

ALL-PARTY PARLIAMENTARY GROUP

on

MODERN LANGUAGES

Chair: Baroness Coussins (Crossbench) **Vice Chairs:** Paul Maynard MP (Conservative), Nia Griffiths MP (Labour), Baroness Sharp of Guildford (Liberal Democrat)

SUBMISSION TO HM TREASURY ON THE GOVERNMENT'S REVIEW OF THE BALANCE OF COMPETENCES BETWEEN THE UNITED KINGDOM AND THE EUROPEAN UNION

January 2014

SUMMARY

1. The APPG on Modern Languages welcomes the opportunity to contribute to this review. Our response is general rather than specific, bringing together evidence from a range of sources to show that the UK is failing to derive the full economic, political and educational benefits from membership of the European Union, and international engagement more broadly, because of a lack of language skills.
2. We welcome moves by the Department for Business, Innovation and Skills to boost the uptake of languages in degree courses, and to bring forward new evidence¹ on the losses to the UK economy as a result of the inability to communicate freely with international partners acting as a 'tax on trade'. Similarly, we are pleased that the Department for Education has recognised the need to improve the national capacity in languages by making the study of a foreign language part of the new National Curriculum from age 7, and giving languages a certain prominence within school performance tables through the English Baccalaureate measure.

However, the need to value and develop language skills is a concern which affects **all** government departments and the review of the UK's relationship with the European Union provides an opportunity to raise awareness more widely of the need to boost Britain's linguistic capacity, in the interests of individuals' educational experience, the future competitiveness of the UK economy and our international standing and reputation.

¹ 'Research to quantify the costs to the UK of language deficiencies as a barrier to UK engagement in exporting' commissioned from Professor James Foreman-Peck, Director of the Welsh Institute for Research in Economics and Development at Cardiff University, and due to report on 31 January 2014.

BACKGROUND

3. The APPG was established in January 2008 and its terms of reference are to:
 - explore the educational, skills-related, employment, competitive and cultural benefits of learning and using modern languages throughout the United Kingdom;
 - provide a parliamentary forum for information exchange, discussion and consultation; and
 - encourage and support policies and action to improve the take-up of modern languages in schools, further and higher education, in the workplace and in the community.
4. Over the last six years, the APPG has held regular meetings at which we have had the benefit of hearing from and questioning a wide range of experts. These have included employers and departmental officials, academics, researchers and policy advisers, professional and specialist bodies as well as teachers, head teachers and pupils.
5. Recent compelling evidence shows that the UK's capacity in languages falls far below that required by business, government and third sector organisations in order to increase UK exports, attract inward investment, protect national interests in UK security and global influence, and facilitate knowledge transfer and innovation internationally².
6. **Our overall conclusion is that the national deficit in languages is now so serious that it needs to be acknowledged and redressed by coordinated cross-government action across a range of departments including the FCO, BIS, the Home Office, the Treasury and the Department for Education.**

LANGUAGE SKILLS AND EXPORTS IN THE SINGLE MARKET

7. There is now a considerable body of evidence, both policy-oriented and academic, which shows that languages are linked to export growth. In the last year or so, both the CBI and the British Chambers of Commerce have published reports calling for improved language skills among British graduates and college leavers in order to boost export performance³. Business leaders say that language availability, instead of market strategy, is driving exporting decisions, and that a lack language and cultural capability is a barrier for non-exporters who want to start trading internationally.

² See in particular: British Council, 'Languages for the Future. Which languages the UK needs and why'. 2013 and British Academy, 'Languages, the State of the Nation'. 2013.

³ CBI/Pearson, 'Changing the Pace. Education and Skills Survey 2013'. British Chambers of Commerce, 'Exporting is Good for Britain', 2012.

8. The econometrist Professor James Foreman-Peck has shown that market failure in language skills affects the UK disproportionately: whilst there is an inbuilt tendency for everyone to under-invest in language skills, patterns of world trade show that, allowing for other factors, the UK is more likely than other countries to gravitate towards trading partners which have a language in common⁴. A pre-publication report on his latest research for BIS states that language deficiencies are costing the UK economy **£48 billion per year**, or 3.5% of GDP⁵.
9. Lack of language skills acts as a barrier to the **free movement of services** across the EU, since effective communication is a key factor in service provision. However, service providers in other member states are currently at an advantage over Britain given that English is the first language taught in most other European countries, whereas British companies are at a relative disadvantage through not having access to the necessary language skills.
10. The CBI/Ernst and Young report 'Winning Overseas' makes it clear that the need to improve foreign language competence is not simply a question of communication skills to service existing or future markets, but about the **internationalisation of business outlook** and the rebranding of the UK as being 'open for business'.⁶ Whether in agriculture, energy or information technology, the inability to move beyond English limits access to innovative practices and international networks for **knowledge transfer**.
11. The British Academy's report 'Languages, the State of the Nation' showed how a tendency for business and management to under-estimate the importance of foreign language skills – combined with the practice of recruiting foreign nationals with language skills, has the effect of depressing demand for languages and the motivation to study them within the UK population, creating a **vicious cycle of monolingualism**⁷.
12. **We conclude that stimulating the acquisition and exploitation of language skills would bring important benefits to British export performance and would allow employers in a range of sectors to take greater advantage of the Single Market in goods and services.**

