

## The value of language skills

### A common language facilitates communication and economic efficiency, but linguistic diversity has economic and cultural value too

Keywords: language, human capital, immigration, lingua franca, English, linguistic diversity

#### ELEVATOR PITCH

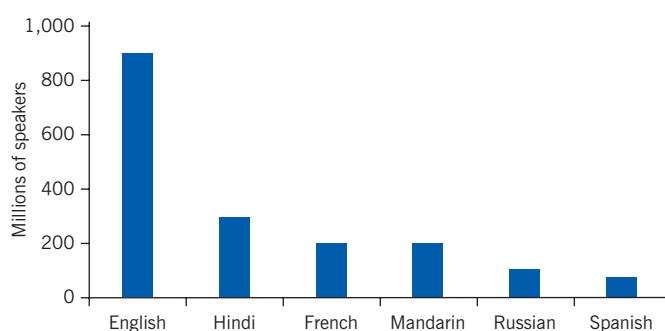
In today's globalized world, people are increasingly mobile and often need to communicate across different languages. Learning a new language is an investment in human capital. Migrants must learn the language of their destination country, but even non-migrants must often learn other languages if their work involves communicating with foreigners. Economic studies have shown that fluency in a dominant language is important to economic success and increases economic efficiency. However, maintaining linguistic diversity also has value since language is also an expression of people's culture.

#### KEY FINDINGS

##### Pros

- ⊕ Economic well-being is enhanced when members of a group communicate in the same language.
- ⊕ Learning a dominant language is an investment in human capital.
- ⊕ There are important financial benefits to members of linguistic minorities who learn the dominant language; those who use their native language do not experience such benefits in the labor market.
- ⊕ Because of externalities in the use of a common language, letting individuals pursue their self-interest may not lead to optimal outcomes.
- ⊕ The trend toward English as a common second language has some advantages and is not expected to be reversed in the foreseeable future.

Number of people speaking a second language, 2020



Source: [1].

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World of Labor

##### Cons

- ⊖ Linguistic diversity has value, although some of it is non-pecuniary.
- ⊖ Because of the link between culture and language, the more languages that can be accommodated, the greater the welfare.
- ⊖ Knowing other languages can bring benefits, and linguistic diversity can increase the number and type of goods available.
- ⊖ Public support for a minority language is an indication that people value it and are willing to take action to maintain it.
- ⊖ While there has been a tendency toward language convergence globally, there is also a strong desire to maintain diversity.

#### AUTHOR'S MAIN MESSAGE

A dominant language enables people to communicate with others in the same region or country, and having a common international language extends that ability beyond national boundaries. Learning the dominant or common language is a good investment in human capital, but people also value their native language and want to preserve it. There is a trade-off between the two objectives, but they can be pursued together if more people become bilingual or multilingual. In highly educated societies, part of the education curriculum should be to encourage the learning of foreign languages and cultures.