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The Welsh language and the economy: a review of evidence and methods

Executive summary

1. Introduction

1.1 This report presents the findings of a review of the evidence available on the relationship between the Welsh language, and other languages relevant to the linguistic context in Wales, and the economy. In addition to reviewing available evidence, the study explores the methods used to gather this evidence. Arad Research were commissioned by the Welsh Government to undertake this Review.

2. About the Review

2.1 The aims of the Review were:

- to gain greater clarity about the areas encompassed under the broad heading of the Welsh language and the economy, and as a subsequent step:
- to establish what approaches and models could provide a basis for further research.

2.2 The primary Review question was: What does the evidence currently available tell us about the relationship between the Welsh language, or other languages relevant to the linguistic context in Wales, and the economy?

2.3 The Review's methodology comprised a Rapid Evidence Assessment (REA) approach supplemented by stakeholder interviews. A full description of the methodology, including the rationale for the approach, its limitations, and detail on each Phase of the Review, is set out in Section 2 of the main report.

2.4 A Review protocol, including key search terms and a data extraction form, was developed during the Scoping Phase (Phase 1). A total of 7,770 references (published and grey literature) were identified during Searches (Phase 2) and were part of the Screening Phase (Phase 3), with 57 of these reaching the Mapping and Categorisation (Phase 4) and Synthesis (Phase 5). The Review's findings are based on a Full-text review of these 57 references.

3. Mapping and Categorisation of Evidence

- 3.1 Of the 57 references reviewed in full, 31 focus on the Welsh language, 17 on one or more other languages, and nine on bilingualism or multilingualism more generally (e.g. literature reviews drawing on findings from several sources).
- 3.2 Labour market outcomes or variables are those most examined in the literature, with 23 out of the 57 references exploring the relationship between language and earnings, employment, economic activity or inactivity, skills needs or occupational outcomes. Eight of the 57 references focus on the relationship between language and expenditure or economic output. These include economic assessments of the relationship between activities relating to language, such as the expenditure of linguistic organisations, and business turnover or Gross Value Added (GVA). Twelve references (mainly literature reviews) explore the relationship between language and economy in more general terms, including theoretical modelling of these links, the effects of the economy on language, and issues such as language and economic integration. Eleven references explore issues relating to language and business, including language use, attitudes to entrepreneurship, perceived benefits of bilingual staff and potential value to businesses. Three references examine other areas such as consumer attitudes and marketing.
- 3.3 The most employed methods within the reviewed documents were literature reviews and/or secondary data analysis. These were the main methods employed in 32 out of the 57 references. Eight references were economic assessments, typically involving a mix of data analysis and primary research. Nine were mixed methods studies, five were qualitative research studies, and three were surveys.
- 3.4 Part of the Review's Screening Phase involved a Weight of Evidence (WoE) assessment which categorised and scored references according to three criteria:
- the reference's contribution to answering the Review question;
 - the reference's appropriateness in relation to the Review question; and,
 - the overall validity of each reference's methodology.
- 3.5 The above criteria were used to come to an overall WoE assessment. None of the 57 references was categorised as 'High' or 'Low'. Eleven were categorised as 'Medium-high', seven as 'Medium' and 25 as 'Medium-low'. The remaining 14 references were literature reviews and theoretical studies; these were not assessed because some of the quality and WoE criteria were not fully suitable for these types of studies.

4. Synthesis of findings

- 4.1 Most of the evidence reviewed examines the effect of linguistic factors on economic variables such as labour market outcomes, attitudes to enterprise, business expenditure and turnover. The Review found less empirical evidence of the impact of economic policies, activities and trends on the Welsh language; this represents a potential gap in the evidence base.
- 4.2 Several labour market studies included in the Review provide robust evidence of a positive relationship between knowledge of Welsh, or other language relevant to the Welsh linguistic context, and individuals' earnings, employment or occupational status. Although these

studies are not recent, the inferential statistical methods employed (e.g. regression analysis), mean that they are typically categorised as 'Medium-high' in terms of their WoE. These studies find that language skills have positive net effects on individuals' labour market outcomes, which cannot fully be explained by observable characteristics (e.g. individuals' education level). Some of the studies hypothesise that unexplained differences are the result of factors such as enhanced social networks, 'insider' effects and positive discrimination resulting from linguistic characteristics. However, these differences could equally reflect the value that employers place on language skills. The lack of recent studies examining the link between Welsh language skills and economic outcomes is a potential gap in the evidence base.

