Chapter 6
The Role of Multilingualism as a tool in Spurting Trade among the BRICS: An Economic Perspective

Tiema Muindi 1, Byelongo Elisée Isheloke 2

1 Durban University of Technology
2 University of Cape Town & Durban University of Technology

Abstract

As the use of languages play a critical role in economic activities within the globalized countries’ economies, there are growing perspectives and interests in the relationship between languages and the volume of trade among trading partners. This study looks at one such perspective in the lenses of gravity model, a theory of international trade, that measures the impact of language on trade or Foreign Direct Investment (FDI). The study explores challenges facing Brazil, Russia, India, China and South Africa (BRICS) in respect to the impact of language diversity in their trading matters, and the potential of multilingualism in spurting trade within this trading bloc.

The study employs a qualitative approach with the use of exploratory design. The data is based on secondary sources stemming from reports, research, books to policy papers. This study findings show that various trading blocs such as European Union (EU), the Common Market for Eastern and Southern Africa (COMESA), the West Africa’s Economic Community of West African States (ECOWAS), with some members of BRICS such as South Africa and China as having adopted multilingualism as a strategy of addressing the language factor in their bilateral trading matters. This study proposes the promotion of multilingualism as a way of mitigating the impact of language barrier in international trade among the BRICS and beyond.

Keywords: Economics of language, Gravity model, Bilateral-trade, Economic development, BRICS.

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Introduction

BRICS is an informal grouping of states which are playing pivotal roles in the economies and politics within their regions and also globally. The members states aim at promoting economies, boosting of trade and enhancing the manner in which emerging economies are represented in the world [1]. As Sajal and Meghna [2] explain, the trade between BRICS is highly complementary, as each of the member state is equally robust in the production and supply of commodities, while having vibrant natural resources industries. A reflection of this context is China and India. While these two countries have cheap cost of labour, China’s domination is in manufacturing, with India’s focus and dominance being in the pharmaceuticals and development of softwares, together with outsourcing. In such some increasingly networked economies, member states of BRICS need to overcome glaring challenges so as to fully exploit and benefit from the wider market and trade opportunities at their disposal. Some of such challenges, as Maria and Sandra [3] posit, are barriers brought about by geographical distance, cultural and language diversity, contrasting socio-political settings, and economic policies.

Based on gravity model, a trade theory focusing on international trade, and credited to Tinbergen [4] and Poyhonen [5], the theory measures patterns of trade flows among trading countries, language distance is one of the major push-pull factors influencing international trade relationship. Considering that BRICS has no official language, neither a language policy, the variety of official languages spoken within each member state, such as Portuguese in Brazil, China having Mandarin, and Russian for Russia, English and Hindu in India, with South Africa having a plethora of official languages – 11 to be exact, the enormous challenge facing BRICS is in overcoming language distance. A study such as this one, on the critical role that a common language or multilingualism policy could play in boosting trade flows among BRICS members states could provide an insight into multilateral trade integration between trading partners.

The views of Brannen, Piekkari and Tietze [6] on the role of languages in a trading bloc such as BRICS is that of facilitating processes of decision making and the allocation of resources that characterize daily operations of business matters. It also makes it possible the interaction of intermediaries from different continents, institutions and agencies found within countries with different languages. Recent studies Recent studies [7]; [8] point out that among important determinants to trade are ease of communication, and proficiency in a foreign language, and not necessarily language(s) of the trading partners.

Such views are also supported by Maria and Sandra [3] on the critical role of language in trade among countries or economic blocs such as BRICS, positing that, being an as an interaction that involves different individuals, the success of any trade engagement relies heavily on the language being used in their communication. Having a common language, or the use of multilingualism then becomes more essential, especially where language distance exists. This is also reflected when decisions or choices of a trading partner, in the international level, has to be made. The issue of
language distance could present a barrier in communication, while proficiency in a trading partners language could prove to be the determinant factor, especially in situations where costs involved in communication are significant. For example, one saves time when communication is effective and timely. The company is able to sell abroad to a market community who can negotiate its price and use bargaining power in the process. This translates in economic gains as errors brought about by communication barriers, such as incorrect translations or bad interpretations, are avoided or diminished. This allows attention to details in trade dealings among trading partners such as BRICS members states.

