

**UNIVERSITY OF LATVIA
FACULTY OF MODERN LANGUAGES**

**LINGUO-PRAGMATIC PRINCIPLES
OF WRITTEN COMMUNICATION IN ENGLISH FOR BANKING
AND FINANCE PURPOSES AND THEIR IMPLEMENTATION IN
THE TARGET LANGUAGE STUDIES IN LATVIA**

Doctoral Dissertation

**UNIVERSITY OF LATVIA
FACULTY OF MODERN LANGUAGES
DEPARTMENT OF ENGLISH STUDIES**

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**LINGVISTISKIE UN PRAGMATISKIE PRINCIPI BANKU UN
FINANŠU RAKSTVEIDA SAZIŅĀ ANĢĻU
VALODĀ UN TO ĪSTENOŠANA MĒRĶVALODAS STUDIJĀS
LATVIJĀ**

DOCTORAL DISSERTATION

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RIGA 2006

DECLARATION OF ACADEMIC INTEGRITY

I, Gunta Roziņa, hereby declare that this study is my own and does not contain any unacknowledged material from any resource.

....., 2006

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(signature)

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INTRODUCTION

Importance of the Problem

This millennium promises to be exciting, rewarding and challenging as Latvia has become a Member State of the European Union and NATO. It means that the financial and monetary system of our country functions within the institutional framework of the European System of Central Banks. Becoming a Member State of the European Union, Latvia is still in transition to fully-fledged market economies. Accordingly, the country is in a transitional stage of fulfilling the convergence criteria for entry into the euro area in 2008.

Success in today's competitive, diverse and global business environment requires banking/finance professionals to be able to communicate well both internally and externally, and to be on the cutting edge of meeting the demands set by the current business world. Moreover, today's banking/finance professionals have to possess a broad array of foreign language skills to keep pace with the increasing needs for specialist language proficiency, thus they have to be ready to commit themselves to life long learning.

As the new millennium in the banking/finance sector is characterised by an increased diversification of the consumer market, global communications and collapse of the traditional professional boundaries, the English language has become a prime means of inter-bank communication. In other words, successive and time-saving communication process in banking/finance setting is based upon both the language of business and the specialist language competence, which serve as contributing factors to achieve direct inter-institutional communicative goals.

To make the maximum use of the technologies applicable, the banking/finance sector's employees need to possess a high-level specialist language proficiency both to communicate information verbally and to produce documents for distribution. In the context of Latvia, it means that the non-native language users/learners face a daunting task not only to understand the routine communication needs of their foreign counterparts, but they are also expected to be able to create documents and to respond to the customer needs in writing. Actually, it means that under the current situation,

competence for addressing diverse audiences and for understanding their emerging needs has become one of the paramount criteria for professional success. To a very large extent, this competence is stimulated by the professionals' ability to understand, produce and manipulate written information in order to apply it efficiently in a variety of situations.

Taking into account the above stated, this study attempts to pull together the selected theories on language in use, on applied linguistics' perspective on communicative language competence and on micro-, macro-, meta-pragmatic principles governing English for Specific Purposes. This all has been considered to formulate the core linguo-pragmatic principles underlying written communication in English for Banking/Finance, thus to benefit to investigating the object of the present inquiry. On the other hand, the research interest of the study has been focused on examining the target language learners/users' abilities to produce banking/finance area-related texts to meet the external communicative needs of the banking community. Consequently, it has contributed to examining the competence of written English for Banking/Finance being gained by the target language learners, which, at the same time, is the subject of the present inquiry.

As a result, we have based our research on a ten-year English for Specific Purposes (ESP) and English for Banking and Finance (EBF) teaching experience at the tertiary level, at the Banking Institution of Higher Education, Riga, where pre-experience, low-experience and job-experienced learners acquire the domain-specific language competences primarily for *instrumental reasons*. A high-level specialist language proficiency, it being one of the most valued language competences required by the banking community, is both an essential motivating factor for its acquisition and a significant precondition for the target language learners/users' further career growth. In addition, our extensive experience of teaching ESP/EBF to non-native learners at the tertiary level has been constantly applied at an occupational/vocational level. The fact of being directly involved in developing and providing multi-purpose course programmes envisaged for in-service banking employees has given us a unique opportunity to implement the obtained expertise in responding to the growing needs for written/spoken specialist language competence required by Latvia banking/finance community.

Yet, our research interest has been focused primarily on developing and assessing the target language learners/users' abilities to succeed in written communication in EBF. Therefore, we have been studying this mode of communication in a long term both at the academic level of its acquisition and at the professional level of its manifestation.

To promote our understanding of linguo-pragmatic principles underlying written communication in EBF, we have examined linguo-pragmatic principles governing one of the most wide-spread texts produced by the banking/finance community, i.e., annual reports. To work towards finding out the common features distinguishing this genre, we have analysed text-internal and text-external properties of the annual reports produced by the Bank of Latvia, the Bank of England and the European Central Bank having been issued in the period from 2001 to 2002.

Having specified these properties, we were able to define the general linguo-pragmatic competences required to produce this document type. On the other hand, by distinguishing the prevailing linguistic and pragmatic features underlying the genre of annual reports produced by the banking/finance community for informative, analytical, descriptive purposes, we were able to establish the framework of the basic principles governing written communication in English for Banking/Finance.

The empirical knowledge gained enabled us to offer our recommendations for developing relevant course programmes envisaged either for those who intend to acquire the competence of written EBF, for instance, the students of the Department of English Language Studies, the Faculty of Modern Languages (FML), the University of Latvia, or for those who would prefer to gain an insight into the linguistic norms and principles underlying written business language, for instance, the participants of the professional programme *English Language Teacher of Secondary Schools* (FML), the University of Latvia. Hence, the problem of designing academic course programmes applicable for multi-purpose written/spoken ESP studies.

So far, there has been no explicit research conducted to study the linguistic and pragmatic principles governing written communication in English for Banking/Finance in Latvia. The target language learners' competence of written EBF has not been studied either. Therefore, the intrinsic purpose of the present inquiry has been to carry out a careful examination of the above stated issues.

As a result:

The research **object** was formulated: written communication in English for Banking/Finance.

The research **goal** was set: to investigate, theoretically justify and define the linguo-pragmatic principles of written communication in EBF.

The research **subject** was addressed: the target language learners' competence of written communication in EBF.

The pre-suppositional level **hypothesis** was posed:

linguo-pragmatic principles governing written inter-bank/inter-institutional communication promote the development of the target language learners' communicative language competence if

- 1) the principles are theoretically justified,**
- 2) the obtained research results are implemented in the target language studies undertaken in authentic context followed by immediate language use in a banking/finance setting.**

The **enabling objectives** were defined:

- to analyse the selected linguistic theories on functional language in use to examine the English language as a means of social interaction in a meaningful context,
- to do selected theoretical studies of communicative language competence to examine the relationship between the linguistic systems and their communicative intentions in a particular context,
- to analyse the theories underlying societal pragmatics in order to investigate English for Banking/Finance from the perspective of micro-, macro-, meta-pragmatics;
- to investigate and define the linguo-pragmatic principles governing written communication in English for Banking/Finance (EBF),
- to identify the linguistic and pragmatic competences required to develop the target language learners' written EBF performance,
- to design and administer the research methodology in order to gather, describe and analyse the research data,
- to develop a course programme aimed at expanding the target language learners' written English mastery applicable at occupational levels,
- to pilot the designed course programme both at the academic level and in the professional setting,

Theoretical Significance of the Research

The research has been conducted considering the selected linguistic and pragmatic theories of the end of the 20th century and of the beginning of the 21st century. The theories were selected to focus on the use of the English language in social interaction

and transaction in a meaningful context. The particular emphasis has been on considering the theories dealing with the sub-discipline of applied linguistics, i.e., pragmatics viewed in relationship to the related theories of linguistics. Therefore, the intrinsic purpose of selecting the underlying theories was to link the theoretical findings derived to the further studies of the object and subject of this inquiry. At a theoretical level, the object of this research, i.e., written communication in English for Banking/Finance has been studied doing a contrastive analysis of the late 20th and early 21st centuries' linguistic and pragmatic theories. In the same way, the subject of this study, i.e., the target language learners' competence of written communication in EBF has been viewed adopting a contrastive approach to the analysis of the selected theories underlying communicative language competence.

Consequently, the author of this study sees the theoretical significance of this research in forming a sound theoretical basis for characterising English for Banking/Finance- the sub-discipline of English for Specific Purposes within the framework of the target language learners/users' communicative language competence acquisition, which can result in written EBF performance.

In the course of theoretical studies, the research findings were derived. They contributed to developing an academic study course *Spoken and Written Communication in the English Language III, IV*. It is included in the academic study programme at the Faculty of Modern Languages (the Department of English Language Studies), the University of Latvia.

Novelty of the Research

- Written communication in EBF is studied and theoretically justified; the linguo-pragmatic principles of written communication in EBF are distinguished and defined.
- The factors contributing to the target language acquisition and manifestation are researched in Latvia context.
- The target language learners/users' linguo-pragmatic competence to distinguish and apply the basic language functions (social, descriptive, textual) in written interaction/transaction in EBF is justified.

- The target language learners/users' ability to assess their linguo-pragmatic performance is approved.

Practical Significance of the Research

The findings of the present research can be used in designing a new study course *English for Economics*. It would benefit for developing the target language learners' professional writing performance both at the academic and occupational ESP study levels. Thus, the learners' English language proficiency could be increased to meet the changing demands of the current labour market in Latvia.

Methods of the Research

The theoretical methods imply a study and contrastive analysis of the late 20th and early 21st centuries' theories of linguistics and applied linguistics.

The theoretical basis for the present research has been developed from the following studies:

- First, the findings elicited from the linguistic theories put forward by the Prague School's Functional Linguistics enabled the author of the study to examine the language as a means of social interaction and to focus on the semantic and pragmatic aspects of the meaning. For this research purposes, the School's Functional Sentence Perspective model was applied to analyse text structure and information sequencing principles. The systemic text analysis model was applied to analyse text thematic progression principles.
- Second, the findings derived from the linguistic theories put forward by the London School's Functional Linguistics enabled the author to regard the English language as a part of social interaction/transaction processes. The findings elicited contributed to the analysis of the English language use both in its situational and in its linguistic context.

- Third, the contrastive analysis of the applied linguistics' perspective on establishing the target language learners' communicative language competence supported the idea that the linguistic competence being an essential competence at the foundation stage of a foreign language acquisition has to be closely linked to developing the target language learners' pragmatic and sociolinguistic competences at more advanced stages of the target language acquisition.
- Fourth, the contrastive analysis of the theories specifying the expected level of the English language learners' micro-, macro-, and metapragmatic competence to interact/transact inter-institutionally enabled the author of this paper to determine the language competence required to establish and maintain the professional context-bound communicative act.

The empirical part of this study has worked towards accomplishing two goals:

- First, to specify the core text-internal and text-external principles underlying the documents produced for banking/finance community's needs, a text-linguistic and text-pragmatic analysis of the annual report genre was implemented.
- Second, to assess the target language learners/users' abilities to produce the documents meeting the demands of banking/finance community, the following tasks were stipulated:
 - the research was approached from the general perspective of qualitative research methodology involving numerical investigative instruments of quantitative study;
 - the methodology of the empirical part empirical part was devised to confirm the research hypothesis addressed:
 - the study was conducted considering the holistic principle of ethnographic research: its data were collected in the situational, institutional, chronological and social contexts of their occurrence,
 - the research procedure was analysed in five stages: in the period of the study conduct from 1994/1995 to 2004/2005,
 - naturalistic inductive design of the research was established via: data sources description, research instruments description,

- research methodology description,
- data triangulation technique was applied to gather research information from three divergent groups of its participants,
 - research instruments triangulation technique was adopted to identify the research tools used in data gathering process,
 - research description techniques were adopted to answer the research questions posed.

Volume and Approbation of the Research

The linguistic and pragmatic aspects of the present research have been reflected in 10 publications (see: *Publikācijas* in “Promocijas darba kopsavilkums”) published both in research papers and in conference proceedings. Sixteen presentations on the research issues were made in the following domestic and international level conferences (see: *Konferenču tēzes* in “Promocijas darba kopsavilkums”):

Latvia (Riga, 1996, 1998, 1999, 2001, 2002, 2004, 2005; Ventspils 2003),

Lithuania (Kaunas, 2000; Vilnius, 2001, 2002),

Estonia (Tallin, 2001)

Russia (Moscow, 2001)

The Ukraine (Kiev, 2002, 2004, 2005),

Check Republic (Prague, 1999).

The designed ESP/EBF course has been piloted at the Banking Institution of Higher Education (from 1995 to 2004), at the University of Latvia (from 2000 to 2005), at the Bank of Latvia (from 2001 to 2005), and in the Commission of Financial and Capital Market, Riga (2005).

The Department of English Language Studies of the Faculty of Modern Languages, the University of Latvia has approved the theoretical and practical significance of this study.

The Institute of Economics and Management, the University of Latvia has confirmed the novelty of this study.

The Board of the Bank of Latvia has approved the topicality of the study due to its focus on English for Banking/Finance being a means of international inter-bank communication.

Professor Dr. Wolf Paprotte, Westfälische Wilhelms-Universität, Münster, Germany has approved the theoretical and practical value of the study in the context of applied linguistics.

Main Themes of the Research

- The selected linguistic theories on language in use:
 - the Prague School's theories on functional language in use focusing on language functions as a means of social interaction,
 - the London School's theories on communication in a meaningful context focusing on the socio-functional role of language.
- Applied linguistics' perspective on communicative language competence.
- The selected theories on micro-pragmatic operators, macro-pragmatic thematic areas of interaction and meta-pragmatic functional principles.
- Applied linguistics' perspective on English for Specific Purposes in relationship to its sub-division: English for Banking/Finance.
- The linguo-pragmatic analysis of the principles governing written communication in English for Banking/Finance.
- Manifestation of written EBF competence via its performance in a meaningful context.

The above mentioned themes of the research are revealed in relevant chapters. Each chapter of the present study presents a set of related ideas which are aimed at:

- forming the theoretical basis for achieving the research goal
- testing and implementing the obtained research results into practice.

Chapter I offers the analysis of the selected linguistic theories on functional language in use.

The overriding purpose of this chapter is to put a synchronic perspective on the theoretical models of language use in a meaningful context in order to form a sound theoretical basis for the present research. However, to arrive at a complete understanding of the linguistic research done in the middle of the 20th century, the theoretical contributions by the branch of European structuralism, i.e., the Prague School (known

also as functional linguistics, functionalism), and by the British variant of structuralism, i.e., the London School (known also as the Firthian linguistics, contextualism) are viewed from a diachronic perspective as well (see: Annex 1).

In case of the Prague School, the object of the present theoretical study is the School's orientation towards the concept of *functionalism* in linguistics, this concept appearing in all important areas of the Prague School's research. Consequently, this inquiry analyses the texts under study considering the School's research done on the Functional Sentence Perspective (FSP) model, which sees the theme-rheme structure of a text as its structural principle. Additionally, the inquiry considers the Hallidayan systemic-functional model, the model having evolved from the FSP, to study text thematic progression principles. Thus, on a practical level, this research applies the Prague School's contributions to analyse:

- the arrangement of sentence elements in their linguistic and situational context,
- the function of sentences within the text paragraphs and within the text itself.

