievement of a significant scientific innovation of Hispanic origin, the multinational presence of a successful Latino company, or the global impact of an international political leader from the Hispanic world would have the same effect. However, these achievements are the result of complex processes, that require consistent long-term effort in various aspects. Advancing in these fields, forming solid democracies, prosperous economies and cultured citizens is the best guarantee for the future of a language.

Nevertheless, there are tasks that should not be postponed if there is a strong desire to improve the status of the language. In particular, three areas are decisive in this respect, as they are major generators of reputation in the international sphere, as much for a language as the community that supports it: they are scientific and technological activity; diplomacy and international forums, and cultural creation. These are three aspects of extraordinary significance that have already been mentioned as features to particularly keep in mind in a policy of support for the international promotion of a language.

The first of these refers to a key factor in the modern world: we live in a society in which an increasingly complex and sophisticated technology provides the basis on which we articulate social relations, economic progress and cultural creations. Furthermore, given the role that technology has gained in the promotion of progress, it is a society that values the novelty content associated with innovation. Generating innovations constitutes an extraordinary factor in international reputation. Due to this, ex-
pressing science and technology, scientific innovations and findings in Spanish, as well as spreading them in other languages, is a factor that transmits the reputation of a language. Regrettably, comparative studies show that in these fields the starting point for Spanish is noticeably behind (Plaza, et al., 2000). As in other cases, the intention should not be to rival English, which, as mentioned, has become the dominant language in science and technology. The aim should be, more modestly, to improve the situation that Spanish finds itself in as a language for the dissemination of new scientific and technological products.

The second important area is in international relations: also in this case, the use of a language as a language of international communication brings with it a visible return in terms of reputation. By virtue of its widespread coverage, Spanish is an official language in two of the most important international forums: the United Nations and the European Union. However, in these forums, there is an ever greater distance between the official languages and the effective working languages. In this last aspect, English has undeniably become a lingua franca, usually being used in working sessions to guarantee maximum understanding with the lowest possible costs of interpreting. Again, in this field, Spanish should not attempt to compete with English, but to improve its position in the portfolio of international languages of these organizations. Achieving this objective requires a persistent and intelligent policy. The fact that it is a multilingual community should not allow it to be forgotten that the international defense of the shared language weakens if political pressure fragments into individual requests related to each individual language; the result of that process, as has already been shown, is a loss for everyone.

Finally, the third area that affects the reputation of the language is the feature of cultural industries. In this, the Spanish
language seems to have a more consolidated international position. Although, there are opportunities for improvement, the cultural industries are largely seen as a strength in productions of Hispanic origin, that reveal a great capacity for promoting themselves on the international scene. This is boosted by the vigor for creation and its industrial translation, not only in Spain, but in all the Latin American countries (Santos Redondo, 2011). Undoubtedly, these achievements elevate the reputation of Spanish, improving its attractiveness as a factor of identity and as a language to be learned by the members of other linguistic clubs.

4.6. Summarization

In the previous pages certain elements have been suggested that could help the design and establishment of a public policy of support for the international promotion of Spanish. As was explained at the beginning, reaching that objective goes beyond the limited scope of what could be called a language policy, affecting other more extensive fields of public policy, such as those that refer to cultural promotion, support for the internationalization of businesses, economic growth and international relations, to name just a few.

A noticeable conclusion can be derived from this first observation: the promotion of a language should not be a task reserved for an individual and specialized ministerial department, but that it should motivate a course of action by the government as a whole. Only in this way can all the elements that influence the international advancement of a language drive it forward in a coordinated manner. At the same time, since this is a business that requires time to do it effectively and that generates benefits for all those who speak Spanish,
without the possibility of exclusion, it should be considered as a model example of what is usually known as a state policy. In other words, a policy that lays its decisions on widespread social consensus and with a capacity to transcend the horizontal limit of political cycles.

It was also suggested at the beginning of this chapter that the objective that should inspire this public policy is not to turn Spanish into a second lingua franca to compete with English. Such an objective would be considered not only unattainable, but also demonstrably wayward. Taking on such a goal would not only be futile, but also clearly disorientating for the public managers. The purpose should be more modest, but efficient, in order to improve the status of Spanish as an international language, so that it has a greater presence in the portfolio of languages that, along with English, citizens consider to be important and useful to speak fluently in the modern world.