However, in circumstances where trading parties do not have any language in common that is spoken or understood by trading partners, bi-lateral engagements become a challenge, and this has the potential of having some member states of a trading bloc forming trading relationship with other states, which have no challenges such as language distance. This is a glaring possibility which BRICS member states could find itself in, losing on trade opportunities provided by its members, if a solution on language distance is not addressed. There are numerous studies highlighting the critical position that languages play in bilateral and global trade. An example of such studies [9]; [3]; [18] ; [11] indicate that foreign trade volumes for United States of America (USA) companies, closely correlate with the positioning of language in the trade transactions – whereby increase in trade revenues from foreign trade partners is closely linked to the multilingualism versions of the merchandise that have been sold. This indicates that an investment in a language, brings in huge revenue for businesses. Therefore, engagement in foreign trade, according to Hans and Andrew [12], requiring knowledge of foreign market, cannot be acquired without taking into consideration the role of languages, since it is essential in getting insightful information on opportunities and challenges commonly experienced when dealing with foreign markets.

The challenges facing BRICS trading partnership is the uniqueness of its composition, with member states being geographically distant, with trade barriers ranging from their diverse political positions in the global space, social-cultural barriers, different economic strength, and language problem making communication a stumbling block in the integration of BRICS member states on trading matters. However, the language barrier seems to be common among global trading countries, with an example of Southern African Development Community (SADC), with a membership of fourteen countries, and with ECOWAS having fifteen member states, all having adopted multilingualism, with English, French and Portuguese as the official languages. Lately, SADC added Swahili in the list of their official languages, while the European Union (EU) has twenty-three official languages [13]; [14].

While surmounting the challenges brought about by language barriers, the costs involved in such an undertaking is quite significant. However, as [15] posited, there are benefits to be realised from that could spurt enormous trade opportunities.
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Literature Review

Language, Society and Social-Economic Development

The role and place of language in our societies is articulated by Anthony [16], positing that it is the granary of a society’s ideals and aspirations, while taking the role of a socio-economic construction. Individuals and corporates, develop socially and economically when they communicate in languages best understood by both parties. This suggests being skilful in a language shared by both parties for any effective communication. In the absence of this, Agwu [17] warns that the challenges engulfing the ever changing global trading environment, brings with it difficulties in interpersonal interaction between trading parties, as a result of language barrier, and this has the potential of trading partners losing on trade opportunities and economic partnership.

In the current global community that we live in, one of the many factors in determining trading partners, besides social-political, geographical distance, or common land border, is language, which Metulini et al. [18] point out as one of the major variants in the gravity model of bilateral-trade. In an international trading bloc such as BRICS, where Brazil, which has Portuguese as its official language, India having Hindi and English, South Africa having eleven official languages, with English being one of them and the other ten being ethnic languages, China using Mandarin and Russia having its official language as Russian, overcoming the barrier created by such diversity in language is an important factor that could further boost trade volume amongst BRICS member states.

However, in this context, the challenge is on the choice of an official language or languages that could be used in BRICS, or the way forward on overcoming the language distance among member states. Even in multilingual countries such as South Africa which has thirty-five indigenous languages, the country had to set for eleven of them as official languages. The problem, of course, become determining the criteria for adopting one over the others, or finding a way that languages could facilitate the absence of cultural and communication barriers associated with any global trading block such as BRICS.

According to Agwu [17] , a possible rationale in having several official or national languages, is to avoid a situation where the choice of a specific ethnic language could be used as a weapon for marginalization and or exclusion of other communities. Language and ethnic historical factors could also make it difficult to adopt any local language as the country’s official language. A possible solution, according to Isheloke [19], would be to introduce Esperanto (a semi-artificial language and yet a living one) as an experiment in addition to promoting a multilingual culture within the BRICS. Such a language, Esperanto, has the potential of enabling a conducive environment since it is devoid of any ethnic, colonial or negative historical connotations, unlike languages such as Afrikaans in South Africa, French in Algeria and Democratic Republic of Congo – albeit to some extent.
Challenges Of BRICS, Interaction of Trade and The Role of Language