As to the London School, the object of the theoretical investigation is the School's orientation towards language use in social communicative processes, where linguistic expression is determined by both its situational context and by its linguistic context.

Providing this study puts a synchronic perspective on linguistic and pragmatic principles governing the English language usage in banking/finance context, it has considered the following London School's findings in developing a sound theoretical basis for this inquiry:

- language use is a part of social (interactional) and information conveying (transactional) processes,
- language use as a linguistic expression is determined by both its situational context and its linguistic context,
- context of situation rather than linguistic units themselves determines the intended meaning.

Taking into account that both Schools emphasise the role of the English language in meeting the communicative needs of the language users, the present study considers the key contributions made, e.g., by Widdowson, Carter, Brown and Yule, Hatim, Halliday to explore a foreign language acquisition and manifestation processes.

Chapter II concerns itself with examining the relationship existing between the linguistic and pragmatic aspects of communicative language competence. The chapter approaches the concept of communicative language competence from a variety of perspectives. It considers the findings offered by *Common European Framework of Reference for Languages* (2001), and it views the research done by many linguists (e.g., Munby, Hymes, Silberstein, Spolsky, Coulmas, Wardhaugh, Bachman and Palmer, Hinkel, Kramina, Brown and Levinson, Cohen, Rose and Kasper, Crystal, Bardovi-Harling). Analysis of the above mentioned theories is essential for the present study. It supports the idea that at the foundation stage of the target language learners' communicative competence development, the linguistic competence is a correct but not flexible manipulation of the language system. With more practice and experience, communicative language competence involves principles of appropriateness and readiness on the part of the language learners/users to apply relevant language strategies in relevant communicative situations, which occur in meaningful contexts.

In other words, communicative language competence does not automatically result from the linguistic competence. The knowledge of language alone does not prepare the target language learners/users for adequate language performance in meaningful contexts. Therefore, non-native learners/users are expected to possess the language competence which includes the awareness of what is expected socially and culturally by the native language users.

On condition that the present research puts a synchronic perspective on examining both the linguistic and pragmatic aspects of the English language applied by banking/finance community, it is concerned with:

- analysis of the selected linguistic theories dealing with the language in use,
- analysis of the linguo-pragmatic competences gained by the target language learners which are manifested in their linguo-pragmatic performance.

Thus, the implied aim of the chapter is to propose and support the idea that there is a possibility to reduce qualitative differences between native and non-native language learners/users' performance, providing that non-native learners/users acquire the target language norms and functional principles applied in meaningful situational contexts.

Chapter III deals with an in-depth analysis of pragmatics- the sub-discipline of applied linguistics in terms of identifying the micro-, macro-, meta-pragmatic principles

contributing to exploring the object of the present study, i.e., written communication in English for Banking/Finance.

Thus, at the micropragmatic level, the chapter discovers the indexical and referential nature of the English language. It views the referential properties of the language from the situation-dependent, situation-defining and situation-independent perspectives. Therefore, the study benefits from examining the linguistic theories exploring a variety of cohesive devices used by the language to produce a coherent text (Halliday and Hasan, Fillmore, Levinson, Duranti and Goodwin, Cook, Yule, Chalker, Ariel, Nunberg, Mey).

Further, as the notion of *context* is considered to be one of the most essential criteria to research the object of this study, i.e., written communication in English for Banking/Finance, the chapter views the notion from the micropragmatic perspective (Levinson, Duranti, Lewis, Soames). In addition, it sees the notion of context in direct relationship with the extra-linguistic features, which can be presupposed from the context and which contribute to perceiving the context in a particular communicative setting, i.e., *conversational implicature*, or the so-called *pragmatic pre-supposition* (Lakoff, Grice, Frege, Stalnaker, Caffi, Eco and Levinson).

Besides, not individual words or sentences constitute the basis for communication. Those are particular speech acts which benefit for reaching a specific communicative purpose. Therefore, the chapter explores *speech act illocutionary types* (Austin, Searle, Grice, Peccei, Allan, Vendler, Bach and Harnish, Gernbacher).

This analysis is paramount for the present study because it is linked to the issues of direct and indirect speech acts governing communication in English for Banking/Finance. As a result, the chapter:

- discusses on-record and off-record statement forms evident in native/ non-native language users' social interaction,
- views information transaction processes occurring in business communication within a banking/finance setting.

At the macropragmatic level, the study deals with examining the target language learners/users' interaction/transaction both in a multiplicity of ways and in a variety of professional settings. To arrive at a complete understanding of the notion *discourse* the study views the notion (Haris, Hymes, Sinclair and Coulthard, Abercombie, van Dijk, Johns-Lewis, etc) diachronically (see: Annex 1). However, to consider the specifics of specialist/business language applied in institutional discourse, the study puts a

synchronic perspective on the notion of discourse (Mc Houl, Cook, Kramina, Carter, Togeby, Mc Carthy). Taking into account the definitions of *discourse* proposed by Cook and Kramina the research analyses the discourse of institutional language (Sarangi, Foulcalt, Habermas, Agar, Drew and Heritage, Redish, Swales, Bhatia, Hudson, Cicourel) and identifies the properties distinguishing institutional discourse:

- the institutional language usually has a written mode of manifestation; it is marked by a narrative structure and specified vocabulary,
- the institutional language is governed by in-house institutional rules; it is a situation-related and style-specific means of transaction,
- the institutional language is governed by the pragmatic functional principles, for instance, politeness and relevance principles, conversational maxims and the pragmatic theories of face.

As regards the discourse of business language, the chapter examines its changing nature in the context of the new millennium and characterizes its new developments (Pilbeam, Spencer-Oatey, Merk, Graddol, Crystal, Trayner and Mavor).

At the metapragmatic level, the chapter views the pragmatic functional principles in the context of this study. Thus, it analyses the Gricean maxims of conversation and draws on their usage in producing procedural texts, e.g., instructions, recommendations, argumentations, office memos, reports, job descriptions- the documents prepared for communicative inter-institutional purposes. Further, the chapter analyses the relevance theory introduced by Sperber and Wilson and attempts to identify the key role of the relevance principle in producing banking/finance area-related documents. Finally, the chapter views the politeness principle (Leech, Brown and Levinson, Goffman, Scollon, Lakoff, Thomas) considered to be one of the most significant constituents of the target language users' linguo-pragmatic competence.

However, the present study acknowledges that the above mentioned pragmatic functional principles can be hardly acquired only in the English language classroom. Therefore, their authentic use in culturally relevant language situations can arise the target language learners/users' linguistic sensitivity and encourage them to apply the so-called *politeness conventions* in meaningful linguo-pragmatic situations.

Finally, as native and target language learners/users differ in their linguo-pragmatic and socio-pragmatic competences, the study asserts that the English language learning setting is only one of the major variables in the development of the target language learners' linguo-pragmatic competence.

Chapter IV, to arrive at an in-depth understanding of the notion *English for Specific Purposes*, views the notion from a diachronic perspective and considers the key contributions of a forty-year research done on English for Specific Purposes (Austin, Barber, Halliday, McIntosh and Stevens, Ewer and Latorre, Swales, Trimble, Allen and Widdowson; see: Appendix 1).

However, as the intrinsic purpose of this study is to view current ESP advancement, the chapter investigates the latest ESP developments from a synchronic perspective. It emphasises the idea that ESP has become a means of international communication recently (Glaser, Robinson, Sager et al., Hutchinson and Waters, Dudley-Evans, Grabe and Kaplan, Jordan, Richards, Henderson, Mey).

Referring to the above discussion, this study distinguishes the reasons of ESP advancement and draws on its established role in promoting inter-institutional communication occurring in professional/occupational areas, for instance, in banking, finance and entrepreneurship domains. In addition, the study admits that the character of aims is the main distinction between English for Specific Purposes and Business English. The overriding purpose of this chapter is to view the functional variety of ESP, i.e., English for Banking/Finance (EBF).

To analyse communication established and maintained by banking/finance community, the chapter distinguishes the language functions EBF as a functional variety of ESP performs. Therefore, considering the findings derived from the theoretical contributions of the Prague School of linguistics and the London School of linguistics, the study has examined EBF as *language in use* which constitutes a part of social (interactional) and information conveying (transactional) processes. As the inquiry is conducted to examine the nature and structure of written communication in EBF, it identifies that EBF fulfils three basic language functions. Therefore, written communication in EBF being seen as a linguistic behaviour performs the following macro-functions (Lyons 1977, Halliday 1985) of the language:

- the *social representation* function (Jodelet 1989, Bonardi 1999, Castelloti 2002) which establishes and maintains social relations between interlocutors, and characterises the nature of the social bonds existing between different players of banking/finance community
- the *descriptive* function (Lyons 1977, 1981) which ensures collecting and disseminating banking/finance area-related information,
- the *textual* function (Halliday 1978, 1985).

Further, the chapter works on revealing the core linguistic and pragmatic properties governing written communication in English for Banking/Finance. Thus, by analysing the object of this study, i.e., written communication in English for Banking/Finance, the inquiry draws on distinguishing the basic linguistic and pragmatic features which characterise EBF. On a hypothetical level, it defines the concept *written communication in EBF*. Further, to support the proposed definition and to formulate the key linguo-pragmatic principles of written communication in EBF, the present study, on a linguo-pragmatic level, undertakes the analysis of three annual reports.

For this research purposes, the annual report genre has been selected for the following reasons:

- annual reports display clear-cut internal text-linguistic and external text-pragmatic features,
- annual reports manifest the core linguo-pragmatic properties governing written communication in EBF,
- in inter-bank information circulation, annual reports are one of the prevalent written documents produced with a purpose to store, to file and to disseminate financial data,
- annual reports are produced to serve a specified communicative purpose: to inform the target readership about monetary situation of the country or financial situation of an institution,
- a large number of specialists are involved in production of annual reports; as a result, employees' performance is materialized in a form of product, and the quality and reliability of annual reports depend on specialists' linguistic, pragmatic, sociolinguistic and professional competences.

Therefore, for the study purposes, the authentic annual reports issued by the European Central Bank (2002, Frankfurt am Main, approximately 332 000 characters), by the Bank of England (2002, London, approximately 160 000 characters,) and by the Bank of Latvia (2001, approximately 158 400 characters) were selected, thus 300 pages of written authentic texts were analysed.

On a practical level, the present analysis of the annual report genre rests on the findings derived from the analysis of the selected linguo-pragmatic theories discussed in Chapters I and III of this study.

As a result, the research results obtained have served as the theoretical basis for developing a model for examining the linguistic and pragmatic principles underlying written communication in English for Banking/Finance.

Chapter V explains the approaches taken in conducting the empirical part of the present study. In particular, the chapter focuses on characteristics of the research data analysis methodology. It should be noted at the outset that this methodology was designed to investigate the subject of this research, i.e., the target language learners/users' competence of written EBF. Therefore, it investigated their abilities to produce banking area-bound texts. In the majority of cases, these were the documents produced for transactional purposes.

Thus, the ultimate goal of this chapter is to reveal the methodology followed to acknowledge the EBF users' written performance. This goal agrees with this study author's view: true language competence is presumably *unconscious* knowledge of the English language, and it emerges from an appropriate usage of the language in a meaningful context. Therefore, written competence cannot be observed directly, but it can be inferred from the language users' performance in the context in which it occurs.

In addition, the methodology developed to examine the target language learners/users' EBF performance is closely linked to the approach applied to discover the properties of written communication in English for Banking/Finance referred to in Chapter IV of this study.

In line with this, the chapter works towards finding plausible arguments for supporting the hypothesis posed at the pre-suppositional level. As a result, the organizational pattern preferred to explain and describe the gathered data in relation to the formulated hypothesis addresses two research questions, which comply with the hypothesis posed.

Referring to the theories discussed in Chapter III of this study, the present chapter views the contextual factors (institutional, local, chronological, social) which have contributed to collecting the research data 'in the context of their occurrence' (Lier 1993). Accordingly, the research *context* analysis is approached from the holistic perspective.

The research itself being an ethnographic study involves both qualitative and quantitative investigative principles applied to interpret and analyse the collected data.

The research is based on the criteria of the ethnographic tradition due to its longitudinal, unobtrusive, collaborative, inductive and descriptively-interpretative nature.

As the study emphasises the interdependence of all its parts, it is approached from the synthetic perspective.

Several instruments and recording processes were used in the data collection. Thus, the gathered, multifaceted research data are viewed, evaluated and assessed applying the triangulation methodology of data analysis, thus aiming at achieving the internal and external reliability of the issues under study. Further, the study has made use of data triangulation technique to interpret the research information gathered from three divergent target language learner groups: pre-experience, low-experience and job-experienced learners.

Besides, the study employs the research instruments triangulation technique to identify the research tools applied in the data gathering process: open-response and closed-response questionnaires, the learners' self-assessment reports and the texts produced by the target language learners.

Then, the study uses two research description techniques: the survey principle and the output measurement principle.

The survey principle is adopted to observe, describe and interpret the research process, thus to offer comprehensive answers to Research Question 1 (*How do the target language learners' immediate/delayed needs contribute to EBF acquisition and its conscious use in a professional context?*). The output measurement principle is put forward to examine the product, i.e., the business-area related texts produced by the target language learners, thus to provide reasonable answers to Research Question 2 (*To what extent can the target language learners' written English competence gained in EBF acquisition process testify to their proficiency to produce business-area related texts?*)

Further, to enhance the research credibility and to support the research outcomes, the study attempts to describe its participant population within a long run, five stages of the described research conduct determining the study content and the research instruments applied.

Yet, being inductive (heuristic) in its nature, the study involves some elements of the analytical-deductive research, namely, operational definitions of the key terms, formulation of the research questions to examine the pre-supposed hypothesis.

Finally, all the above mentioned principles, approaches, techniques were adopted to interpret, describe, analyse the collected data, that being aimed at investigating the research subject, i.e., the target language learners' competence of written EBF.

Chapter VI is focused on the discussion of the research results. As the pragmatic goal of this chapter is to offer an in-depth examination of the subject of this inquiry, it is intrinsically linked to the research methodology referred to in Chapter V. In addition, Chapter VI is linked to the theoretical model adopted to discover linguo-pragmatic principles underlying written communication in EBF referred to in Chapter IV and to the theoretical framework of communicative language competences referred to in Chapter II. The study reported here is related to testing the presupposed hypothesis put forward in Chapter V, and two research questions addressed in Chapter V are posed to confirm the hypothetical level assumption. Therefore, the structure of the empirical part of the study is roughly subdivided into two sections corresponding to the addressed research questions. Thus, the first section complying with *Research Question 1* describes and analyses the documented and systematized data to identify the target language learners' immediate/delayed needs contributing to EBF acquisition and to its conscious use in a professional context. The second section complying with *Research Question 2* offers a description and analysis of the texts produced by the target language learners, where the research data have been selected via examining their written competence of ESP/EBF.

First Section: Target Needs Analysis

First, this section deals with *target needs* analysis. For this purpose, it employs the definition of target needs proposed by Hutchinson and Waters (1992). To arrive at accurate and unbiased results, which report on the needs for EBF determined by the target situation requirements set by banking/finance community, the study focuses on target needs analysis:

- from the perspective of the study author's observations,
- from the perspective of the Bank of Latvia requirements,
- from the perspective of job-experienced learners' needs analysis.