LANGUAGE SKILLS AND JOBS IN THE SINGLE MARKET

⁴ James Foreman Peck, 'Costing Babel. The Contribution of Language Skills to Exporting and Productivity'.

⁵ 'UK businesses are lost for words', The Guardian, 10 December 2013

⁶ CBI/Ernst and Young, 'Winning Overseas : Boosting Business Export Performance', 2011.

⁷ British Academy, 'Languages, the State of the Nation', 2013.

13. Poor or non-existent language skills impact on the opportunities for UK individuals to take advantage of **labour mobility** within the Single Market, whilst leaving them open to competition from incomers. Whilst UK employers are dissatisfied with the language skills of British graduates, they are enthusiastic recruiters of multilingual graduates from other EU countries. In a recent survey, nearly 57% of UK employers said they recruited from other EU countries, compared with a European average of 30%⁸. Although this shows that the Single Market is working well in terms of the free movement of persons, British workers are limited in their ability to take advantage of this freedom in the opposite direction because of their lack of language skills.
14. The UK Treasury has noted that the UK's financial services sector benefits from the widespread use of English. Whilst this may be true, the British Academy's study of the labour market for languages⁹ shows that this and other highly globalised industries such as energy and IT also require skills in other languages. An over-reliance on English is already harming our international interests as UK monolinguals find themselves unable to compete for key jobs and this is harmful not only to the employment and career prospects of UK nationals, but to the UK's capacity for influence within these global companies.
15. The availability of language skills is one of the key factors for attracting **foreign direct investment**, as shown in the global property company Cushman and Wakefield's annual European Cities Monitor. London regularly performs well in this survey because of the diverse range of other languages spoken. In its 2011 report 'Making the UK the best place to invest', the CBI cited the English language as one of the UK's key strengths which is however offset by our relative inability to work in multiple languages¹⁰. Scotland recently lost the opportunity to attract the European sales headquarters of a major petrochemical company because of the inability to recruit staff with language skills¹¹.
16. The social and economic consequences of poor language skills are not evenly spread across the UK. Participation in language learning beyond the compulsory phase is strongly linked to social advantage and children in less developed and more deprived areas of the country are less likely to gain qualifications such as a GCSE or A level in a language¹². This adds to regional or local cycles of deprivation in terms of inward investment, unemployment rates and access to international opportunities.

⁸ Eurobarometer and European Commission, *Employers' Perception of Graduate Employability Analytical Report*, 2010.

⁹ Languages. The State of the Nation, 2013

¹⁰ CBI, 'Making the UK the best place to invest' 2011

¹¹ Grove, D., 'Talking the talk, so that Scotland can walk the walk. The case for improving language skills in the Scottish workforce'. 2011

¹² See Languages, the State of the Nation, op cit.

17. **Improving Britons' language skills would enable individuals to take greater advantage of opportunities for employment within the Single Market, and be better equipped to compete for jobs at home. It would also ensure help attract inward investment, particularly in areas which are currently poorly supplied with language skills.**

LANGUAGES AND INTERNATIONAL INFLUENCE

18. The Foreign and Commonwealth Office has noted that a **shortage of British staff in international institutions** is detrimental to the national interest and undermines UK policy influence internationally. It highlighted that UK nationals make up only 5% of the European Civil Service, whilst accounting for more than 12% of the population of Europe. In 2011 only 2.6% of applicants were from the UK - fewer than from any other member state - and a key reason for this was that English-speaking applicants must offer either French or German as a second language¹³. This situation is no doubt repeated in international organisations worldwide.
19. In recognition of the importance of languages as fundamental to effective diplomacy, the Foreign and Commonwealth Office has re-opened its language centre, and the Foreign Secretary William Hague has spoken eloquently of the way that language skills help to predict and influence behaviour in foreign cultures¹⁴.
20. An enquiry last year by the British Academy showed that in a rapidly changing landscape for international engagement and diplomacy, languages skills are essential for **effective security and international influence**¹⁵. The Rt Hon Richard Ottaway MP, Chair of the Foreign Affairs Select Committee, says that this issue has been highlighted in almost every enquiry he has undertaken since 2010.
21. **Improving Britain's language capacity would enable UK nationals to have greater influence in international organisations both within and beyond the European Union.**