The potential nature of BRICS is seen from it representing 43% of global population; while its labour force stands at 46% of the global labour supply, and its Gross Domestic Product (GDP) positioning itself at 25% of the global GDP total. With such a strong social-economic growth, BRICS is gradually shifting the economic power bases from European economies and the USA [20]. The canvas of the BRICS agenda gives priority to the interests of the member states economies, while offering support and complimenting many sectors of their economies [14]. However, one of the challenges facing BRICS, according to [20] and [14], the challenge facing BRICS is that, its member states have diverse social-political and cultural similarities, apart from the glaring barrier of language, these countries have very little cultural or political similarity, geographical distance. They also have different social-economic policies, with their standards of development differing widely.

As shown in Figure 1, China outperformed other BRICS countries with 38% and 39% respectively in 2015 and 2016, with regard to its performance vis-à-vis the global economic growth, with Russia scoring the least (5%). South Africa, which is not pictured, remains a zero-growth economy to date – a situation which could be exacerbated by the coronavirus 2019 (COVID-19) crisis.

In addition to the above, Sandra and Maria [48] point out the language barrier which, as they argue, is a significant player in global trade, and although trade among partners who are in different geographical spaces is now easier, the challenge still lies in getting through other barriers that are contributing to the cost of doing trade, with communication being a major one due to the diversity of languages among trading partners. This comes about when doing business with a foreign national, and where there is no commonality in language, and in such a situation, there will be an increase in the cost of doing business due to hiring of translators or the use of technology so as to facilitate communication. Although not indispensable, the views of Arvis et al.
[22] is that a common language between trading partners, or the easier it is for them to communicate contributes is a stimuli to an increase in trading activities between them [19] supports [22] on the issue of common language as a necessity and a possibility of economic gain.

The case for multilingualism

The globalized economies that we are is making communication to be paramount, more specifically language(s). Languages that are commonly used, and especially in the international level, play key role in facilitating communication and trading activities [23].

Overcoming this barrier has seen countries promoting multilingual skills which [24] argues that it provides a key in the opening up of global market opportunities, which have the potential of increasing the volume of export revenues for a country. However, the domination of English has created a fallacy that it is the official global language when it comes to doing businesses with a foreign trading partner. This has undermined the use of local languages in global trading arena, yet the ability to conduct global trade in an indigenous language, comes with the understanding of the social-cultural settings, and such knowledge could build a lasting bond.

The role of language in the global economic activities, has created interest in the understanding of how language impacts on the trade volume. This has also seen the introduction of terminologies such as “economics of language” by Marschak [25], which looks into exploring language and economics, with a view of optimizing language while focusing on economic concepts that include utility, value and also benefits. Maria and Sandra [3] and Melitz and Toubal [7] therefore stress the importance of increasing investment in the use of multilingualism, while ensuring that there are clear policies guiding such a move in the education sector, and this will ensure that countries are well placed in taking the enormous global market opportunities facilitated by such a move, especially an economic block such as BRICS. Therefore, as Maria and Sandra [3] add, being proficient in the language being used by your trading host country increases the chances of having a long lasting trade partnership, and it also helps in reducing costs associated with foreign trade, with one of them linked to communication, while influencing the ease of interaction between individuals from different countries. According to Ika [26] solving language barrier problem, and especially by having a language in common is a key factor for any Foreign Direct Investment (FDI) to take place.

There are also alternatives that could be used by trading individuals or member states of a trading bloc that have language barrier, as proposed by [26];

(i) sharing of a common language that could be used in their communication;

(ii) making use of intercommunication, where each one of them speaks
own language, and still understanding one another. This happens in situations where languages are interrelated;

(iii) choosing a language spoken by one of them and understood by the other counterpart;

(iv) the use of any foreign language being used by both of them; through hiring translators or employing the use of technology I facilitating their communication. However, the cost-benefit analysis of such an option needs to be taken into consideration.