The central explanation has revolved around three components which simultaneously form the features on which a public policy of support for the international promotion of the language can be articulated. They are, namely: expand the communicative capacities of the language, increase access to the linguistic club and elevate the reputation of the language and its significance as a mark of status or factor of identity.

With regard to the first, it has been observed that the size of the club of those who have Spanish as their native tongue seems to be experiencing a process of slow, but consistent expansion over time, as a result of the demographic dynamics that, more than anything, characterizes the countries of Latin America and the collective of Hispanic migrants. In relation to this area, in any event, there is little that public policies can do.
However, the communicative capacity of a language does not only depend on the size of the group of people who speak it, but also on the number of communicative acts that regularly occur between them. There is vast room for improvement through public policies that recommend the promotion of joint initiatives and of cooperation and dialogue between countries and societies that speak Spanish. These policies largely exceed the specific boundaries of language policy, but have an undeniable impact on the value-in-use of Spanish, elevating its communicative capacity.

However, any progress faces two challenges that can undermine the communicative capacity of Spanish within the community that speaks it: the existence of other vernacular languages and the process of losing linguistic skills associated with migration to countries belonging to other linguistic domains.

In one case, the only appropriate way of managing the challenge is the promotion of a bilingual equilibrium, that keeps the vitality of the vernacular languages and, at the same time, sufficiently strengthens the knowledge of the common language. It is a balance, therefore, between (the vernacular) language as a factor of identity and (the shared) language as a tool for communication. Moreover, this is relevant to avoiding the sense of confrontation that can be associated with the presence of two languages in the same territory, and boosting the advantages of their complementarity instead. Faced with a view that underlies the exclusive and essential characteristic of the factors of identity, an attempt is made to build complete and changeable symbolic references based on overlapping factors of identity. Faced with the «language war», the «coexistence and complementarity» of the languages propels the advantages of access to a broader portfolio of languages.
The other case needs to be treated with equal caution. The migrant attempting to resist learning the language of the host country is not a solution. In fact, it is the opposite, for both their labor and social future; the sooner they speak it, the better. Therefore, this fluency can cause the second and third generations to accelerate the process of losing the linguistic skills of the family’s native language. One way to avoid (or lessen) this process is to make it so that bilingualism is valued in the labor market in the host country, through increased ability to access employment or a salary premium associated with this linguistic capacity. For this to succeed, it is vital that the economies and the economic agents of the Spanish area have a greater presence in economic relations with the migrants’ host countries. An additional way to lessen the loss of linguistic competencies of the migrants is to strengthen the means of communicating by using Spanish, which is essentially associated with the relationship between the diaspora and the communities and countries of origin, on the one hand, and the vitality of the communities in the diaspora, on the other.

Aside from improving the communicative density of the language, it is necessary to expand the size of the club of those who speak it. Therefore, it is important (and constitutes the second vector mentioned) to reduce the barriers of access to the club. In other words, it is necessary to reduce the costs of learning Spanish, which therefore promotes a wider, more accessible and more attractive supply of Spanish courses for foreigners. The work that the Instituto Cervantes has done is very commendable, especially if the newness of the institute is taken into account, but clearly, it finds itself very far behind what has been achieved, in terms of presence, means, and size, by other similar institutes such as the British Council, the Alliance Française and the Goethe Institut.
However, the expansion of the community of Spanish speakers is not the task of the Instituto Cervantes. In at least in a double-edged sense: firstly, because teaching Spanish counts as a profitable industry, which should be open, therefore, to private initiatives, that should contribute to creating a large and attractive supply of language teaching; secondly, because the club expands not only through formal teaching processes, but also through informal ways that promote activities as diverse as tourism, travel, cultural products in Spanish... all those fields in which both public policy and private initiatives should operate.

Finally, the third vector of the public policy in support of a language should be aimed at increasing the reference status, the capacity to which reputation is associated with language. It is difficult to reach this objective, since it is the result of multiple decisions and factors that move in very diverse fields. Generally, it has been said that economic vitality, cultural creativity, scientific and technological capacity and good governance of the country are the most effective factors to transmit the reputation of a language. These are, as we have seen, the factors generally associated with the social and economic progress of a country. Aside from these elements, public policy can have an influence on certain factors that have a special impact on the reputation of the language. Among them are the following three: its role as a language in scientific and technological activity, in international communication, with a presence in the forums of global dialogue, and in cultural creation. Only in this last area is Spanish well positioned; in the other two areas greater public action would be desirable.