Then, to offer an accurate account for EBF learners' delayed language needs, the study offers pre-experience learners' needs and wants analysis considering Hull-Kramiņa (2002) definition of the term *learners' needs and wants*.

Hence, the research results obtained so far have reported that the English language plays a key role in external inter-bank communication. They confirm that banking community has determined a set of language competences which are of a paramount importance in inter-institutional interaction/transaction on the international level. As a result, spoken

EBF fluency appears to be the principal objective for the target language learners/users. However, the current banking/finance environment evidences for a growing need for written EBF mastery as a means of international communication. It happens in the present situation when Latvia holds a membership of the European Union and is in the transition process to become a member of the European Monetary Union.

Briefly, the study so far has identified the objective factors shaping the perspective of the language use, which is determined by the current economical and political situation.

Second, to view the target language learners/users' demands for doing the specialist language course put forth by banking/finance community and to distinguish the subjective factors pointing to the target language delayed language needs and wants, the study analyses the latter in a chronological dimension. In addition, it describes the pre-experience learners' language needs in terms of the expected language performance to be gained in the process of the tertiary level studies. It is not surprising that the pre-experience language learners acknowledge the demand for spoken EBF fluency as their basic language learning priority. Therefore, it is the social situation, professional setting and opportunities for further professional growth that increase the pre-experience target language learners' interest in and need for acquisition of written ESP/EBF mastery. As business and professional people fix goals and objectives as an integral part of their performance, their career growth is often viewed in a direct relationship with their abilities to reach these goals. Therefore, the ESP/EBF course programmes need to be adapted to the target language learners/users' habit of working towards the goals and objectives set.

Second Section: Written EBF Mastery Development

This section offers an in-depth description and analysis of the target language learners' abilities to produce business content-related texts. Therefore, it examines the process of written ESP/EBF proficiency development.

This part of the research was carried out in three stages. For this purpose, the Banking Institution's learners' written language mastery was analysed at the beginning, in the middle and at the end of a seven-semester ESP/EBF acquisition period.

The results gained at the beginning of this study confirm that the target language learners' linguistic competence is one of the most significant constituents of their communicative language competence, which, at the foundation stage, is a correct but

inflexible manipulation of the language system. Consequently, as the communicative language competence does not automatically result from the linguistic competence, one of the subsequent stages in the target language learners' written ESP proficiency development is acquisition of the linguistic and pragmatic principles governing the English language. This stage in written ESP/EBF proficiency development is of a paramount importance as it enables the target language learners to create coherent, concise, complete and courteously meaningful texts intended for the target readership.

Further, the results obtained in the middle stage of the target language learners' written ESP/EBF mastery development show that writing for banking/finance purposes means producing advanced level professionally-related texts envisaged for application in a social context. Therefore, in the developmental process of written EBF proficiency, the emphasis should be put on acquiring the essential linguistic, pragmatic and discourse features governing the genre of banking/finance texts. In addition, written ESP/EBF proficiency can be acquired if within the process of written language proficiency development this process is based on a balanced use of guided/controlled- paragraph-free- genre/social approaches. In other words, the target language learners/users can succeed in creating written texts to meet the requirements set by banking/finance community if they are able:

- to use the linguistic means to create passages of connected discourse,
- to consider the principles of text construction established by banking/finance community,
- to apply the linguistic and pragmatic principles governing written communication aimed at the target readership.

Finally, the research results gathered at the final stage of EBF acquisition at the tertiary level report that the advancement of the target language learners' written EBF performance is furthered, providing that written language proficiency development is implemented into three successive stages, namely:

- at the surface structure level (Kroll 1992), where the focus is placed on acquisition of formal grammatical features and structural, functional, lexical properties governing the document genre to be produced (the guided/controlled approach),
- at the text organizational level (Kroll 1992), where the focus is put on acquisition of text organization, thematic development, information distribution, information sequencing and text cohesion principles governing the document genre to be produced (the paragraph-pattern approach),

- at the level of the social function of the genre (Tribble1996), where the focus is laid on revealing the communicative event and the communicative purpose of the document to be produced (the social/genre approach).

In brief, Chapter VI has dealt with providing the results of the empirical part of the research, which was carried out in the period from 1994/1995 to 2004/2005 and which involved 620 research participants: the target language learners/users, the employers representing banking/finance community and the author of this paper.

I. Selected Linguistic Theories on Language in Use

1.1 The Prague School's Functional Linguistics

The term *functionalism* has been applied in linguistics to support the concept that the phonological, grammatical and semantic structure of languages is determined by the functions which they perform in the societies 'in which they operate' (Lyons 1983: 224). A branch of European structuralism, arising from the Prague Linguistic Circle (founded by Matthesius V., Trnka B., Vachek J., Jakobson R., Trubetzkoy N., and others in 1926) referred to itself as the *Prague School*. It was the school that regarded language 'primarily as a functional means of communication whose structural sign system can be described through observation of concrete linguistic material in particular moments of use' (Bussmann 1996: 375).

In contrast to other branches of structuralism, the Prague School emphasized the multi-functionality of the language. It acknowledged 'the importance of expressive, social and cognitive functions of the language in addition to its descriptive function' (Lyons 1983: 226).

Thus, the Prague School tended to abandon De Saussure's strict distinction of *langue* versus *parole* and made an attempt to explain language change with structural principles. The concept of functionalism was one of the most important study areas of the Prague School. This study promoted an extensive research on the notion *functional sentence perspective*. The Functional Sentence Perspective model envisaged the theme-rheme structure of a text being its basic structural principle. Lyons (1983) admitted that 'the structure of utterances is determined by the use to which they are put and the communication context in which they occur' (Lyons 1983: 227).

In view of this, Matthesius considered that 'a sentence commonly falls into two parts: the theme, which refers to something about which the hearer already knows, and the rheme, which states some new facts about that given topics' (Sampson 1980: 104).

Widdowson, in his turn, supported the idea that 'functional linguistics considers language as a social phenomenon designed for and aimed at communication, and 'the

concerns of functional linguistics [...] are applicable to the problems of everyday life' (Widdowson 1998: 72).

Admittedly, functional linguistics:

- considers the language as a means of social interaction,
- views grammar as a network of 'systems of interrelated contrasts within which choices of one structure, in contrast with another, signal a particular meaning'(Carter 1993: 30),
- concentrates on the semantic and pragmatic aspects of meaning,
- focuses primarily on language in use rather than on language as an abstract system.

According to the functional theory of language, language performs a multiplicity of functions. Therefore, to undertake analysis of the language functions within the framework of this study, this inquiry attempts to view the language functions in the social context of their application.

Thus, they were Brown and Yule (1983) who indicated a two-way distinction between language functions:

- the interactional language function (that of maintaining social relationships),
- the transactional language function (that of conveying information) Brown and Yule 1983: 40).

More specifically, Halliday (1970) had already stated that language fulfils four basic macro-functions:

- the ideational function (that of expressing meaning and exchanging information being the most persuasive function of language),
- the manipulative function (that of affecting the world around us and occurring as maintaining interpersonal communication),
- the heuristic function (that of extending the knowledge of the world around us and occurring as teaching, learning and conscious memorizing acts),
- the imaginative function (that of enabling us to create our environment for aesthetic purposes via communicating and occurring as the reading, writing uses of language (Halliday 1970: 140-165).

By and large, Bachmann (1995) marked that 'any of interpersonal language use involves a two-level message: context and relationship' (Bachmann 1995: 92).

In view of this, it can be asserted that the majority of language uses include the manifestation of multiple functions which are performed in a meaningful context and in connected utterances. Thus, for instance, Mey (1993) observed that the most important criterion for language as it is used is 'whether it fulfils its functions of communication and interaction' (Mey 1993: 48).

Consequently, it would be relevant to admit that, in the early eighties, the language studies started to divert attention from defining the functional features of language on a theoretical level to focusing on the ways in which 'language is used in real communication' (Widdowson 1978). Admittedly, in Widdowson's research on language, the distinguished linguist applied the dichotomies, for example, language vs. communication, usage vs. use, thus pointing out that language is not a de-contextualized object of linguistics, but its main function is that of communication. Similarly, the dichotomy of usage vs. use, according to Widdowson, implies that the language usage is a factor in the language use. In addition, as noted by Cook and Seidlhofer (2001), it was Widdowson who distinguished the dichotomy of training vs. education, 'where he saw training being a part of education, and English for a special purpose being a part of English for general purpose' (Cook and Seidlhofer 2001: 11).

On the level of applied linguistics, the above mentioned theoretical constructs gave rise to adopting the Functional Approach (Bloom 1987, Slobin 1971) to the target language teaching. Within this context, this approach is concerned with language 'as an instrument of social interaction rather than as a system that is viewed in isolation' (Richards et al. 1992: 149). It focuses on the idea that language is and has been basically applied to serve its functional purposes aimed at meeting the needs of meaningful communication.

In sum, for this research purposes, the theoretical contributions of the Prague School were considered to investigate the language functions of English for Banking/Finance and to develop the model applied to do text linguistic analysis of the genre of annual reports produced for banking/finance community's needs. Thus, the present study applied the Functional Sentence Perspective model (Danes 1974, Halliday and Hassan 1989, Firbas 1986, 1992) to examine text structure organizational principles and information sequencing principles underlying annual reports.

The Hallidayan systemic-functional model (Halliday 1985, 1994) which has evolved from the Functional Sentence Perspective model was applied to investigate thematic progression principles underlying the genre of annual reports.

1.2 The London School's Functional Linguistics

On condition that the fundamental emphasis of the Prague School was laid on the multiplicity of functions the language performs, another school, the London School, tackled the task of studying vehicles of communication in a meaningful context.

From the perspective of this study, it would be remarked that the British school of linguistics emerged from the University College, London thanks to J.R.Firth and the Firthian linguists, e.g., Malinowski, Halliday, who viewed the language first and foremost as a system of communication.

Influenced by the works of the anthropologist Malinowski, Firth envisaged that 'study of meaning should be viewed in terms of what an utterance is intended to achieve' (Hatim 1997: 19).

On a theoretical level, the context of situation became a part of the study, which proved the relationship existing between the function of an utterance and its context.

On a practical level, Firth attempted to prove that 'meaning could be viewed in terms of function in the context' (Firth 1968: 92).

Halliday, Firth's student and follower, performing within the framework set by the Firthian linguistics, proposed the idea that all language use fulfils a social-functional purpose. In his view, language is not separable from the context in which it is applied. It changes purposefully and systematically with content and context. Defining the role of context in a meaningful communication, Halliday presented an argument that language, within the context of culture, is 'a form of behaviour potential' (Halliday 1973: 48), while context of situation is 'the environment of any particular selection that is made from the total set of options accounted for in the context of culture' (Halliday 1973: 71).

As a result, Halliday (1975) advanced a theory of language drawing on 'meaning potential'. In his work *Learning How to Mean*, Halliday focused on 'an account of how the capacity to use and understand the meaning potential develops in children' (Richards 1991: 44).

Considering the theoretical significance of the London School's contributions, the present study has applied the following School's findings to develop a sound theoretical basis of this inquiry:

- the language use is a part of extensive social interaction processes,

- the language use is a linguistic expression being determined by both its situational context and linguistic context,
- meaning is a complex notion of the linguistic expression which characterizes the relationship between the language user and a particular situational context in which linguistic expressions are used,
- through the study of language in use, all functions of the language are brought into focus (Halliday 1970),
- the context of situation rather than linguistic units themselves determines the meaning of what has been uttered (Firth 1957).

Summary

The selected foundation theories have been discussed with an aim to prove that at the beginning of the twentieth century, the research interest shifted from the focus on the English language as a system and moved to the focus on English as a meaningful means for communication. Scholars of that time started to view the English language as a linguistic system to meet the language learners/users' communicative needs.

From the diachronic perspective, the transfer from viewing English as 'idealisation of actually occurring acts of language' (Chomsky 1957) to considering English as a tool for communication had undergone far-reaching influences (see: Annex 1).

It is noteworthy that the key background theories on the functional uses of language had been attributed to the linguistic research conducted by the Prague School, a branch of European structuralism, whose remarkable findings contribute to reflecting on the notion of language as a means of communication.

Abandoning F. de Saussure's separation of *langue* versus *parole*, the Prague School attempted to explain and prove a language change with its structural principles. Driven by this concern, the basic scientific impact of the Prague School on the further developments of linguistics was related to its sustainable orientation towards focusing on the concept of *functionalism* in language. Therefore, a fresh approach to linguistics, which started to view a language as a means of social interaction rather than a language system in isolation, was originated by the Prague School, thus becoming the School's most remarkable contribution to applied linguistics' developments.

Another school displaying its scientific orientation towards language use was the London School, the British variant of structuralism. It distinguished itself as the school investigating:

- the language use as a part of extensive social interaction processes,
- the language use as a linguistic expression determined by both its situational context and its linguistic context,
- meaning as a complex notion of the linguistic expression referring to relationship between the language user and a particular situational context in which linguistic expressions are used.

In view of this, as a gradual acceptance of Chomsky's theories on 'idealization of actually occurring acts of language' and as a response to his assertion that 'language is a set of sentences, each finite in length and constructed out of a finite set of elements (Chomsky, 1957), there grew out a linguistic theory represented by Firth and his follower Halliday (see: Annex 1) who strongly supported the idea that:

- linguistics is concerned with the description of speech acts or text,
- through the study in use, all functions of the language are brought into focus,
- the context of situation rather than linguistic units themselves determines the meaning of what has been uttered.

Consequently, it would be relevant to note that it is the functional linguistics that investigates the ways in which the language learners acquire the language and how the language users demonstrate an ability to communicate with others in a meaningful context. According to Lyons (1977), language is seen as a linguistic behaviour exhibiting its basic functions, such as conveying information (the descriptive function), supplying information about the language user (the expressive function) and establishing and maintaining social relations between people (the social function). Halliday (1978), de Joia and Stenton (1980) noted that language manifests three basic functions, namely, the ideational, the interpersonal, and the textual functions.

In regard to contributions of the London School, the Firthian linguistics has exerted a beneficial influence on language acquisition theory, due to its sustainable orientation towards language use.

II. Applied Linguistics' Perspective on Communicative Language Competence

2.1 Notion of Communicative Language Competence

The notion of communicative competence, proposed by the American anthropologist Dell Hymes in his work *The Ethnography of Speaking* (1968), was a critical expansion of Chomsky's concept of communication. Hymes researched the ways in which utterances occurred. He, in particular, focused on appropriate utterances occurring in relevant social settings.

Thus, Hymes' ethnographic approach resulted in considering the concept of communicative competence as the fundamental idea underlying a pragma-linguistic model of linguistic communication.

According to Hymes (1971), communicative competence embraces the formal features of the language, but 'is expected to have the knowledge of the rules of use without which the rules of grammar would be useless' (Hymes 1971: 15). In Hymes' model, communication is seen as the action of transmitting symbols, i.e., interaction. Hymes (1968) observed that 'it is a question of what a foreigner must learn about a group's verbal behaviour in order to participate appropriately and effectively in its activities' (Hymes 1968: 101).