Isheloke [27] indicated that Africa needs a common working language just as the rest of the world - the BRICS included. Studies on international trade and based on gravity model, such as one by Jan, Victor and Shlomo [28] indicate that multilingualism is a key element of social and economic integration, and a success story is the European Union (EU), where language policy played a major role in its formation, while also contributing on its economic integration. In the case of EU, diversity of languages among member states is seen not as a barrier but an opportunity in the EU’s market to be exploited. In the context of EU, the use of multilingualism has reduced the cost of doing business, and also promote trade expansion across border [2] ; [7] ; [26]. Jan, Victor and Shlomo (2011) [28] further explored the inter-language effects, by testing the impact on trade volume based on any language distance from English-speaking trading partners. The findings indicate that language distance has a negative impact on the trade volume. The study analysis also indicates that trading partners whose language is not English, but they have languages linguistically closer to English, have more trading activities between them, a further reinforcement on the importance of having a common language, especially local languages that are widely used in economic activities by the host countries.

Chhaya [11] explains that understanding of local languages is critical aspect in bilateral-trade. This kind of diversity supports sustainable development. Common symbols or codes are required for cross cultural exchange of thoughts. This, multilingualism, also helps in language development besides fostering social-cultural integration of trading nations. As in the case of EU that has a plethora of official languages, the institution has supported and developed language policies that promoting the development of plurilingualism which has fostered intercultural exchange programmes – a key factor in learning and understanding foreign languages.

There are also examples of multinational corporations such as Samsung and Renault, as Kathleen [30] posits. They have “an official company language” to be used by the employees, while making use of the dominant language when engaging with global economic activities. Those two companies have chosen English as their lingua franca in the business engagements with the outside world. The role of language, specifically multilingualism, is also shown in a study titled Trading with language barriers: a case of COMESA Market in Zambia. The results of the study by Gerald and Regina [31] show that even though Zambian traders face communication challenges, they are able to overcome them by mixing languages, pointing or showing
pictures or finding someone who knows how to speak the language the customer is using at no cost.

Methodology and Theoretical Framework

The study employed a qualitative approach whose focus is on lived experiences, opinions and views of the study population within its natural settings. According to Creswell [33], the suitability of this approach is also in studies where the focus is on the exploration and getting an understanding that people have regarding a specific issue of the study, and as Kothari [34] posits, its ability at providing insightful data. The study was guided by gravity model framework which [9] and [35] describe as an international trade theory, and commonly used in measuring the impact of language on trade or Foreign Direct Investment (FDI). Its assumption and principle tenet are that a language shared by trading partners has a potential in stimulating trade activities among countries, while a distance created by language impacts negatively the trade flows between the trading partners.

Data collection

The study was based on a review of literature related to the impact of language on bilateral-trade, and within the context of gravity model theory. This entailed the collection of secondary data ranging from previous studies, academic articles, media and institutions’ reports to books relevant to the study context. Literature from institutions came from EU, COMESA, BRICS and other related global trade organisations’ reports and studies. Additional studies on language and bilateral trade between countries such as Portugal, Malawi and Zambia are part of the complimentary literature aimed at enhancing the quality of this study’s findings.

Data Analysis and Interpretation

Data analysis is a process of resolving data into its constituent components to reveal its characteristic elements and structure. It also the process of analysing data is about organising it into relevant components with a view of revealing its major elements. It also aims at bringing meaning to a situation or phenomenon to which the data refers to [36]. The process of analysing data, a qualitative study, was focused on getting an insight of the subject of the study. The approach employed in the analysis and interpretation of the data for this research study a thematic approach, and as Green et al. [37] explain, it aims at giving an insight and meaning to the data, while Braun and Clarke [38] view of thematic analysis as being concerned with the identification, analysis and the reporting of emerging patterns (themes).

The data analysis approach followed the steps listed below [39];

- Organisation of the collected data, through reading them
Results Discussion

The study results indicate the dominance effects of language in relation to foreign trade activities, besides strong indications of the role of a common language in the volume of trade between trade partners. The results also provide an insightful look on the dominance of certain foreign languages in the foreign trade space, with an example being English as it is widely dominant in many countries as either an official language or a national language. This highlights the gravity pull factor of language in a foreign business environment.