The analysis carried out is not an exhaustive list of all the possible lines for a language promotion policy. However, it has aimed to offer a methodology for the design of this policy and some measures by which public effort could be translated. The next chapter offers some suggestions in that regard.
Chapter 5

SUMMARY OF CONCLUSIONS

5.1. Challenges Overcome

As Stevenson wrote, there is nothing more noble than brevity, so a few final, brief pages will serve to emphasize some issues and suggestions mentioned earlier, and also to signal the way to develop the study of the multiple aspects of the economics of Spanish as an international language of communication.

With this intention, the first thing that should be noted is that Spanish has overcome three tough tests, and has done so in a remarkable fashion: the passing of time, geographic barriers and the challenge of unity. Three great challenges won.

Among the languages derived from Latin, the Spanish language used to be the only one with grammar and a dictionary (before the end of the fifteenth century, 1492 and 1495 respectively, written by Nebrija in both cases), and today, over five centuries later, while strongly increasing its number of speakers, presents a high, and in comparative terms, superior level of standardization (dictionary, orthography, grammar), resulting from a pan-Hispanic language policy program shared by the twenty-two academies that form the corresponding association. It is an enormous, and prom-
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ising achievement for an old language maintaining the status of a language of international communication. It must not be forgotten that the most standardized mathematical language, is also the most universal.

The outlook offered by geography is also comforting. A language with a significant presence in multiple continents from an early time, to this day, Spanish maintains its status as a European and American language, at the same time expanding the respective borders, thanks to those two future prospects that have been mentioned. José Manuel Blecua (2010) stressed that «America is the future, the present and the past» of Spanish. In America, the traditional high concentration of Spanish speakers in countries with a greater Spanish imprint (geographically «compact» language) is tending to decrease, given the dual and simultaneous push of Spanish towards the north, making its way to the United States as a native (and foreign) language, and towards the south, firmly penetrating Brazil; «Spanish will achieve Bolívar’s impossible dream of uniting the whole of America» (Lago, 2010). At the same time in Europe, the gradual rise of Spanish to the position of the second most taught language, behind English, is a new development, displacing French and German in a large part of the continent.

Finally, the gamble in favor of unity, if not uniformity, has been successful, avoiding fragmentation and perhaps the division that occurred with Latin in its day, being divided into a flourishing group of romance languages. Today, the Spanish language not only has less dialects than French and English, and Chinese and Hindi, but also presents a high level of internal cohesion, allowing emphasis of the «unitary plurality» of Spanish, thanks to the pan-Hispanic approach to correction standards, that were polycentric even before it was dictated by
Spain. Homogeneity and «polychromaticity» of the language are combined equally, therefore overcoming the not insignificant challenge of the preservation of the essential unity of the Spanish language, an authentic «cultural treasure» for all who speak it.

In brief, along with the number of speakers, the current credentials of Spanish are privileged: it is the second largest native language in the world, after Mandarin; the second language of international, and also online communication, after English; and the second most learnt language in non-English speaking countries. As a multinational and multi-ethnic language, Spanish also claims other important attributes, such as cohesion, clarity and orthographic simplification, described by Gregorio Salvador (2004) as «an almost phonological orthography, neither sleeping in an ineffectual archaism like French, nor drowning in the genealogical chaos of English». These attributes, in enabling its learning and promoting its functionality, make it especially suitable as a working language. Without exaggeration, it is «the other» international language of the Latin alphabet, «the other» language of the East; if English is the universalized Saxon language, Spanish is the universalizable Romance language. It is not an alternative to the authentic lingua franca of our time, but possibly its best complement, a second global language, to accompany the first one, as López García (2011) stated, paying the corresponding tribute.

Again, this example of fruitful cooperation by all the Spanish Language Academies in the implementation of the ambitious pan-Hispanic normative program, ought to be considered as a reference for policies to promote Spanish. The best strategy in the defense of Spanish will be a shared strategy between Spain and all those nations that are representatives of
this «community property», a strategy that involves joint actions, and also leadership (initiative, determination, example), like that of the Spanish RAE (Real Academia Española), at the center of the association that brings together corporations of its kind. This is vital for the defense of Spanish in international organizations. However, it may also be vital for plans and campaigns for teaching Spanish as a second language. In the promotion of Spanish in China and in the Arab world (today, chances seized by English), as well as in their own institutional environment in the European Union and in the Hispanic cultural market in the United States, the collaboration of Spanish-speaking countries will provide every action with a strength that no individual initiative could equal. In order to achieve consistent results on each of these fronts, effort and audacity are of course required, but above all, the cooperation between those belonging to the linguistic community will be decisive. It seems that the Instituto Cervantes wishes to accept this responsibility, turning the collaboration into one of the core lines of their most recent expansion.