In fact, Hymes foresaw the role of language in its social context. He stated that language is a medium between the speech community and its members to express concepts and the values which display features of significance to the whole speech community.

In this respect, as noted by Hymes, language can only be perceived within the framework of meaningful structures, which are relevant for a particular speech community. As a result, the study of language needs to meet the requirements and norms set by a particular sociological and socio-cultural setting.

Owing to Hymes' research conducted on the ethnography of speaking, which expanded into the ethnography of communication, his theory of communicative competence started to be associated with the linguistic norms which a language user is expected to know in order to be communicatively competent in a particular speech community.

Accordingly, in Hymes' view, a language user who possesses the communicative language competence has acquired both knowledge and ability of language use in a meaningful context (Hymes 1972: 269-290).

2.2 Selected Theories of Communicative Language Competence

As the subject of this research is language in use, it is important to characterize the concept *communicative language competence* from the synchronic perspective. However, to gain an in-depth understanding of the concept, the study offers an insight into the analysis of communicative language competence from the diachronic perspective as well (see: Annex 1).

Already in the early eighties, Savignon (1983) referred to typical features underlying a successful communication. The scholar proposed the model of communicative language competence and based her research findings on analysing four aspects of competence having already been claimed as interrelated constituents of communicative language competence by Canale and Swain (1980), Canale (1983). In this respect, Savignon's model of communicative language competence implies the following components:

- a grammatical competence; considering the sentence level features of the language, it demonstrates the language user's ability to use the grammatical norms of the language in a meaningful context;
- a discourse competence; relating to the interconnectedness of utterances, it contributes to the interpretation of the comprehensive meaning of the text;
- a socio-cultural competence; being an interdisciplinary field of the language, it requires an awareness of the social context in which the language is used; thus a cultural awareness rather than a cultural knowledge becoming of an increasing importance;
- a strategic competence; having to do with an individual's linguistic abilities, it is applied 'to manipulate language in order to meet communicative goals' (Brown 1994: 228).

According to Berns (1990), a strategic competence is the language user's ability to compensate for an imperfect knowledge of linguistic, sociolinguistic, and discourse rules.

With reference to communication, the strategic competence seems to be one of the most important elements of communicative language competence. Berns (1990) states that 'it refers to the language users' ability to know when, how to communicate, how to terminate conversation, and how to clear up a communication breakdown or comprehension problems' (Berns 1990: 30).

For the most part, the above mentioned authors have indicated that the components of communicative language competence can hardly be considered in isolation. Interaction of them results in the language learner's ability to demonstrate the communicative language competence.

Similarly, Kramersch (1985) focuses on the discussion of communicative interaction drawing on the knowledge required to manage communication:

“Interaction always entails negotiating intended meanings, i.e., adjusting one's speech to the effect one intends to have on the learner [...] and arriving at the closest possible match between intended, perceived, and anticipated meanings”(Kramersch 1985: 170).

A similar analysis of communicative language competence is revealed by Canale and Swain (1980). They identify four distinctive dimensions of the communicative language competence:

- the grammatical competence (includes lexis, morphology, sentence-grammar semantics, phonology),
- the sociolinguistic competence (refers to socio-cultural rules),
- the discourse competence (involves cohesion and coherence principles),
- the strategic competence (refers to the strategies that communication employs).

Bachmann (1995), reflecting on Canale and Swain's model of communicative language competence characterises it as being 'seminal to research on communicative competence' (Bachmann 1995: 109).

However, Bachmann, having examined the earlier theoretical framework of communicative language competence, offers a more thorough characteristics of the knowledge required to use the language. He considers that 'in addition to the knowledge of grammatical rules, the knowledge of how language is used to achieve particular communicative goals is to be displayed' (Bachmann 1995: 83).

Moreover, the scholar proposes his view on the concept of *communicative language ability* (Bachmann 1995: 84-91) stating that it comprises three basic components:

- a language competence,
- a strategic competence,
- psychological mechanisms.

By *language competence*, Bachmann means 'a set of specific knowledge components utilized in communication via language'; *strategic competence*, according to him, refers to application of language competence in situational contexts, while *psychological*

mechanisms relate to 'the processes involved in the actual execution of language' (Bachmann 1995: 84).

In fact, the offered framework of communicative language competence distinguishes several different components associated with the study of Munby (1978). It is focused on specific features of an individual's communicative language competence gained in a foreign language acquisition and manifestation processes. According to Munby, these features are:

- a linguistic encoding (language use via verbal forms),
- a socio-cultural orientation (communicative needs met in an appropriate context),
- a socio-semantic basis of linguistic knowledge,
- a discourse level of language operation.

Hymes (1972) in his characteristics of *linguistic competence* involves *resource grammar*- the linguistic properties constituting a part of grammatical and lexical capacity, *discourse grammar*- the linguistic norms of style such as formality/informality, politeness conventions, *performance style*- the features of an individual's language use.

An influential and comprehensive study of the concept of communicative language competence done by Bachman and Palmer (1982) draws a distinction between the components of language competence. Accordingly, the linguists have emphasised two basic factors of language competence:

- the organizational competence that involves the grammatical competence and textual competence,
- the pragmatic competence that embraces two categories, i.e., the illocutionary competence and sociolinguistic competence.

In view of Bachman and Palmer's study, it can be asserted that the components of language competence overlap, and 'this very interaction between the various competences and the language use context characterises communicative language use' (Bachman 1995: 86).

With regard to the above stated, the concept of communicative language competence seems to be a relative category, because 'the ideal native speaker, someone who knows a language perfectly and uses it appropriately in all social interactions exists only in theory' (Celce-Murcia 2001:18).

2.2.1 Linguistic Competence

The term *linguistic competence* has been originally defined by Chomsky (1965) in his in-depth work *Aspects of the Theory of Syntax*, where he postulated a dichotomy between the general linguistic ability and individual language use (see: Annex 1). According to Celce-Murcia (2001), this theory was related to F.de Saussure's distinction *langue vs parole* (Celce-Murcia 2001: 78).

Brumfit (1987) notes that there exists a relationship between structure and function, and it is 'a central issue in contemporary linguistics, and the interest has grown partly out of the way in which Chomsky has related the linguistic process of idealisation to actually occurring acts of language' (Brumfit 1987: 24).

Canale and Swain (1980) identify the grammatical competence as one of the four dimensions of communicative language competence, thus applying the term *grammatical competence* to what Chomsky referred to as *linguistic competence*. Canale and Swain relate the grammatical competence to 'the domain of grammatical and lexical capacity' (Canale and Swain 1980: 3).

As observed by Bachman (1995), the grammatical competence is one of the dimensions of organizational competence, and it 'comprises the abilities involved in controlling the formal structure of language for producing grammatically correct sentences' (Bachmann 1995: 87).

Common European Framework of Reference for Languages (2001) modifies four dimensions of the linguistic competence such as the lexical, grammatical, semantic, phonological components (2001: 6). However, Kramiša (2000a) asserts that 'the linguistic competences comprise knowledge of and ability to use the formal resources from which well-formed, meaningful messages may be assembled and formulated (Kramiša, 2000a: 66). *Common European Framework of Reference for Languages* (CEFRL)" (2001) by presenting two dimensions (general competences and communicative competences) measures the user/learner's abilities to use the language comprehensively, 'to carry out the tasks [...] to deal with the communicative situations' (CEFRL 2001: 101).

The communicative language competence exhibiting three main constituencies of the language competence (linguistic, sociolinguistic, pragmatic) is a fundamental factor to acknowledge, promote and assess the target language user/learner's general language

capacities which contribute to the user/learner's ability to communicate in meaningful contexts.

To brief, it is evident that the linguistic competence is one of the most significant constituents of communicative language competence. At the foundation stage of the target language acquisition, the linguistic competence is not a flexible but a correct manipulation of the language system. In other words, to manifest the communicative language competence, the target language learner is expected to possess relevant linguistic, pragmatic and sociolinguistic competences to cope with certain real-life situations.

However, the communicative language competence does not automatically result from the linguistic competence. In fact, various forms of target language acquisition, many-sided language application contexts and situations in which the acquired knowledge is manifested promote the development of communicative language competence.

2.2.2 Pragmatic Competence

2.2.2.1 Definition of Pragmatics

Providing that the present research work studies the area of linguistics which investigates language as behaviour, the emphasis of this inquiry is laid on studying functions of the language in a real-world context. Therefore, the author of the paper is interested in viewing the issue of pragmatics from a synchronic perspective. However, to arrive at an in-depth understanding of the concept *pragmatics*, the study analyses the concept from a diachronic perspective as well (see: Appendix 1).

On a theoretical level, pragmatics has been defined in a multiplicity of ways depending on the researcher's theoretical orientation and intention.

In fact, most linguists seem to be inspired by Charles Moris' well-known definition of pragmatics. It states that pragmatics is 'the study of the relation of signs to interpreters' (Moris 1938: 6). So, it should be safe to assert that pragmatics is the discipline which first and foremost concentrates on the language user.

Mey (1998) states that 'the proper domain of pragmatics would be what Chomsky had called performance' (Mey 1998: 722). Leech (1983) by presenting a model of pragmatics

defines it as ‘the study of how utterances have meanings in situations’ (Leech 1983: 177).

Moreover, Leech in his prominent work *Principles of Pragmatics* (1983) discovers the relationship existing between pragmatics and semantics and mentions three approaches to access this relationship, namely:

- semantism (pragmatics within semantics),
- pragmatism (semantics within pragmatics),
- complementarism (semantics and pragmatics being independent areas of linguistics which complement each other).

This view has a long tradition. It dates back to the trichotomy introduced by Moris, i.e., syntax (grammaticality), semantics (interpretability), pragmatics (appropriateness of utterances).

To all intents and purposes of Leech, it becomes evident that for the linguist ‘a case of pragmatics is the only really interesting aspect of language’ (Mey 1993: 44). Defining pragmatics in its broader sense, Leech determines its relationship with other related linguistic disciplines; yet, ‘nobody so far has been able convincingly to postulate any such defining boundaries [...] of delimiting pragmatics clearly’ (ibidem: 43).

Levinson, in his work *Pragmatics* (1983), offers his view on the relationship existing between pragmatics and semantics:

“There remains the hope that two components, semantics and pragmatics working in a tandem, each can be built on a relatively homogeneous and systematic lines” (Levinson 1983: 15).

In the same way, Jucker (1998) claims that pragmatics is complementary to semantics because ‘semantics studies the meaning in natural language, while pragmatics studies the meaning of interaction which includes speaker meaning and consideration of the context’ (Jucker 1998: 830).

Mey (1998) asserts that the notion of complementarity is the basic methodological mechanism to formulate the concept *pragmatics*, and therefore he offers his definition:

“Pragmatics is the study of language in a human context of use; pragmatics can be described as a societally oriented and societally bound linguistics” (Mey 1998: 724).

Yet, on the other hand, pragmatics can be defined as behaviour. This idea had been proposed by early proponents of the pragmatic view, for instance, Watzlawick, Beavin, Jackson (1968). They admitted that ‘from the perspective of pragmatics, all behaviour,

not only speech, is communication, and all communication affects behaviour'(Watzlawick et al.1968: 22).

In contrast to the above presented views on the definition of pragmatics, there are scholars who consider that language use strictly depends on the language structures and norms, which are appropriate for particular situation, time and community.

Consequently, Levinson expands the concept of pragmatics from being 'a theory of use' to becoming 'a theory of the language user in society' (Levinson 1983: 2).

At the same time, Levinson views pragmatics as 'the study of those relations between language and context that are grammaticalized' (Levinson 1983:9). However, according to Mey (1998), Levinson 'did not address the important notion of context, and the role it plays in the grammatical and pragmatic relations' (Mey 1998: 723).

As a matter of fact, Mey (1998) in his comprehensive study distinguishes between a context created in interaction, referred to as a social context, and a context determined by society's institution, referred to as a societal context. Yet, recent pragmatic research evidences that the values of context factors seem to become negotiable (Rose and Kasper 2001). Investigating the field of pragmatics, Yule (1996) admits that pragmatics refers to:

- the study of speaker meaning,
- the study of contextual meaning,
- the study of how 'more gets communicated than said',
- the study of the expression of relative distance (Yule 1996: 3).

Besides, by envisaging the advantages of studying language via pragmatics, namely, 'one can talk about people's intended meanings, their assumptions, their purposes or goals'(ibidem), Yule reflects on the difficulty to analyze the mentioned advantages consistently.

As the present research focuses on pragmatics as interpersonal rhetoric, it aims at investigating the principles of how the target language learners accomplish their communicative goals in written mode. Therefore, Crystal's definition seeing pragmatics as 'the study of communicative action in its socio-cultural context' (Crystal 1997: 301) seems to be the most appropriate for the purposes of this inquiry.

In the study of how people accomplish their communicative goals while using a foreign language, Rose and Kasper (2001) claim that pragmatics manifests itself via two components: pragma-linguistics and socio-pragmatics, where 'pragma-linguistics refers

to pragmatic strategies such as directness or indirectness, routines and linguistic forms to intensify or soften communicative acts' (Rose and Kasper 2001: 3).

Thomas (1983) claims that 'although pragma-linguistics consists of linguistic forms and their respective functions, socio-pragmatics is about proper social behaviour, making it a thorny issue to deal with in the English language classrooms'(Thomas 1983: 91).

To paraphrase Thomas (1983), the target language learners are expected to be taught the awareness of which pragmatic choice to make as 'to teach people what functions language serves- it is one thing' (Thomas 1983: 100), but it is entirely different to teach viewing the language through interference between language as a system and language as behaviour, i.e., pragmatics.

2.2.2.2 Theories of Pragmatic Competence

Thus, having considered the concept of pragmatics from a multiplicity of theoretical stand-points, it seems safe to admit that the pragmatic competence is an integral and indispensable component of communicative language competence.

The notion of pragmatic competence within the framework of communicative language competence had already been examined at the beginning of the 1980s via second and foreign language teaching/acquisition contexts.

In fact, lasting theoretical studies of further developments of communicative language competence was made by scholars representing social sciences and humanities, for instance, Hymes (1971, 1972), Habermas (1989).

They consider that the communicative language competence, on the one hand, can be characterized by the knowledge of grammar rules. On the other hand, the scientists claim that the rules of language if applied appropriately in a meaningful communicative situation testify to the communicative language competence being already acquired.

Van Dijk (1977) admits that in a communicative language use, there exist relationships between the language users and the context of communication. In addition, van Dijk distinguished that 'pragmatics thus is concerned with the relationships between utterances and the acts or functions that speakers or writers intend to perform through these utterances, which can be called the illocutionary force'(van Dijk 1977: 190).

Apart from this, Canale and Swain (1980), by proposing the framework of communicative language competence for a foreign language teaching and testing, reflect

on three components (grammatical, sociolinguistic, strategic), which, according to their study, function as a basis for acquiring communicative language competence.

Canale and Swain's (1980) model was further expanded by Bachman (1990) and Bachman and Palmer (1996).

Thus, Bachman (1990) proposes a model of communicative language competence, which is more complex than that of Canale and Swain's. He reflects on a tree-structure of competence components dividing the language competence into the pragmatic competence and into the organizational competence, the pragmatic competence being further subdivided into the illocutionary competence and sociolinguistic competence by Bachman and Palmer (1996).