This has also seen it being widely used by some of BRICS member states, India and South in their international trade relations – an indication of the critical role language plays in international trade. This findings reflects the results of a study by Crystal [40] using gravity model. Using the trade data of United States of America with other 33 trading partner countries, his results indicate that the higher the number of people in a country who are proficient in English, the higher the trade volume such a country has with the USA. However, the regression analysis has not included a situation where there is a language commonality between the parties. Such study results suggest that the absence of a shared language, or the application of multilingualism trading activities can result in increased cost of doing business with foreign nationals, and this has the potential of impacting, negatively, on trade volume or economic activities, and that multilingualism has proved as one of the many ways of spurting bilateral trade.

The study findings by Ingel [23] on Belgium, give examples of companies that have employed the use of multilingualism, with languages such as German, English and Dutch as being among those are in use. The findings also show that countries such as Bulgaria, Spain and Italy, as examples, are using foreign languages as a way of bridging the communication gap, between them and their trading partners. Bulgarians are using Russian language, while French language is used by the Spanish and Italians – when conducting bilateral trade [41].

While India and South Africa, despite having their own local official languages, English is being used as their official language in their international trade engagements. Such are efforts made in overcoming language barrier in trading partners, which also helps in boosting trade between such countries. In the context of the BRICS, the umbrella organisation has also been relying on translations and
technology to allow understanding during summits and other multilateral meetings. However, this study has also not found any evidence or any empirical studies on the efforts or any official policy by BRICS aiming at addressing the issue of “language distance” among member states.

Many of the empirical studies on BRICS, have mainly cantered on issues ranging from [42]; [43] economic growth, [42] infrastructural and institutional developments, [43]; [44] integration of economic growth and trade integration to [45] diverse nature of institutional and economic characteristics.

The importance of effective communication in international trade has been emphasised by Melitz [46], positing that direct communication, where trade partners use a common language, such as English, between India and South Africa, or Swahili between Kenya, Tanzania and DRC, is three times more effective in promoting trade, than in indirect communication, such as the use translations or interpreters, as it is mostly the case with BRICS summits.

Themes that have emerged from this study are as follows;

- Language distance, which denotes the artificial barrier that prevents trading partners from having direct communication, without the use of translators or technology.
- Trade flow/volume of trade, implying that language influences, to a certain extent, the volume of trade or the nature of partnership among trading partners.
- Multilingualism, which has emerged as the best way of mitigating the negative impact of language distance in international trade relationships.
- Gravity model of international trade showing how push=pull factors specifically language, influence volume of trade among trading partners.

**The Study Implications**

The study implications are that, BRICS has yet to exploit fully the trade opportunities within its bloc. This is due to not having fully integrated as a trading bloc, specifically by overcoming challenges posed by language distance among member states. This gap has the potential of having some or all member states of BRICS doing more business or looking for other trading partners who share with them or enjoy language proximity with them. This could also see a slow disintegration of BRICS as an emerging powerful trading institution.

**Recommendations**

In order to address the “language distance” among BRICS member states, respective member states should employ resources at their disposal in the promotion
of multilingualism through the introduction of language policies that will see foreign languages being part of their school curriculum, as South Africa did in 2015 by introducing the teaching of a Chinese language, Mandarin in South African schools, as a way of promoting multilingualism. This has been proved to have the potential to boost socio-economic development in the BRICS member states, as it is happening in EU. South Africa is also getting ready to introduce Swahili in the curriculum and to actually teach this language in all public schools in the near future. this is likely to have a positive impact to trade and economic development between South Africa and the other 12 Swahili speaking nations, and ultimately with all the African Union member countries that aim at Swahili as a language of African diplomacy in decades to come - in accordance with the desiderata of the Pan African Parliament.

Conclusion

In a highly globalized economy, states, corporates or individuals, will find it easier dealing with trading partners who share a common language with them, or understand their languages. Most trading blocs, cited in this study, such as ECOWAS, COMESA or EU, have strong language policies that promote taking advantage of language diversity among them through the adoption of multilingualism. This has made their trade engagements easier and also increasing trade among member states.

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