As the central element of the community of Hispanic nations, the defense and promotion of Spanish must therefore be the aim of consensual programs and shared strategies. This is a provocative conclusion, that is naturally accomplished, as has just been noted, by the key resource in this field, the Instituto Cervantes (a pan-Hispanic Instituto Cervantes?), and that argues in favor of two requirements: that Spanish would be considered a preferential good, as much for the economic policy as the cultural policy of every one of the Spanish-speaking countries, and that within these countries the policy for the international promotion of Spanish would achieve the status of state policy, protected from party rivalry. Also, with regard to the economy of language, a firm and coherent policy with ambitious and defined responsibilities is desirable.
5.2. Challenges Ahead

A preferential good cared for by state policies is a solid base in order to overcome the new challenges that are imminent for Spanish in its role as a language of international communication. Three of these challenges are urgent. First, the recognition of its rank, as it were in international forums and multilateral organizations. Spanish is one of the six official languages of the United Nations, but in practice, its use is very limited. Furthermore, within the European Union, Spanish is in fact a subordinate language, lacking the status of the working languages (which are English, German and French). The challenge, therefore, is critical.

The second challenge, and of growing importance, is the suggestion of the weakness of Spanish as an effective language in scientific communication, language through which science can be produced and spread, especially in the natural, biochemical and social sciences, as well as engineering and technology. If fluency in Spanish creates a club of speakers, the prestige given to belonging to it will be decisively linked to the role of the language in the production of knowledge. Therefore, countering the inferior status that Spanish displays in these fields today is another effort that cannot be delayed.

The recent exclusion of Spanish from the languages selected for the European Patent Office (EPO) was certainly a warning incident. The Spanish authorities were able to influence factors related to planning and management; they were determined at the time to implement the use of the other co-official languages of Spain in the European institutions and agreed that in calculating Spanish speakers in the European Union, they would not count groups formed by those who are native to one of the other languages. However, undoubtedly,
the thing that has weighed heaviest against the Spanish interests has been the irrelevance of this in the innovations that the European Union classifies: in 2009, only 1 out of every hundred patents granted by the EPO was given to Spanish companies, meanwhile, at the other extreme, 41 out of every 100 were given to German companies. This is the core of the issue.

The third challenge is not independent of the previous two: increasing the presence and the prestige of Spanish online would be a masterstroke for the future of the language. First and foremost, reaping the rewards of this requires the promotion of content in Spanish in the mass media in relation to computer consultation, involving some kind of educational centers, and companies, foundations and diverse cultural entities. Turning Spanish into a relevant tool for working in the modern digital culture is also a major task.

International relations, scientific production and trade and new communicative technologies are, essentially, the open priority fronts (the subject, it should be noted, of so many other monographs, already projected for the next phase of the Eco-nomic Value of Spanish project).

However, another challenge should also be mentioned, although of a different nature and raised, as it were, behind closed doors. The task of promoting Spanish as an international language of communication will have to be compatible with the defense and cultivation, in Spain and the Hispanic American countries, of those other native languages that continue to show vitality. This is an issue that should be attacked with as much resolve as sanity. Multilingualism is a gift and none of the minority languages in this multilingual atmosphere, nor the majority language, whether it is common or not (Spanish, if referring to Spain) should ever be in decline. It would be a serious mistake
(with socially regressive effects), if competencies in the use of Spanish, an international language of communication, were lost, as a result of promoting the expansion of less widespread languages. The promotion of these minority languages within the Spanish speaking community has not resulted in a worse level of fluency in the majority language (or common language, in many cases), that supports so many possibilities in an economy and global society. The real community of sustained language in Spanish should never lessen the support for other vernacular languages, be they Hispanic or Amerindian. It is therefore forever necessary to focus on avoiding any episodes of linguistic conflict. It must be repeated: anyone who loves one language, loves all languages. Language, every language, «tells us, frees us» (Salvador, 2007). Language, every language, serves, not to constrain those who speak it in a closed circle, but rather, to expand their opportunities for communication: neither an «idiomatic bolt» (the expression of Ramón Menéndez Pidal), nor «linguistic customs» (Lodares, 2005) and least of all a «projectile weapon» (Blecua, 2011). Multilingualism is a richness, provided that coexistence is fostered («solidarity», as Miquel Siguán said referring to this topic), and not confrontation. From an economic perspective, the issue is irreversible: restricting the use of one language invariably leads to reducing its economic value, and its international impact to the same extent.