Consequently, it should be admitted that the language competence models proposed by Canale and Swain (1980), revised by Canale (1983), Bachman (1990), and Bachman and Palmer (1996) makes a valuable contribution towards differentiating the underlying components of communicative language competence. However, these models are more seen as theoretical approaches being attributed to the language competence acquisition in general rather than applicable for the target language learners.

With an attempt to identify the research done on investigating the pragmatic competence (Eisenstein and Bodman 1993, Salsburg and Bardovi-Harling 2000, Kasper 2000), it would be safe to admit that interest in the target language learners arose in the late 1980s. Basically, the common standpoint underlying the recent study proves that 'a foreign language learners' grammatical and pragmatic competence do not necessarily increase hand in hand' (Kasper 2000: 56).

Salsburg and Bardovi-Harling (2000) assert that 'the target language learners may produce grammatically complex and correct but pragmatically inappropriate utterances' (Salsburg and Bardovi-Harling 2000: 56-76).

Rose and Kasper (2001) offer a large-scale analysis of the research conducted to characterize the target language learners' pragmatic and grammatical competences. They state that studies indicate grammatical and pragmatic competences as separate and independent components of communicative language competence, and the research 'does not investigate the factors which may accelerate the development of one or the other' (Rose and Kasper 2001: 65).

Schuman (1978), Schmidt (1995), Cohen (1997), Bardovi-Harling and Hartford (1993), Kasper (1997) focus their study on how the environment and the English classroom

setting can contribute to developing and enhancing the target language learners' pragmatic competence.

Schmidt's (1995) and Cohen's (1997) research findings report on a marked influence of a foreign language environment on the development of the target language learners' pragmatic competence. As noted by Rose and Kasper (2001), 'is the environment that promotes pragmatic competence' (Rose and Kasper 2001: 67).

Conversely, Kasper (1997) argues that since the English language classrooms are often foreign language learners' only exposure to the target language, little pragmatic competence might develop. Vice versa, a grammatically rich input results in a stronger grammatical than pragmatic competence development.

Moreover, Bardovi-Harling and Dornyei (1998), researching the differential effects of a foreign language setting produced on the target language learners, strongly support the idea that 'setting is a major variable in the development of pragmatic and grammatical competence' (Bardovi-Harling and Dornyei 1998: 233). As observed by the above mentioned authors, the English language setting promotes the development of grammatical competence at the expense of pragmatic competence (Bardovi-Harling and Dornyei 1998: 233-262).

Conversely, Rose and Kasper (2001) resolutely opposing the research findings formulated by Bardovi-Harling and Dornyei (1998) indicate that the environment influences the balance of pragmatic and grammatical awareness. Rose and Kasper confirm that acceleration of this balance 'is possibly much more attributable to an interaction of individual learner characteristics and environment than to the learning environment alone' (Rose and Kasper 2001: 79).

Extensive research has been done on the speech act theory. The empirical evidence proves that native speakers and non-native speakers of a given target language 'have different systems of pragmatics that influence the development of the learners' pragmatic awareness' (Bardovi-Harling 1999: 232).

Cohen (1996), Blum-Kulka (1982), Bardovi-Harling and Hartford (1993), Cohen and Olshtain (1993) have examined a multiplicity of ways in which the target language learners differ from native language users in the production of speech acts. The basic differences are:

- choice of speech acts,
- semantic formulas,
- content and form.

Consequently, it can be asserted that the research materials on investigating speech acts (Wolfson and Manes 1980), the study of the approaches taken when applied for pragmatic purposes are considered to be one of the richest materials in cross-cultural and inter-language pragmatics, for instance, contributions by Wolfson (1988), Billmyer (1990).

Considering the issue of pragmatics in the target language acquisition context, a growing number of research literature on teaching different aspects of pragmatic competence are based on empirical studies of native speaker discourse.

Despite the above mentioned study, there seems to be no sufficient evidence of research-based recommendations for 'instruction in pragmatics, that is how they (recommendations) are implemented in the English language classrooms, and how effective they are for students' learning of the target pragmatic feature' (Rose and Kasper 2001: 3).

Therefore, due to a limited amount of the empirical evidence obtained, Rose and Kasper (2001) call for an in-depth, well-balanced and profound investigation of the following aspects:

- what opportunities for developing the target language pragmatic ability are offered in the English language classroom,
- whether pragmatic ability develops in a classroom setting without instruction in pragmatics,
- what effects various approaches to instruction have on pragmatic development (Rose and Kasper 2001: 4-12).

What is more, recent research conducted by Kasper (1997), Kasper and Rose (1999) concerning inter-language pragmatics has highlighted the belief that teaching pragmatics is not only beneficial to a second language learners but, without any doubt, to a foreign language learners as well. Although Kasper and Rose (1999), Kasper and Schmidt (1996) have come up with a comprehensive study material on importance of developing a pragmatic ability for a foreign language learners, the influence of a foreign language proficiency level on gaining the target language learners' pragmatic competence has not been investigated in-depth.

Similarly, Kaplan (1987) claims that more research is needed as to how the target language learners acquire the pragmatic competence because 'native speakers are aware not only of the forms, but also of the sociolinguistic constraints associated with the forms,

non-native users of a language do not necessarily possess the same competence' (Kachru 2001: 271).

According to Kasper and Schmidt (1996) 'neither of different stages of pragmatic development has been investigated for any detail' (Kasper 1996: 144).

However, there is evidence of this type of research in Ellis (1992), Bardovi-Harling and Hartford (1993), still 'very little work in the acquisition of pragmatics has been done' (Kasper 1996: 145).

In spite of the limitations mentioned, which refer to insufficient theoretical research conducted on the pragmatic competence development, *Common European Framework of Reference for Languages* (2001) calls for advancement of the English language learners' pragmatic competence. The reference material claims that the pragmatic competence being an essential component of communicative language competence enhances realization of language users' communicative intentions. Thus, the document states that the pragmatic competence is concerned with the target language learners/users' knowledge of how to create the text, which is:

- organised, structured and arranged (discourse competence),
- produced to perform communicative functions (functional competence),
- sequenced according to interactional or transactional schemata (design competence) (CEFR, 2001: 123).

Summary

This chapter has concerned itself with examining the relationship existing between the linguistic and pragmatic components of communicative language competence.

Essential to the present study is the assumption that at the foundation stage, the linguistic competence is a correct but not flexible manipulation of the language system. With more practice and experience, the communicative language competence involves principles of appropriateness, and readiness on the part of the language user/ learner to apply relevant strategies in coping with particular language situations.

The chapter presents a multiplicity of theoretical studies that characterize the linguistic competence as the basic component of communicative language competence. The chapter voices an idea that there exists the relationship between the linguistic systems and their

communicative intentions in a particular context and discourse (Hymes, Widdowson, Canale and Swain, Bachman, Bachman and Palmer, Brumfit).

In the result of examining the selected theories concerning the development of communicative language competence, the author of this study has supported the presupposition that the communicative language competence does not automatically result from the linguistic competence. As a foreign language acquisition is deeply rooted in the community philosophy, in its culture and its sensitivity to the social conventions, the present study agrees with assumption expressed by many distinguished scholars (Munby, Hymes, Silberstein, Spolsky, Coulmas, Wardhaugh, Bachman and Palmer, Hinkel, Kramina) that 'the sociolinguistic and pragmatic component strictly affects all language communication between representatives of different cultures' (CEFRL 2001: 13). To put it another way, the knowledge of language alone does not adequately prepare the target language learner/user for appropriate application of the target language in a meaningful context.

Consequently, the learners of the target language are expected to possess the language competence which includes awareness of what is expected socially and culturally by the native language users.

Providing the research theory in sociolinguistics and ethnography demonstrates the relationship between language and its use in variable socio-cultural situations, the research theory in pragmatics attempts to identify the ways of how the target language users apply the language to reach the desirable linguistic goals (Lakoff, Levinson, Halliday, Mey, Austin, Searle, Yule, Leech, Crystal, Rose and Kasper, Canale). The mentioned linguists assert that there is a fundamental difference between the competence and the resulting performance of the native language users and the target language learners.

The theoretical and empirical background to the data-followed studies highlight the idea that native and non-native language users differ in their pragmatic knowledge, in production and in comprehension of the language.

The analysis of the selected theories in reference to the pragmatic competence evidences that there is a limited number of research conducted on pragmatic learning in the foreign language classroom.

Thus, Rose and Kasper (2001), for example, call for classroom research on pragmatics 'that combines process and product perspectives' (Rose and Kasper 2002: 12). In addition, the researchers claim 'that a language learner of high grammatical proficiency will not necessarily possess concomitant pragmatic competence' (ibidem).

To conclude, the above presented analysis of the theoretical research on the communicative language competence and its constituents supports this study author's assumption that there is a possibility to reduce the difference between native and non-native language learner competences provided that more attention in the target language acquisition process is paid to the communicative role of grammar and lexis as resources in the achievement of pragmatic meaning. In this connection, Widdowson has stated that 'the meanings born in interaction are the pragmatic-reference, illocutionary force and effect' (Widdowson 1992: 335).

III. Pragmatic Operators and Acts, Thematic Areas of Interaction and Pragmatic Functional Principles.

3.1 Micropragmatic Operators and Acts

3.1.1 Indexicals and Referentials

With regard to language that represents a symbolic system to describe images and objects of the world, language tends to shape a language user's world views. As language shapes and reflects different assumptions in terms of time, emotions and feelings towards an addressee's emotions, feelings, and social hierarchy, it can be assumed that language represents one of the most significant tools by which people communicate.

To put it another way, language possesses its referential and indexical functions to describe images and objects of the world.

It was the German psychologist-philosopher of language Karl Buchler, who in his two-field theory of language, made a distinction between the situational context of the language, or so-called *index* field of language, and the linguistic context of language, or so-called *symbol* field of language (the diachronic perspective on indexicals and referentials is offered in Annex 1).

Referring to the indexical nature of language, it is evident that the English language is rich in the expressions of the above stated nature. They are applied to point to the existence of particular aspects of social context, in which these expressions as linguistic norms are used.

Moreover, the models of human language and linguistic norms show that ‘messages are not just ‘signals’: the human expression functions as a means of social togetherness and appeal to the other users’ (Mey 1998a: 727).

To paraphrase, indexes are signs that indicate contextual information and can be interpreted only in the current speech context. According to Mey (1998b), indexical expressions perform as a particular kind of referential expressions, which are usually pragmatically determined (Mey 1998b: 91) and can be judged from the context in which the words/expressions are uttered.

It was Levinson (1983) who claimed that a context is a set of pragmatic indices, or reference points for speakers, addressees and indicated objects; ‘sentences can therefore express different propositions on different occasions of use’ (Levinson 1983: 58).

Thus, personal pronouns *I, you*, etc. index the current language user and the current addressee in the utterance context. Spatial expressions such as *there, here*, index place close to the language user/addressee. Temporal expressions such as *now, then, today, last week*, etc., index the time coinciding with the language user’s utterance.

To brief, the indexical properties of linguistic expressions, also referred to as *deixis* (Fillmore 1976, Levinson 1983) are not limited only to pronouns, temporal and spatial expressions used in the language.

Researchers (Duranti and Goodwin 1992, Gumperz and Levinson 1996) support the language theories of *situated meaning* and consider that ‘most linguistic features can be indexical expressions, for they are interpreted in language contexts’ (Cook 2001: 80).

Focusing on the referential properties of the English language, it should be admitted that certain linguistic forms are used to enable a listener/reader to identify the speaker/writer’s intentions or goals.

Thus, Yule (1996), presenting an argument in favour of a multiplicity of such linguistic forms (e.g., proper nouns, definite/indefinite noun phrases), states that ‘for successive reference to occur, we must recognize the role of interference[...], the listener’s task is to infer correctly which entity the speaker intends to identify by using a particular referring expression’(Yule 1996: 17).

As a result, reference should not be viewed as a mere relationship between the meaning of the word/phrase and the interlocutor; it should be identified as a social act to carry valid and relevant information.

Examining the classification of language macro-functions, Jakobson (1960), Hymes (1962), Cook (1992), Kramiņa (2000b) claim that the referential function of the language is one of the main elements in transmitting information.

Halliday and Hasan (1976) assert that in case of reference, the information to be retrieved bears the referential meaning, and 'the cohesion lies in the continuity of reference, whereby the same thing enters into the discourse a second time'(Halliday and Hasan 1976: 31).

The distinguished scholars hold the view that the items displaying the properties of reference in the English language are **personals, demonstratives and comparatives**. These are the elements that characterize a particular type of textual cohesion, and are called *reference*. As textual reference is considered to be an important text-constituent means for creating cohesion, it is one of the central items addressed by discourse grammar.

Searle (1969) reflecting on referential expressions, such as personal pronouns, proper nouns and nominal expressions, claimed that a speech act is created provided a speaker/writer makes an utterance to a reader/ hearer in a particular context.

Consequently, Searle's theory of referential expressions made distinctions between the following items of reference:

- situation-dependent reference, expressed via pronouns, definite articles and deictic expressions,
- situation-defining reference, expressed via illocutive expressions (e.g., intonation, punctuation, modal auxiliaries and indicators of verb mood, word and clausal order),
- situation-independent reference expressed via proper nouns.

In view of the above stated, it can be asserted that the referential properties of the English language distinguished by Searle made the relations and distinctions of meaning apparent.

Chalker (1998), one of Britain's outstanding researchers of English grammar, has reflected on the significance of reference both for spoken and written English purposes.

He asserted that reference contributes to making connected remarks and statements.

According to Chalker, the non-native learners of English need to be able to recognize and use a variety of techniques for linking sentences and clauses together in longer utterances relating them to a wider context.

By putting an emphasis on acquisition of natural language, Chalker in his work *English guides: linking words* (1998) claims that non-native English language learners are able to

observe the linking strategies existing in the target language, and later, are able to apply the strategies in their own communication in a natural and convincing way.

What is more, Chalker distinguishes the most typical means of reference, which are efficient in creating a native-like communication, namely:

- pronouns and other pro-forms, e. g., determiners, demonstratives, substitutions for clauses, etc.,
- general nouns used for reference, e.g., to refer to actions, events, situations, facts, statements, etc.,
- comparative forms (Chalker 1998: 12-30).

In sum, the indexical and referential nature of the English language confirms that the above mentioned linguistic means function as *pragmatic operators* (Ariel 1998). They contribute to revealing the micro-pragmatic features of the language and benefit to the study of language use in smaller contexts. Notions such as *deixis* and *reference*, which by their nature point to contexts that are larger than a single utterance, are still seen as the semantic and syntactic coordinates of sentences.

Indexicals, being one of the most efficient and most wide-spread means to 'point' via language, tend to have a confusing terminology. According to Pierce (1955), Lyons (1977), they are 'deictic expressions'. Quoting Jespersen (1923), they are 'shifters'. As to Bar-Hillel (1954), they are 'indexical expressions', as to Fillmore (1975), they are 'deictic terms'. Referring to Smith (1989), Yule (1996), they are 'indexicals'.

