

The Impact of Language

Detachment from Productivity Improvements

In a time where economic battles are fought over product creation as well as the cost structures of making a product and serving a market, the outsourcing opportunities for English speaking countries are simply **more abundant**.

As low-paying jobs pour into the developing world, the companies using them to serve markets increase their productivity (that is the cost to make and serve their products) dramatically.

What happens to those not speaking English? Well, they are forced to use higher-cost employees to perform low-value tasks. The immediate result is a **detachment** of the non-English speaking world **from the benefits of low labor cost** in India and China. Will these countries eventually service the other economies? Maybe. It depends on whether they cannot find higher-paid tasks with their existing customers.

Intellectual Isolation

I was reading a book by the German Institute for Economics called 'Wachstumsfaktor Innovation' (meaning *Growth Factor Innovation*), pub-

lished 2003. It is a **good book**, giving references to prior work. It does not, however, mention any of the names that I have grown so accustomed to. **No Clayton Christensen, no Gary Hamel, no Tom Peters.** It rather listed secondary or tertiary work done by Germans (some more than 50 years ago), or work by the OECD, some French authors and a few publications from the UK. **Nothing about the current revolution in Innovation Management globally.**

This is what I call **Intellectual Isolation**. If an economy does not or cannot participate in the global development of knowledge, it will always use tools that are outdated. There is a process map for Innovation Management in this book on page 121 that would have served well 10 years ago. Now it is simply obsolete.

The limits of my language means the limits of my world.

Ludwig Wittgenstein

The other form of isolation is the **filtering** language barriers impose on

people. If you cannot read English, you rely on translators to convey the finer points of arguments. In essence, you are dealing with interpretations. Most of the time, this is not very apparent, a hidden barrier.

Isolation from Talent Pools

How do you get the best people if they cannot live in your country because they do not speak the language? How do you grow your best people if they cannot interact with



the best globally? The **isolation through living circumstances and learning opportunities** is a subtle but powerful way of **disconnecting economies from vital talent pools**. There are some hotspots where the big multinationals like SAP are creating environments where English speakers can actually live, but they are far and few between.

Since we are right now living in Germany ourselves, we can speak about this first hand.

We are constantly asked to justify our experiences in the USA or the rest of the world. The typical question I get from local prospects is **'Have you done this in Germany, because we are different than the USA?'**

This attitude will cut Germans off vital supply lines for talent. It will both discourage highly-talented people to open shop in Germany, importing their global knowledge and experience, and prevent Germans without a zeal to speak English to connect with the global knowledge pool to actually learn from the best.

What should be done?

Here are a few **recommendations** for continental Europe.

Education:

Continental Europe needs to understand that their multitude of languages serves as a **economi-**

cal resistor as well as a **cultural adhesive**. The one does not evolve in hard sync with the other. **There is a way to retain cultural identity without sacrificing economic prowess.**

Change has to start in school.

Modern education needs to adopt the attitude that fluency in English is not another course like Math or Physics, but the basis, the enabler of those. Children

Language is the dress of thought.

Samuel Johnson

leaving primary school aged 10 need to be able to receive schooling in scientific topics both

in their native language as well as in English. Beyond Age 13, the classes in Math, Chemistry etc. should be held exclusively in English. This will enable a generation of students to take full benefit of the large pool of scientific writing available in English, instead of either being caged into the writing of their native tongue or having to acquire the skills of using English at a time when such basic learning will distract from the task at hand: to get a degree.

The upgrade of workforce education is **the** issue of this century.

Business:

The business community in continental Europe needs to **open up their knowledge pool to English**. So many exciting and powerful insights are available in this lan-



