

The Economics of Language

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Language, like other human artifacts, arises in part from human choices. When interviewing for a job, should you use the King's English, or should you talk street talk, dude? If you do business in Florida, should you speak English or ¿debe hablar español? Should you drop your harsh accent (to blend into the American mainstream) or tawk like a New Yawker (to stand out in the crowd)? Shouldyamumblealot or should you e-nun-ci-ate care-ful-ly? Should you stick to words that are short, blunt, and Anglo-Saxon, or do you find it preferable to converse by means of more sesquipedalian, Latinate verbiage?

Humans make these and other choices, consciously or unconsciously. And wherever humans make choices, economists will not be far behind. In this case there are a modest number of economists applying economic tools to the study of linguistics. They ask which motives lead rational individuals to create and use the languages that we actually hear and see.

Economist David Levy wrote that, "Linguistics may be the last of the social sciences to avoid the rational choice approach." [David M. Levy, "Adam Smith's Rational Choice Linguistics," in *Economic Inquiry*, July 1997. Levy teaches economics at Geroge Mason University in Fairfax, Virginia.]

However, he also described how Adam Smith, more than two centuries ago, saw language and economics as tightly intertwined: "[Smith's] argument in *Wealth of Nations* is that trade and language are two aspects of the same process; humans trade because we have language, nonhumans do not trade because they do not."

Building on Smith's conjectures, Levy then uses standard economic tools to explore how languages evolve when speakers of different languages come together to trade. For example, as trade between Mediterranean ports increased, sailors and others developed a hybrid language, Lingua Franca, that blended components of Italian, French, Greek, Arabic, and Spanish and helped facilitate business.

According to Levy, Smith thought that people alter their language so as to minimize the time required to convey a message. In his book, *The Language Instinct*, linguistic researcher Steven Pinker makes a very economic-sounding argument about lazy pronunciation, which we can restate in economic terms: Enunciation imposes costs on speakers; the more clearly one speaks, the more time, energy, and muscular effort it requires. Enunciation confers benefits on listeners; the more clearly one speaks, the less effort is required of the listener. Since we are all both speakers and listeners, conversation tends toward an efficient middle-ground equilibrium in which we are moderately, but not too, lazy—where marginal costs equal the marginal benefits.

Here is a smattering of the questions that have been the subject of this economics/linguistics literature:

- Does a high level of foreign trade (as a percent of GDP) induce people to learn second languages?
- What effect does the Gaelic-speaking population have on economic development in Scotland?

- How do the incomes of French-speaking Québécois compare with those of English-speaking Quebecers?
- What caused English to replace French as the language of international commerce?
- How does a person's income affect his tendency to learn a second language?
- What induces a language minority to adopt the majority's language (e.g., Latin immigrants learning English in the U.S.)?
- What induces a language majority to learn a minority's language (e.g., English-speakers in the U.S. learning Spanish)?
- What factors lead to the long-term survival of a minority language?
- How do schools' linguistic settings (e.g., bilingual vs. English-only) affect future earnings?
- Does membership in a linguistic minority impede upward mobility?
- How important are linguistic differences in inducing ethnic conflict?

Two other articles in this issue of *Equilibria* discuss the sign languages used by deaf people. Any of the above research questions could be adapted to the study of sign languages and the communities that use them.