- 4.3 A few surveys of businesses and consumers were included in the Review; these were typically categorised as 'Medium' in terms of their WoE. These studies provide robust and valuable descriptive evidence of the perceived value of Welsh language skills among business managers, the use of Welsh in business and evidence of some consumers' preferences for Welsh language services. Findings from these surveys suggest that some business owners, particularly in some geographical areas and sectors, consider staff with Welsh language skills to be an asset to their business, enabling them to meet some of their customers' linguistic preferences. The findings also suggest that many businesses anticipate that Welsh language skills will be more important to them in future and suggest a desire for training, advice and information among some businesses.
- 4.4 Economic assessments and other studies examined in this Review provide a wealth of descriptive evidence and examples of direct and indirect links between language-related activities and economic outcomes (e.g. job creation, expenditure, turnover, GVA). However, there appears to be a lack of evidence examining the wider, cumulative economic outcomes resulting from activities relating to the Welsh language. In Scotland and the Basque Autonomous Community, economic assessments have focused on outcomes related to language-related activity at a macro level (e.g. aggregate contributions to employment or turnover), while in Wales the focus has tended to be at institution-level (e.g. economic value of S4C) or linked to a specific activity (e.g. economic benefits of the National Eisteddfod). These studies were typically categorised as 'Medium-low', and given less weight in terms of drawing conclusions in relation to this Review's primary question. However, this does not mean their methods are considered inappropriate or invalid for meeting their own aims and objectives.
- 4.5 Many of the references reviewed draw on administrative data sources and government-funded surveys (e.g. UK census data; Labour Force Survey), which collect regular data on socio-economic and demographic variables as well as Welsh language skills. Reviewing these types of data sources was outside the scope of this Review, but many of the references identified are reliant on data from these sources. There is potentially a need for a separate review of data from these types of sources, to identify the data that is published and unpublished, as well as gaps in the evidence collected that could be addressed through adapting collection processes and surveys in future.

5. Potential areas of future research

- 5.1 The Review has identified areas of potential future research based on the conclusions and the gaps identified in the evidence base. These are outlined below.
- 5.2 Future research could be undertaken to examine evidence of the effects of current economic policies, activities and trends on the Welsh language. This could include consideration of the effects of UK, Welsh and regional policies as well as major developments and demographic trends. It could also consider changes in economic circumstances, such as the UK leaving the European Union, and any associated changes in policies such as the Common Agricultural Policy, which could affect a sector employing significant numbers of Welsh speakers. This type of research could provide valuable baseline information to understand the potential effects of current economic trends on the Welsh Government's goal of reaching a million Welsh speakers by 2050. It could also examine the resilience of the Welsh economy and language, identify any risks arising from current policies and trends, and potential mitigating steps to address these.
- 5.3 The potential effects of inward and outward migration trends on the profile and concentration of Welsh speakers in different geographic areas could be explored in future research. This could include exploring the effects of these demographic trends (e.g. rural-urban migration) on the socio-economic profile of the workforce in different geographic areas.
- 5.4 Alongside the above, consideration could be given to examining the potential contribution of future national and regional economic policy in supporting the Welsh Government's goal of reaching a million Welsh speakers by 2050. This could include examining the potential effects of: Welsh language workforce training; public procurement policies; interventions targeted at geographic areas or industrial sectors with different proportions of Welsh speakers.
- 5.5 Future research could be undertaken, using the most recent labour market data, to examine the relationship between Welsh language skills and labour market outcomes. This could include census data and large-scale surveys of the population and could include comparisons with previous research. It could investigate the reasons behind any variations in employment, economic activity and earnings of Welsh speakers and those who do not speak Welsh. It could also include an exploration of the influence of the concentration of Welsh speakers in different geographic areas.
- 5.6 Primary research could be undertaken with employers to examine whether they consider Welsh language skills when recruiting staff. This could build on research with employers that has been identified in this Review, which relies on data on their perceptions of the value of Welsh language skills in business. Such research could consider employers' recruitment practices and the influence, or lack of influence, of linguistic skills and characteristics on their recruitment decisions. In addition to examining employers' practices when recruiting staff, it could be useful to consider whether a detailed picture is available about the numbers and types of currently filled posts for which Welsh has been deemed essential or desirable.
- 5.7 Examining the costs and benefits of expenditure on activities associated with the Welsh language at an all-Wales level could be considered, to better understand the direct and indirect value of expenditure on Welsh language goods and services at macro level. This

could build upon the evidence collected by individual organisations that has been included in this Review.

- 5.8 Investigating whether consumer behaviours, such as expenditure decisions, are influenced by the availability of Welsh language goods and services could help build on some of the findings from studies of consumer attitudes and perceptions identified in this Review. This could involve exploring whether there are price premia associated with Welsh language products and services, and examining consumers' willingness to pay for these.
- 5.9 Exploring attitudes to entrepreneurship, self-employment and business among Welsh speakers and those who do not speak Welsh could be considered in future research. This research could consider whether any differences identified can be explained by linguistic or other observable socio-economic or demographic factors. It could also compare findings with previous research on the topic that has been identified in this Review.
- 5.10 A review of the availability of data to support future research on the Welsh language and the economy could be considered. This would provide a means of assessing whether available data is being analysed to its full potential, and whether there are gaps in the evidence base.

Full Research Report: Thomas, Hefin; Duggan, Brett; Glover, Alison and Glyn, Eluned (2020) *The Welsh language and the economy: a review of evidence and methods*. Cardiff: Welsh Government, GSR report number 10/2020.

Available at: <https://gov.wales/welsh-language-and-economy>

Views expressed in this report are those of the researchers and not necessarily those of the Welsh Government.

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