LANGUAGES AND INVOLVEMENT IN EUROPEAN COOPERATION PROGRAMMES

22. UK participation in EU mobility programmes, which improve employability and equip individuals with skills and competences to work across borders, is a fraction of that of comparator countries such as France and Germany. This is a particular concern in the light of the new **Erasmus**

¹³ Blog by David Lidington, Minister for Europe on FCO website accessed 13/8/12
<http://blogs.fco.gov.uk/davidlidington/2012/03/20/more-british-nationals-in-the-eu-civil-service-can-transfrom-our-influence/>

¹⁴ <https://www.gov.uk/government/speeches/foreign-secretary-opens-foreign-office-language-school>

¹⁵ British Academy, 'Lost for Words. The need for languages in UK diplomacy and security'. 2013.

Plus programme starting in January 2014 which will provide opportunities for 4 million Europeans to study, train, gain work experience or volunteer abroad.

23. In 2011, only 4,265 Britons took part in work experience placements in another European country under the Leonardo programme, compared to more than 10,000 French and nearly 15,000 Germans¹⁶.
24. UK participation in overseas university placements under the Erasmus programme is around one third that of France and Germany, with only 13,662 Britons benefitting in 2011/12 compared to more than 33,000 in both France and Germany and nearly 40,000 in Spain¹⁷.
25. European Parliament research into take up of Erasmus placements, which interviewed students in 7 countries, found that lack of language skills was the major reason, after finance, why students were put off taking part. The deterrent effect of lack of foreign language skills was highest amongst UK students (62% compared to an average of 41% across all countries)¹⁸.
26. Organisations such as the CBI and the Council for Industry and Higher Education (CIHE) have stressed the importance of international experience for acquiring the language and cultural skills which are increasingly valued by employers¹⁹, and the Department of Business, Innovation and Skills' Joint Steering Group on Outward Student Mobility has recommended that greater emphasis should be placed on language skills at primary, secondary and tertiary levels within the education system²⁰. The House of Lords EU Committee has also concluded that the UK's prevailing monoglot culture is a barrier to British students participating in Erasmus and other mobility schemes to the same extent as those of other member states²¹.
27. **Improving Britain's language capability would enable UK individuals to take greater advantage of the opportunities to participate in work experience and study placements offered through the new European Union programme Erasmus Plus.**

RECOMMENDATIONS

¹⁶ European Commission, *Leonardo Da Vinci Mobility Figures by Country in the Years 2000 – 2011 (Number of All Individuals Who Went on Mobility to Another Country)*, 2011, mmxi, 2011. (Latest figures available)

¹⁷ European Commission, *Erasmus Figures 2010-11*, 2011.

¹⁸ European Parliament, *Improving the Participation in the Erasmus Programme*, 2010.

¹⁹ E.g. J Diamond, A, Walkely, L, Forbes, P, Hughes, T, Sheen, *Global Graduates into Global Leaders* (AGR/CIHE).

²⁰ Joint Steering Group on UK Outward Student Mobility, *Recommendations to Support UK Outward Student Mobility Submitted to David Willetts by the Joint Steering Group on Outward Student Mobility*, March 2012.

²¹ House of Lords European Union Committee, *The Modernisation of Higher Education in Europe*, 2012.

28. In order to ensure that the UK and its citizens derive the full economic, cultural and educational benefits from membership of the European Union, and to engage more effectively in international networks more generally, the APPG on Modern Languages urges Her Majesty's Government to implement the following:
- **A national languages recovery programme** in education and training. This should include high quality language learning with ambitious targets in both primary and secondary schools up to school leaving age, as well as opportunities and encouragement for older students to continue with a language either as a specialist discipline or alongside other studies.
 - Drawing on the resources of all government departments to **stimulate demand for language skills** through training and awareness-raising and to improve practices in the strategic management of language skills. This should include, for example, auditing the linguistic skills of existing employees, implementing training and recruitment policies which favour language skills, and improving understanding of how to use specialist language services including interpreting and translation services.
 - Appointing a **single government minister** responsible for coordinating government policy on foreign languages across departments.

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