On condition that deixis acts as a link between semantics and pragmatics, the appropriate meaning of the deictic expressions can be only determined within the context of the actual language use. Therefore, the ideas whether deixis is a semantic or pragmatic phenomenon appear to be controversial. If the utterances are viewed in specific contexts, then the indexicals bear pragmatic characteristics. If utterances are seen as factors of establishing 'the truth conditions' (Nunberg 1993) of sentences, 'they can be related to the linguistic field of semantics' (Nunberg 1993: 41).

Taking into account that deictic expressions act as a means of enhancing the efficiency of an utterance, referential expressions contribute to identifying an appropriate meaning of an utterance.

If so, we can refer to Mey's (1998b) statement that indexical expressions constitute a particular type of referential expressions and are pragmatically determined because 'the context is responsible for fixing the 'coordinates' of the utterances; only after establishing them, we can decide whether or not the utterance makes sense' (Mey 1998b: 91).

Pragmatic Perspective on Indexicals and Referentials

As the present research concerns itself with the pragmatic principles underlying English for banking/finance purposes, it examines the pragmatic functions of indexicals and referentials and studies how they are applied by English for specific purposes.

From a pragmatic perspective, interaction/transaction of the potential communication partners is a necessary prerogative for any use of language in any communication.

In a pragmatic view, the importance of the entire context of utterance cannot be overestimated, and indexicals seem to function as ‘coordinates’ (Mey 1998b: 91) of the whole utterance.

Thus, in order to speak/write and interpret the utterances/messages appropriately, the interlocutors are expected to be aware of the social role they perform in a given speech act/text event. Besides, the interlocutors are to be familiar with the conventional linguistic norms accepted by a particular language community or institutional environment. Further, the language users need to know how certain linguistic features collocate if applied in a specified speech act or speech style.

As any inferencing process is a complex and daunting task for non-native language learners, it might be a teacher-fronted English language classroom or an institutional setting, where the target language learners can acquire the contextualization of linguistic norms and conventions.

Consequently, we tend to admit that the opportunities for language socialization in the English language classroom are pretty restricted.

However, teaching and acquisition of the pragmatic features might help non-native language learners to distinguish different speech styles and the social meaning associated with each style. Therefore, it is important to draw the target language learners’ attention to:

- the relationship between the linguistic forms, e.g., temporal deixis: choice of verb tense, tense patterns revealed by language forms, if-clause,
- the social meaning, e. g., spatial deixis to refer to psychological distance,

- the social relationship, e. g., person deixis to index relationship between the interlocutor and the addressee, to indicate status(referred to as *honorifics*).

Furthermore, written English transaction requires the display of standard linguistic norms and conventions, which are typical of specific genres, e. g., report writing, e-business correspondence, reference letters, and proposals.

The way interlocutors are addressed evidently supports the assumption that language shapes or reflects social hierarchy. There is only one word in English for person deixis *you*, even when accompanying the first name and this is most often considered to reflect informality. Thus, person deixis *I, you, me, myself*, etc., are not usually used in formal writing, except in letters. Person deixis *you* is not appropriate in formal writing. At best, its usage sounds chatty and informal; at worst, it is disrespectful or even offensive.

The anaphoric reference is much exploited in written English texts to maintain reference to the statements already given. Pronouns, in particular, are used in this way, often substituting for a noun or a noun group. In addition, some of the determiners, e. g., *another, both, neither, many*, etc, nouns, e. g., *thing, case, way*, etc, comparative forms, e. g., *the other, the same, the opposite, likewise, otherwise*, etc, are applied in a big variety of ways for a purpose of reference or substitution.

The above mentioned words/expressions are used both in spoken/written interaction and transaction. However, there are the linguistic norms, which, in the majority of cases, are used in written English texts to refer to the already given statements, for instance, *as we have seen, as we saw earlier, as follows, the above mentioned*, etc.

To show the writer/speaker's attitude to the issues mentioned in the text, the sentence adjuncts play a more detached role in a sentence structure. They serve to link separate sentences, for instance, *briefly, broadly, obviously, definitely*, etc.

To conclude, on a theoretical level, deictic expressions and referential expressions can be interpreted only in the current written/spoken contexts (Lyons 1977, Ochs 1988, Duranti 1997). On a practical level, to interpret utterances appropriately, the interlocutors need to be aware of what social role these utterances play in a given context.

In view of the above stated, we can presume that opportunities for language socialization in the English language classroom seem to be pretty restricted. However, there exist certain pragma-linguistic means and norms for conveying communicative acts which can be mastered in the target language setting, for instance, in an institutional environment.

Furthermore, the values of contextual factors appear to be negotiable as the context is the subject to change through the dynamics of interaction or transaction.

As indexes are interpreted in context, and they contextualize the referential component of an utterance, the contextual cues, which, according to Gumperz (1996), are ‘constellations of surface features of message form’ (Gumperz 1996: 374), can be mastered in the English language classroom to a certain extent; for instance, with a purpose to index formality/informality of communication context, or to index social hierarchy.

3.1.2. Notion of Context

On a theoretical level up to now, the notion *context* has been analysed in a multiplicity of ways.

In the broadest sense of the word, it is applied to refer to linguistic and non-linguistic structures relevant to an utterance given, for instance, a word or a sentence which is used in a particular context.

In a narrower sense, *context* refers to all elements of a communicative situation, e. g., the verbal or non-verbal context, the context of the given speech situation, the context of the relationship between the speaker/writer and hearer/reader.

As it was revealed in Chapter I of this study, it was the London School (the Firthian linguistics) or so-called British structuralism that distinguished itself from other schools of linguistics by conducting sustained research on language use and language usage both in situational and linguistic contexts (see: a diachronic perspective on the notion *context* in Annex 1).

It should be noted that since the 1990s, there has been an extensive dispute observed as to the clear-cut meanings of the terms *text*, *context*, and *discourse*.

In light of this, Cook (1992) identified *text* as formally limited, mainly written expressions, ‘which are used to mean linguistic forms, and are separated from context for purposes of analysis’ (Cook 1992: 1).

According to Cook (1992), *context* displays the following features:

- substance: the physical material which carries the text,
- paralinguistic: meaningful behaviour which accompanies language, e. g., voice quality, gestures, etc.,
- situation: the properties and relations of people and objects in the vicinity of the text, as perceived by the participants,
- co-text: the text which precedes or follows the one under discussion,

- inter-text: the text which the participants perceive as belonging to other discourse,
- participants (Cook 1992: 4)

Thus, the notion *context* refers mostly to the linguistic environment. A difference is made between a sentence-oriented and an utterance-oriented context (Duranti and Godwin 1989). Context itself is used to perform a distinctive role in the differentiation of various poles in the linguistic description, for instance, spoken versus written language.

Soames (2003) envisages that it is pragmatics that explains how language users apply language 'to do more than exchange information' (Soames 2003:379). As pragmatics is concerned with 'what a speaker who utters a sentence asserts' and with 'what additional information is conveyed by the utterance' (Soames 2002: 32), pragmatics, in this sense, includes every theory with reference to situational elements.

Hence, Lewis's (1972) situational elements include contextual indices, such as time coordinate, place coordinate, speaker coordinate and audience coordinate.

Referring to language acquisition, we might consider a number of interpretations of the notion context. As regards the present study, we focus on the significance of the English classroom context, which envisages a variety of interactions/transactions to have an effect on the nature of the English language learning and acquisition processes. In addition to the above stated, we are expected to consider the socio-cultural context, due to which the communicating partners, in the process of interacting, for instance, evoke and create shared knowledge of socio-cultural linguistic behaviour.

In brief, the term *context* refers mostly to the linguistic environment. A difference is made between a sentence-oriented and an utterance-oriented context (Duranti and Goodwin 1989) which reflects the dichotomy of language and speech, competence and performance, linguistic structure and linguistic use.

Context itself is used to perform a distinctive role in the differentiation of various poles in the linguistic description, for instance, spoken versus written language, every day language versus standard registers.

Analysing the notion *discourse* Cook (1992) claims that 'discourse is a text and context together, interacting in a way, which is perceived as meaningful and unified by the participants' (Cook 1992: 2).

As stated above, pragmatics is 'the study of language in a human context of use' (Mey 1994: 3264).

Consequently, pragmatics examines language use in the processes which are governed by the conditions evident in meaningful contexts of communication.

Provided that the notion context is approached from the perspective of micropragmatics, it is related to the study of language use in smaller contexts. The linguistic means such as deictic expressions and referential expressions function as the syntactic and semantic coordinates of utterances in meaningful contexts.

On condition the notion context is viewed from the perspective of macropragmatics, it is focused on language users' interaction/transaction in a multiplicity of ways, for instance, the language use in an institutional, educational setting.

In contrast to the above mentioned, Levinson (1983) asserts that 'pragmatics is the study of the relations between the language and context that are grammaticalized, or encoded in the structure of a language' (Levinson 1983: 9).

Thus, Levinson's claim implies an evident distinction made between the 'grammatical' and the 'user' view, the latter being based on the assumption that language and context relate.

However, according to Mey (1994) 'the notion of context and the role it plays in the expression of pragmatic and grammatical relations is not yet addressed' (Mey 1994: 3267).

In light of the above stated, it might be presupposed that the difference between a 'grammatical' and a 'user-oriented' view point can precisely be seen in the context.

Moreover, truly pragmatic considerations are expected 'to deal with the context as a user's context, and cannot limit itself to the study of grammatically encoded aspects of context' (Mey, *ibidem*).

3. 1. 3. Notion of Presupposition

Referring to the above stated, the role of context is contextualized by pragmatics and is considered to be 'a user context' (Mey 1998b).

Pragmatically speaking, the phenomena of a content-oriented nature, namely, its semantic rules are to be viewed in connection with their features of use, or so-called *presuppositions*.

Provided that pragmatics focuses on the cases which have to do with presuppositions, it refers to the other features and elements (not strictly grammatical ones) of language that are related: in some way, to the 'outer' world of language users and their social conditions and environmental setting. Thus, extra-linguistic features which can be presupposed from

the context are the principles according to which an utterance in a particular communicative setting is understood. In other words, it is *conversational implicature* which benefits to perceiving the context in accordance with one's expectations.

Lakoff (1971b) has asserted that 'it is by no means always the case that pragmatic meaning is grammatically encoded, usually, it is said to be presupposed' (Lakoff 1971b: 232). The present study examines the notion of presupposition from a synchronic perspective. However, to understand the essence of the notion, the study views it from a diachronic perspective as well (see: Annex 1).

As a result, in the context of this inquiry, its author takes into account the importance of pragmatic presupposition in dealing with specified contexts, for instance, advertising strategies in marketing, business communication, written agreements and alike. Thus, to illustrate the pragmatic pre-suppositional indicators used in business or banking/finance-related contexts, we consider the application of factive verbs (Levinson 1983), for instance, *to know, realize, regret* etc, in producing the truth-value (Strawson 1952) assertions, which function as statements in declarative sentences. Likewise, counterfactual presuppositions (Yule 1996), generally known as counterfactual conditionals, are widely applied in written agreements, when two parties agree to perform on certain conditions, presupposing that the information is not true-value at the moment of signing an agreement or at the time of utterance. Similarly, lexical presuppositions (Yule 1996) expressed by the verbs *to manage, succeed, win, start, sell, try*, etc, are much exploited in persuasive/informative advertisements to presuppose the non-stated concept and to persuade a customer of brand-qualities of the product/service. To exemplify, '*it washes whiter again*' (advertising a new brand of washing powder instead of the old one); '*sell more-manage more*' (advertising profit gaining service); '*try and you will enjoy it*' (launching a new product).

It is apparent that attracting customers' attention is one of marketing strategies. In these situations, the lexical presuppositions are mainly applied to provoke the target customer's behaviour to act, to buy, to use, etc. the offered product/service.

Considering the above said, we assume that pragmatic presuppositions are the assumptions that underlie the statements in a particular context, in which these statements/utterances occur. In light of the present study, it is obvious that pragmatic presuppositions rather than semantic presuppositions are applied in 'a user context', that is, 'a context in which the users are the paramount features of interest' (Mey 1998b: 31). In this respect, we assert that pragmatic presuppositions entirely rest on the context and

are used for interactional/transactional purposes. Seemingly, the existential presuppositions (Yule 1996) in English for Banking/Finance, in English for Economics play a decisive role in creating a persuasive style of the language to advertise banking product/service, e.g., to persuade in favour of good credit conditions.

To brief, within the framework of the present study, we assert that pragmatic presuppositions in the context of English used for banking, finance, entrepreneurship purposes are inferences linked to what is assumed in an utterance rather than directly stated. Being closely related to grammatical structures and lexical items that are applied in utterances, pragmatic presuppositions rest on our knowledge about the way the language users interpret them in the context in which they occur.

Therefore, pragmatic presuppositions can be drawn provided that there is little context, or sometimes even no context to surround them.

3.1.4 Speech Act

This study approaches the issue of speech act from a synchronic perspective. However, as the speech act theory plays an essential role in investigating the object of this study, the notion is considered from a diachronic perspective as well (see: Annex 1).

From a synchronic perspective, Allan's (1998) classification of speech act illocutionary types appears to be essential to the present study. The classification might benefit to enhancing the target language learners' linguistic and pragmatic competence. It could contribute to developing the learners' linguistic sensitivity to differentiate genres and registers of spoken and written communication typical of business environment.

Thus, Allan (1998) has observed four groups in speech act classification such as *statements*, *invitationals*, *authoritatives*, and *expressives*.

Statements refer to denials, reports, offers, promises and are most typically expressed via declarative clauses.

Invitationals include requests, suggestions, warnings; they, in the majority of cases, are formulated via interrogative clauses.

Authoritatives involve permissions, legal judgements; most of them are expressed via imperative or declarative clauses.

Expressives imply greetings, thanks, apologies, congratulations and reveal 'social-interactive appropriateness values' (Allan 1998: 924).

As noted by Allan (1998), a speech act is created when a speaker/writer makes an utterance to a listener/reader in a meaningful context.

With regard to further speech act classification, the distinguishing direct and indirect speech act categories has been a concern of many scholars.

The change from a direct speech act into an indirect speech act often results in the change of deictic elements (pronouns, adverbs), and this change would refer to transfer of mood or tense.

Accordingly, a direct speech act exhibits a direct relationship existing between the sentence structure and the communicative function of an utterance, whereas an indirect speech act implies indirect relationship between the sentence structure and the communicative function of an utterance (Yule 1996: 130-131).

The study of indirect speech acts has been mostly concerned with research of requests (Searle 1975, Blum-Kulka 1982, Bach and Harnish 1979).

Thus, Blum-Kulka, et al.(1982: 18) have identified nine strategies on an indirect scale for requests such as:

- imperatives (*Close the window*),
- performatives (*I am asking you to close the window*),
- hedged performatives (*I would like to ask you to close the window*),
- obligation statements (*I will have to close the window*),
- want statements (*I want you to close the window*),
- suggestory formulas (*How about closing the window?*),
- query formulas (*Could/Will you close the window?*),
- strong hints (*You have left the door unlocked*),
- mild hints (*It is too big sum to borrow, isn't it?*).