5.3. Future Condition

As an afterword, it is appropriate to once more underline the close ties that link a language to economic and social development, a strong interrelation that is accentuated nowadays by the emergence of major new actors in the international market and by the re-composition of the strategic map of the world. That is to say that the future of languages that aspire to have some im-
portance in a globalized economy, will gamble, rather than in terms of demographic growth, on the areas of strengthening the economy, scientific investigation and institutional quality. In the case of Spanish, admittedly, it would be bad to trust the fate to the abundant ongoing high growth of the populations of Spanish America or Hispanics in the United States. «It is better to count, than to tell us», has been keenly stated. Only economic and social development in the countries that speak Spanish, and improvements in institutional frameworks can open the possibility of a comfortable future for a common and shared language, that is, undoubtedly, the most international product there is.

Consequently, the economics of a language, end up adhering to the economies that are created in that language or with that language. There is no greater support for a language than the robustness of productive material and the reputation of the society that uses it. Due to this, the good product that Spanish is will only win positions in the global market if the economies that sustain it become more competitive, and the democracies that speak Spanish become more solid. Also, in the interest of the language, ultimately the optimal formula is to combine competitive economic growth, a stable democracy and social cohesion.

Therefore, the final paragraph can return to the opening of the work: from the perspective of the economic value of Spanish, there are reasons for self-confidence and a fairly promising horizon can be seen. The research carried out (the Economic Value of Spanish project) has provided a good number of these reasons. However, there are no shortage of reasons for concern either, as has already been commented on. Far from an attitude of self-sufficiency, the pending challenges must now be confronted. There is no waiting for the future, it is created. It is in that sense that the recommendations (listed in a decalogue of proposals) are offered next in the closing pages.
Recommendations for a policy of promoting Spanish.
A decalogue of proposals

1. The international development of Spanish should be understood as a *state policy*, the responsibility of the whole community of Hispano-American nations, and their governments (and not only of certain ministries), considering common language as a *preferential good*.

2. The aim of this policy should not be to compete with English, the real *lingua franca* of our time, but to improve the status of Spanish as an international language, complementary to English, as a second language among the working languages of international agents.

3. Improving the international status of Spanish requires strengthening its position as an international diplomatic language, as a language of scientific creation and communication, and as a language with which to express a lively and creative culture with relevance on the Internet and in the mass media of digital consulting.

4. The improvement of the international status of Spanish has to be visible in the European Union (where Spanish is in fact a subordinate language, without the active role of a working language), in the United Nations and generally, in international forums and multilateral organizations.

5. Strengthening the value of Spanish as a working language requires improving the dialogue and partnerships between societies and agents within the Spanish-speaking community around the world. The example of the fruitful cooperation shown by all the academies of the Spanish language should be used as a reference.
6. For greater functionality of Spanish as an international language, a standardized training package should be created that provides a synthetic form of the language, the minimum competencies for its practical use: the equivalent of *English as a Global Language* (EGL), an «abridged Spanish» that facilitates teaching, learning and use.

7. The educational supply of Spanish for foreigners should be made more widespread, accessible and attractive, by organizing the competitive arena to encourage competition of private initiative. The Instituto Cervantes, with a desirable pan-Hispanic nature, has been the axis and fundamental instrument of this effort, the great international training platform for Spanish, facilitating its operational capacity and guaranteeing by law autonomy in its management. Moreover, public agents from Spanish-speaking countries and private agents who work in the teaching industry should join this task.

8. A language is also learnt in informal ways that foster cultural exchanges; due to this, cultural products (especially audio visual ones) should be promoted in the original version to expand the learning of Spanish.

9. To avoid the loss of Spanish linguistic skills of migrants in countries with other languages, it is necessary to support communication and cooperation between the communities of origin and destination, while strengthening the areas of communication (especially cultural areas) of the diaspora.

10. The task of promoting Spanish ought to be compatible with the defense and cultivation of other native Hispanic or indigenous languages, that continue to show vitality. Multilingualism is an advantage, but also a challenge: the promotion of minority languages within the Spanish-speaking world has not resulted in a decrease in fluency of Spanish, the majority or common language, that brings so many possibilities in a global economy and society.
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