Blum-Kulka, et al. (1982), Yule (1996) have remarked that the contrast between a direct and an indirect illocution is identified by the related contrasts between on-record and off-record utterances. To put it another way, off-record utterances are statements addressed indirectly, while on-record utterances are statements addressed directly. Thus, to avoid offence, according to the English language norms, mitigating devices are used in natural language:

- on-record forms followed by *please*
- the phrase *would you*
- off-record forms and the reasons for failing to do something are mentioned.

Awareness of on-record and off-record statement forms is vital for the target language learners. Knowing how to apply them appropriately would help the language learners/users avoid misunderstandings or even break-downs in social interaction/transaction, especially in case one of the interlocutors belongs to a different culture.

Thus, for a long time, cultural diversities of language application were ignored in context of teaching English to non-native learners in Latvia. In general, the main focus was on gaining grammatical accuracy. However, after Latvia having gained independence, there are linguists in Latvia who have paid an extensive attention to the research of socio-pragmatic and socio-linguistic competence development in the English language classroom in Latvia context. In particular, these are the University of Latvia professors who have investigated and confirmed the need in mastering the intercultural norms and principles of communication; to mention only some of them: they are professors I. Kramiņa, I. Druviete, A. Veisbergs and others.

By contrast, very little research in Latvia has been conducted on the issue of illocutions in utterances/sentences benefiting to understanding and creating texts in English (however, see: Farneste 2004, Rozenbergs 2004 for a number of valuable proposals).

The so-called small talk is a significant part for English-speaking interlocutors; therefore it is expected to be displayed by non-native language users at the same extent as it is performed by native-language speakers.

As named by Malinowski (1923), it is a *phatic communication* which as a communicative act fulfils an exclusively social function, for instance, enquiries about one's likes or dislikes, comments about trivial matters, remarks about the weather and alike (*social chit-chat*, Laver 1975, Schneider 1988).

By contrast, informativeness predominates in written banking/ finance-related texts. Persuasiveness is typical of both formal interactions, for instance, conference speech, job interviews, and formal transaction, e.g, proposal writing, service/product advertising.

However, typically business-related texts combine some or all of the illocutionary types varying the degrees to achieve their communicative purpose. For instance, although business reports are primarily informative, they are also persuasive. They are aimed at persuading the reader to reach a certain point of view on what has been reported. Additionally, reports need to be perfectly organized and formatted to draw and keep the reader's attention. The most important part of business writing (e. g., progress reports, annual reports, proposals, formal business correspondence) is aimed at getting the reader

on its side via applying social interactive techniques, such as using the 'authorial we' or 'inclusive we' (Yule 1996: 131).

In brief, the above stated leads to the assumption that in real life conditions interlocutors do not use isolated utterances. Utterances or statements function as a part of a larger intention or as constituencies of the whole communication.

Therefore, speech acts should be viewed as an integral part of communication context, both spoken and written. An appropriate choice of speech acts to meet the requirements of specific discourse plays a significant role in modelling, envisaging and presenting the speaker/writer's intentions to carry out a successful communication aimed at satisfying both parties of interaction/ transaction.

3.2 Macropragmatic Areas of Interaction

3.2.1 Notion of Discourse

Provided that the above discussion has been focused on the micropragmatic principles underlying the target language learners/users' ability to interpret utterances of a sentence meaning, i.e., the meaning related directly to the linguistic form (pragmatic presupposition), it, in addition, has been closely linked to examining the contextual sentence meaning properties. The study of the contextual sentence meaning properties, according Mey (1998b), implies 'the operational meaning of the sentence in a particular utterance context emphasising the core importance of deictic and referential properties of the context elements' (Mey 1998b: 728).

In other words, the above study has aimed at focusing on the uniformity of the content-meaning of utterances, on the one hand, and on the speaker-meaning via a given utterance (speech act), on the other hand.

Reflecting on the selected speech act theories, the author of this paper intended to view the direct and indirect speech act principles as the context constituencies where both of them signal the messages implied by the speaker in a particular context.

In fact, the majority of linguists consider that a language is a means of communication between human beings (contrast is Chomsky (1975:57) who writes 'language is a system for the expression of thought').

Thus, with very few exceptions, the purpose of speaking or writing is to cause an effect on the audience: we expect our opinions to be recognized, assertions to be agreed with, requests to be enacted, thanks- appreciated, apologies- accepted and so forth.

In other words, language manifests the correlation of utterances made at a certain time (tense/temporal deixis), in a certain place (location/spatial deixis) by a speaker/writer to a listener/reader (personal deixis) in the discourse which establishes textual deixis (context), and the world being spoken of.

Taking into account that micropragmatics is the study of the language application in smaller contexts, macropragmatics emphasizes the language users' interaction both in a multiplicity of ways and in a large variety of setting.

As a result, in the context of this research, we will reflect on discourse of institutional language. In addition we will deal with discourse of business language from a theoretical and functional point of view of macropragmatics placing emphasis on the function of pragmatics within applied linguistics, pragmatics being its important functional component. Further, we will discuss the notion of text pragmatics versus text linguistics the former being the component of a communicative event 'in which the communicator transfers to the audience, by means of language, some propositional content' (Togeby 1998a: 1008).

From a synchronic perspective, many discourse analysts offer their characteristics of the notion *discourse* (a diachronic perspective of the notion is revealed in Annex 1), to exemplify only some of them:

"Discourse is a domain of language use, structured as a unity by common assumptions" (Abercombie et al. 1984: 70);

"Discourse examines the relationship between a text and the situation in which it occurs" (McCarthy 2002: 48);

"Discourse is any study of language or more specifically, text at a level above that of the sentence" (Dudley-Evans, et al. 1998: 87);

"Discourse refers to the types of language in specific contexts" (Carter 1993: 22).

In light of the present study, we would prefer to form our understanding of the term *discourse* resting on the definitions proposed by Cook 1992 and Kramina 2000a. These definitions comply with the goals of our research and rest on Halliday's view of language 'to serve social-functional purposes 'of it (Halliday 1978: 57).

Consequently, Cook (1992) asserts that 'discourse is text and context together, interacting in a way which is perceived as meaningful and unified by the participants' (Cook 1992: 2).

Kramiņa (2000a) claims that 'in order to communicate groups of people and separate individuals implement discourse by using language skills listening, speaking, reading and writing, nevertheless [...] these skills alone do not ensure communication' (Kramiņa, 2000a: 46).

Thus, with regard to discourse diversity, three main tendencies to analyse discourse are known (McHoul 1994):

- the formal approach, that is, discourse is considered as text (Harris 1952, Giglioli 1982, Hodge and Kress 1988, Mey 1985, van Dijk 1972, Johns-Lewis 1986);
- the empirical approach, that is, discourse means, according to McHoul (1994: 942), 'commonsense knowledge of basic conversational rules and procedures' (Sinclair and Coulthard 1975, Schutz 1962, Garfinkel 1973, Schegoloff and Sacks, 1973);
- the critical approach, that is, as noted by McHoul (1994: 944) 'areas of social knowledge' (Macdonell 1986, Wittgenstein 1968, Foucault 1970).

On condition the present study is aimed at investigating linguo-pragmatic principles underlying written communication in English for banking and finance purposes, it has adopted the formal approach for analysis of the authentic texts produced by banking/finance community. In this sense, the study deals with discourse analysis from the perspective of discourse as a text (text pragmatics) considering that the language is to be produced to function as coherent utterances (text linguistics).

3.2.1.1 Institutional Discourse

Genre analysis is seen as a part of discourse analysis, the latter being 'the global term for text analysis' (Dudley-Evans 1998: 87) - both at the level of spoken discourse and at the level of written text.

The theoretical findings of genre analysis prove that Swales (1981, 1985, and 1990) is the researcher who has contributed significantly to the study of genre analysis.

According to Swales, 'genre is a recognizable communicative event characterized by a set of communicative purpose(s) [...] understood by the members of the professional or academic community in which it regularly occurs' (Swales 1990: 240).

Bhatia (1998) points out that genre is to be studied in institutional context 'including the system, in which the genre is used and the rules and conventions that govern the use of language in such institutional settings' (Bhatia 1998: 24).

To define the notion *institutional language*, we will refer to the selected theories presented by Sarangi et al. (1996), Foucault (1979), Habermas (1989). The linguists have asserted that institutional language is a kind of a discourse which represents the following principles underlying institutional performance:

- habituation and depersonalization,
- the economic rationality of language,
- neutrality, fixed norms, rules and procedures.

In other words, institutional language is seen as a discourse, which as a social practice is a subject to change depending on the place, time, specific situation and the context of use.

Similarly, Agar (1985) remarks that 'institutional discourse is 'non-natural' conversation' (Agar 1985: 147).

Considering the above mentioned statements, it can be noted that institutional language is based on fixed rules and in-house regulations. It is a linguistic behaviour observed by institutional communities. Thus, institutional language tends to be the situation-, setting-, style-specific interaction/transaction. More over, the conventions followed in written transactions (statements, reports, contracts, business correspondence) exhibit identifiable linguistic and pragmatic features which distinguish the genre of a particular written text, e.g., from spoken discourse across institutional settings.

Remarkably, institutional language applied in different professional domains has been studied by a number of sociolinguists and pragmatics: Alatis and Tucker (1979), Drew and Heritage (1992), Gunnarson et al. (1997), Sarangi and Roberts (1999), O'Barr (1982).

Thus, Drew and Heritage (1992) assert that institutional language is 'specialized by its situation, this genre rests on institutional tasks and functions, and it bears distinctive linguistic and stylistic features' (Drew and Heritage 1992: 6).

Furthermore, following the principles of genre analysis (Swales 1990, Bhatia 1998), Alatis and Tucker (1979) consider that institutional language is a specific text-type being mainly presented in a written form.

As noted by Redish (1983), institutional language can be characterized as the language representing specific features:

- overuse of nouns rather than substituting pronouns, e.g., *a third party account, a ten percent guideline, public offering price, thin market liquidity*, etc.,
- preference for passive constructions,
- nominalization, i. e., verbs transformed into nouns, e. g., *money purchase plan, money investment grade, investment company products, margin substitution*, etc.

At the sentence level, as noted by Redish (1983), institutional language is characterised by parallel syntactic structures. However, Sarangi (1992) admits that 'the occurrence of complex syntactic structures can be partially explained by the written bias in institutional discourse' (Sarangi et al. 1992: 117).

Moreover, professional jargon and specialist vocabulary, including abbreviations, is another typical feature of institutional language, according to Hudson (1978).

The use of professional terminology results in precision and evidence of specialist knowledge, which is displayed in a specific contextual discourse.

Another aspect of institutional discourse, referring to the study of Cicourel (1986), is so-called *recontextualization*, which means: the transformation of spoken interaction to written transaction (Cicourel 1986: 236-237). For instance, the outcomes of business meetings usually result in the minutes or recommendations; the outcomes of business negotiations can result in agreements, proposals, and offers drawn up. These documents are marked by a clearly elaborated narrative structure and institutionally relevant language.

Recontextualization in the above mentioned cases is marked by changes introduced 'from vagueness to precision, from relative incoherence to clear coherence and chronology, from emotionality to an objectively identified sequence of events' (Jonsson et al. 1991: 420).

Beyond the linguistic and stylistic features, institutional discourse can be characterised by the principles that are widely used in interactional activities such as forms of address, amount and length of talk, organization of turn-taking in conversation, e.g., job interviews, patterns of interrupting and alike.

Attempting to analyze institutional discourse from the point of view of pragmatics, it should be noted that institutional discourse bears certain features of pragmatics. For instance, on-records are observed in business negotiations, job interviews, presentations while off-records are typical of polite requests, critical remarks.

Referring to the pragmatic functional principles, the language for institutional setting considers Brown and Levinson's (1987) principles of politeness, the Gricean maxims of cooperation (1975) and Sperber and Wilson's (1986[1995]) language relevance norms.

In brief, the above discussion of institutional discourse has attempted to identify the features of institutional language, which:

- result from in-house institutional rules and regulations, thus being situation- , setting- and relevant style-specific,
- rest heavily on written discourse, being mostly marked by a narrative structure of the language,
- employ specific pragmatic functional principles resulting from the accepted language norms such as politeness principles, conversational maxims, relevance principles and the pragmatic theories of face.

3.2.1.2 Discourse of Business Setting

Provided that institutional interaction/transaction is a definite task related activity, and assuming that in-house rules of an institutional setting, e.g., a private company, a state-run institution/organization, a governmental establishment, impose a strong impact on contributions the participants make, business language used as a means of communication serves as the language to do business. It involves specific performance, which is backed up by the context-bound speech acts that are undertaken for the purpose of doing business.

Taking into consideration that business activities are social actions implemented for the recipients who perform within the framework of the particular business action, *business language*, according to Rasmussen (1998), is 'language used for the specific purpose of carrying out business interactions' (Rasmussen 1998: 96).

Business English is to be seen in the common context of language for specific purposes.

It presents the following basic components:

- needs analysis,

- syllabus design,
- selection and development of specific study materials.

Within the range of other varieties of language for specific purposes (e.g., professional language, vocational language, language for science and technology, language for academic purposes), Business English, as noted by Ellis and Johnson (1994), 'implies the definition of a specific language corpus and emphasis on particular kinds of communication in a specific context' (Ellis and Johnson 1994: 3).

To examine Business English from the perspective of its historical expansion, the study offers some insights into its developments (see: Annex 1). However, as this inquiry is approached from a synchronic perspective, it analyses the latest contributions in this linguistic area.

Studies of the 1990s and onwards started to address the research question of so-called *contextual sensitivity* (Pilbeam, 1990) in Business English.

Researchers and practitioners of the late 1990s (e.g., Drucker 1990, Council of Europe 1992, Pilbeam 1990, 2001, They 2001, Mattison 2001) voiced the idea that business language is not a language with exclusive morphological and syntactical structures. The fact that business language users are business people is not sufficient to categorize the way they use the language as a means of business interaction.

Moreover, business people make the business context relevant by creating it through specific linguistic choices with the purpose to succeed in a meaningful and context-specific communication.

Seemingly, the late 1990s and the early 2000s have put light on new perspectives on Business English.

Thus, trainers of Business English (e.g., Ozolina 1999, Spencer-Oatey 2000, Merk 2000, Pilbeam 2001, Rozina and Karapetjana 2002) have reported that the English used by non-native speakers/writers for business purposes has its own standards, which are widely accepted and understood- at least, by non-native speakers.

The above stated, according to Pilbeam (2001), rests on references made by non-native speakers of English in the international community that they understand each other whatever their first language background is, while native speakers are more difficult to be understood. Native speakers also report that they find it difficult to understand non-native speakers, although the latter often seem to be communicating effectively with each other using a simpler, more direct and less culture-bound variety of English.

Even more, Pilbeam (2001) has observed that ‘there is a form of English developing which is used widely in international business, i.e., International Business English, which differs substantially from standard English’ (Pilbeam 2001:16).

As a result, the research conducted in the late 1990s and onwards reports on further developments in Business English use focusing on the evolvement of its new varieties: English for Enterprise, English for Executives, Corporate English.

Assuming the present study asserts that acquisition of Business English is not only a concern of non-native English language learners/users, it states that new perspectives and demands complied with are to be enforced by the native speakers as well.

Consequently, Graddol (1997), Crystal (1997), Pilbeam (2001) evidence that native/non-native interaction and, thus, the efficiency, accuracy and fluency of Business English implies:

- excluding or reducing the frequency of idioms, colloquial expressions being problem areas in native/non-native communication, which means that native speakers are expected to use ‘modified English’ (Pilbeam 2001: 16),
- avoiding long and complex sentence constructions,
- avoiding over-sophisticated vocabulary,
- being less indirect and more explicit in the style of speaking.

Moreover, Pilbeam (2001) admits:

“What is needed is consciously to extend the natural and intuitive facility that we all have to tailor our style of speaking to the situation we are in: it means recognizing that English as a global language has many varieties and variants.” (Pilbeam 2001: 17).

Thus, in the context of the new millennium, Business English functions as a powerful means of international communication. Therefore, the target language learners are expected to possess:

- relevant and context-bound linguistic abilities, which are backed up by specific professional competences and skills,
- awareness of intercultural factors, aptitude for diplomacy and adaptability to foreign culture,
- aptitude for analysing issues, controlling information (formal and explicit or informal and implicit),
- aptitude for establishing, controlling and maintaining hierarchical relations in communication: distance or proximity,
- aptitude for negotiation, presentation and conflict management skills.

From the above discussed, we can outline that the most extensive research conducted in the area of Business English aimed at meeting new demands of the new millennium, has been carried out in the late 1990s and onwards.

As regards the analysis of Business English, its historical developments and current tendencies, we are inclined to admit that:

- Business English is associated with a specific institutional setting, and it exhibits the contextual features of the related business area,
- Business English represents a particular lexical choice and exhibits the properties of specific terminology belonging to a particular business area,
- Business English is pragmatically-bound as the aptitude for its practical display is more highly estimated in comparison with the theoretical knowledge in this field of English,
- Business English acquisition is a goal-oriented, time-consuming, context-sensitive, cost-effective, needs-analysis based study process.

In consequence, with the current fast changing nature of the business environment and with the focus on a multi-skills oriented range of language application (e.g., presenting information, participating in meetings, negotiating prices, terms and conditions, exchanging factual information, dealing with business correspondence, etc.), Business English acquisition means developing of the linguistic, pragmatic, sociolinguistic competences to communicate across national boundaries. Due to further expansion of domestic and foreign joint ventures, because of new acquisitions and mergers of businesses, English from a national language has changed into a corporate language, which serves the international language purposes. Pilbeam (2001), for instance, has observed that the new millennium reports on new developments of International Business Language, and a new element in Business English has emerged, that is, 'the need for cross-cultural training to communicate within the framework of different values and attitudes that affect behaviour' (Pilbeam 2001: 16).

Finally, on condition that pragmatics and discourse analysis emphasise context and language as components of action and cooperation, Business English highlights the use of language to have things done.

In other words, the cooperative aspect of Business English communication is emphasised. In workplace, people use the language to have things done in cooperation with others.

Provided that the definition of Business English includes the language users' role in the production of this language in a specific context, the author of this study asserts that *Business English represents certain properties of a specified sociolect purposefully applied.*

On the other hand, Trayner and Mavor (2000) reflecting on English as a means of international communication support the idea that English as an international language implies particular target language learners' skills and competences:

- linguistic, pragmatic and sociolinguistic competences,
- interpersonal and intercultural skills,
- electronic literacy,
- specific discourse awareness,
- professional identity (Trayner and Mavor 2000: 203).

Thus, at present the English language as a means of international communication 'cannot be seen as a neutral instrument free of values or power relations, it is overpopulated with the intentions of others' (ibidem).

With regard to the target language learners, Business English being a powerful instrument of international communication is a medium of interacting in the situations where the language and culture combine: in meetings, presentations, negotiations, customer service interactions, written communication, social interactions and alike.

For this reason, the English language learners/users are expected to be able to integrate the intercultural activities into their Business English application in meaningful situations and purposeful contexts.

To put it another way, today's Business English proficiency rests on an individual's:

- linguistic competence and pragmatic competence,
- appropriate understanding of the basic principles existing in the intercultural communication,
- aptitude for defining the national and international cultural values,
- consideration of cultural values that might affect one's attitude or behaviour,
- awareness and sensitivity of how culture forms an integral part of international communication.

3.2.2 Text Pragmatics and Text Linguistics

By way of introduction to the concept *text pragmatics* and to study it in the context of the present research, we will refer to *Common European Framework of Reference for Languages* (2001), which envisages that ‘text design is an essential component of the language user/learner’s discourse competence, discourse competence being an integral part of pragmatic competence’ (2001:123).

According to Bussmann (1996), the term *text* implies ‘formally limited, mostly written expressions that include more than one sentence’ (Bussmann 1996: 479).

Similarly, Halliday and Hasan (1989) assert that *text* is a stretch of language, the structure of which is constituted in accordance with purely linguistic criteria, and ‘*textuality* of a text results from connectedness or cohesion of individual textual units’ (Halliday and Hasan 1989: 48).

The term *discourse*, according to McCarthy (2002), implies ‘the process of meaning-creation and interaction, whether in writing or in speech’ (McCarthy 2002: 49). Both terms *text* and *discourse* are often used interchangeably to refer to language ‘beyond the sentence’ (McCarthy, *ibidem*). Even though, McCarthy asserts that the distinction is to be made because texts are viewed as ‘products of the language use’ while discourse is seen ‘as the process of meaning-creation and interaction’ (McCarthy 2002: 49). (A diachronic perspective on the notions *text linguistics* and *text pragmatics* is offered in Annex 1).

In light of the present research, it should be admitted that *text pragmatics* rests on the grammatical language system, the lexicon of the language, the types of utterance or speech acts, and the relationship between syntactic forms and semantic meanings.

It is essential to assert that text pragmatics reflects on how the language users apply their language competence with regard to their linguistic performance.

Even more, text pragmatics concerns the role of the communicator and the audience in the process of producing or interpreting linguistic texts. Besides, it refers to specific language norms and conversational principles applied to succeed in efficient communication maintained in a meaningful context.

By way of contrast, *text linguistics*, having developed from the linguistic traditions of the Prague School since the 1960s, is ‘the linguistic discipline which analyses the linguistic regularities and constitutive features of texts’ (Bussmann 1996: 480).

Werlich (1976) has claimed that text linguistics is the linguistic discipline which focuses on such regularities of texts as:

- *the text linkage*, e.g., reference, substitution, ellipsis, conjunction, lexical cohesion and other semantic relations, ‘which enable one part of the text to function as context for another’(Halliday and Hasan 1989: 48),
- *the construction of sentences* according to their communicative aims in terms of their theme (referred to as *known, given, presupposed information, topic, background*) and rheme (referred to as *comment, focus, prediction*).

Accordingly, the contributions made by Danes (1974), Firbas (1992), Halliday (1994), Halliday et al.(1993), Thompson (1996), Fries (1994), Jones (2001), Bloor et al. (1995) in the field of text linguistics have been enormously influential in the study of written text/discourse.

In consequence, the school of text linguistics associated with the functionalism of the Prague School (known as the Functional Sentence Perspective; theme versus rheme; topic versus comment), with the work of the German scholar Peter Hartmann in the 1960s, with the research conducted on *textuality* by the London School, with the contributions made by Northern European scholars (van Dijk 1972, de Beaugrande and Dressler 1981) has addressed the issues of:

- *textual cohesion model* (Halliday and Hasan 1976, Hasan 1984,1985): reference, substitution and ellipsis, conjunctions (and, but, so, etc.), lexical links across sentences (synonyms, repetition, etc.),
- *thematic progression of the text* (the Prague School, Bloor and Bloor 1995, Belmonte 1998, Jones 2001),
- *cognitive processes of extended written texts* (van Dijk 1972a, de Beaugrande and Dressler 1981): pre-text activities to activate background knowledge in reading classes,
- *types of text analysis*: referred to as *clause-relational analysis* (Winter 1982), or the *problem-solution pattern* (Hoey 1983), emphasising how the pattern ‘situation-problem-response-evaluation-solution’ sequences in texts and how it is constructed in interaction.

With regard to the present study, which focuses on linguo-pragmatic principles underlying written communication in English for Banking/Finance, both disciplines *text pragmatics* and *text linguistics* play a principal role in developing the target language

learners/users' linguistic and pragmatic competences resulting in the language learners/users' written communicative performance.

As it has been revealed in Chapter II of this work, the target language proficiency and, thus, its communicative competence rests on the language competence acquired. According to Bachman (1995), the language competence falls into the organizational competence (grammatical and textual competence being its components) and the pragmatic competence (illocutionary and sociolinguistic competence being its components).

As a result, textual competence (Larsen-Freeman 1997, 2001, Sinclair and Coulthard 1975), on the one hand, involves the principles of text linguistics (e.g., the rules of text organization and cohesion, rhetorical organization, the conventions governing the sequencing of the given and the new information in discourse). On the other hand, it involves the principles of text pragmatics:

- the conventions of establishing, maintaining and terminating communication,
- the linguistic norms of relevance (Sperber and Wilson 1986),
- the cooperative principle (Grice 1975, Habermas 1976),
- the politeness conventions (Brown and Levinson 1987, Leech 1983).

Thus, the principles of text pragmatics apply to the regulations of social relations and comply with the norms established and accepted by the society (tact, modesty, politeness and justice).

Assuming this study concerns the linguistic and pragmatic properties of the English language applied to promote the target language learners' communicative language competence to create documents for banking and finance purposes, it focuses on examining those linguistic and pragmatic principles of written English for Banking/Finance which are applied by banking/finance community.

In the event that a text is a socially determined product, it is to be viewed in relation to its users, its uses and its social/cultural setting taking into account the following factors:

- the communicative intention (to inform, persuade, instruct, maintain contacts, break relationship, amuse, etc.),
- the intended receiver (known/unknown, present/absent, one/many),
- topic (planned/unplanned discourse),
- vehicle (book, article, letter, report, etc),
- context (classroom, public, institutional establishment),
- additional factors (space or time available, length of message).

Finally, implicature is the key concept in textual interpretation. The hearer/reader engages in a series of inferences in order to interpret the meanings behind the locutions expressed. These inferences are based on implicatures about the world, relationships or pragmatic aspects of the meaning.

Consequently, the principles mentioned should be viewed as interrelated components of the target language learners/users' communicative language competence. We believe these components can be best characterised in terms of the learners' performance resulting from their textual competence.

3.3 Metapragmatic Functional Principles.

According to Caffi 1998, Mey 1994, Togeby 1998b, a communicative event is a social act which is implemented providing that the participants of the communication share common knowledge, principles and rules of communication. As a matter of fact, any successful communication is governed by conventional grammar rules controlled by pragmatic principles of communication.

Hypothetically, meta-pragmatics emphasises 'the circumstances and conditions that allow people to use their language adequately or prevent them from using it' (Mey 1994: 3271).

In the early 1970s, the first attempts to explore the notion *metapragmatics* were made by the philosophers of language Searle and Grice- two well-known representatives of *Ordinary Language Philosophy* circle initiated by J.K.Austin in Oxford.

Watzlawick, Beavin and Jackson (1968) formulated the following metapragmatic principles, which, according to them, are essential for a successful communication:

- in a certain situation, every communication follows a definite content, thus creating a certain degree of relationship between the interlocutors,
- utterances do not happen in isolation, their interpretation depends on the context,
- 'all communicational interchanges are either symmetrical or complementary, depending on whether they are based on equality or difference' (Togeby 1998b: 708).

As a result, the conditions postulated by Grice (1975), Sperber and Wilson (1986), Leech (1983), Brown and Levinson (1987) refer to the linguistic norms to enhance successful communication (referred to as *cooperative principle* or *conversational maxims*

introduced by Grice, *relevance principle* introduced by Sperber and Wilson, *politeness principle* introduced by Leech).

Consequently, it can be asserted that the pragmatic rules, principles and the Gricean conversational maxims formulated within the field of pragmatics 'highlights the conditions, which make speakers' use of language possible and effective' (Caffi 1998: 581), and, thus function as integral components of meta-pragmatics.

3.3.1 Cooperative Principle

The cooperative principle of conversation postulated by P. Grice (1975) is the best known principle among all pragmatic principles. Its object is not the language, speech or grammar, but it is human communication. Its subjects are not speakers, but people making different types of interactional choices.

It can be assumed that pragmatic failures are much more compromising than grammatical errors. However, syntactically and semantically well-structured utterances given in an inappropriate context is a matter of an ineffective sometimes even controversial communication because the language users' shared metapragmatic knowledge is expected to result from the knowledge of culture-bound and context-bound communicative behaviour of a certain community. This kind of knowledge concerns 'the existence and functioning of recognizable strategies by which people match different kinds of action to different actual contexts' (Caffi 1998: 583).

Thus, it seems safe to state that the Gricean cooperative principle envisages general pragmatic guidelines followed by the partners of communication.

With a historical insight, P. Grice first proposed the cooperative principle of conversation in a series of lectures delivered at Harvard University in 1967. According to Grice, the cooperative principle is:

"Make your contribution such as required, at the stage at which it occurs, by the accepted purpose or direction of the talk exchange in which you are engaged" (Grice 1975: 42).

In other words, Grice postulated that in communicative interaction interlocutors assume that a certain set of communicative rules is observed, unless 'they receive indications to the contrary' (Thomas 1998b:176).

Grice's theory of the cooperative principle has been and continues to be extremely influential, as he tried to explain 'how a hearer might get from the level of expressed meaning to the level of implied meaning' (Thomas 1998a:171).

At the same time, Grice has never fully developed his theory. Thus, Margolis (1979), Haldcroft (1979), Pratt (1981) have criticised Grice's contribution because 'there are many gaps and several inconsistencies in his writings' (Pratt 1981: 6).

By developing the theory of cooperative principle, together with the related conversational maxims, Grice aimed at explaining the language properties which govern the generation and interpretation of *conversational implicature*.

According to Koktova (1998), conversational implicature can be defined as 'a different pragmatic meaning of an utterance with respect to the literal meaning expressed by that utterance' (Koktova 1998: 371).

To put it another way, this different meaning is intended by the speaker and expected to be understood (implied) by the hearer.

In consequence, Grice (1975) proposed the basic principles of conversation, which he postulated as 'maxims of conversation' and formulated as follows:

- I. Maxim of quantity: make your contribution as informative as required;
- II. Maxim of quality: do not say that for which you lack adequate evidence;
- III. Maxim of relation: be relevant;
- IV. Maxim of manner: avoid obscurity of expression; avoid ambiguity, be brief and orderly (Grice 1975: 47).

Yet, Grice was well aware that there are many occasions and reasons why interlocutors fail to observe the maxims. In *Logic and Conversation* (1975), he revealed those cases and was particularly interested in where and when the speaker:

- 'blatantly fails to observe a maxim or flouts a maxim',
- 'violates a maxim'
- 'is unwilling to cooperate in the way the maxim requires',
- 'is faced by a clash' (Grice 1975: 49).

In other words, the Gricean maxims expressing the assumed principle of conversation cooperation envisage, according to Corliss (1981), Kasher (1977a, 1977b), Kiefer (1979), 'real-world goal-sharing sense' (Kasher 1977b: 332). That is, when Grice considers the notion *cooperation*, he means that 'the speaker shares with the hearer some common goal or purpose beyond that of efficient message communication' (Thomas 1998b: 177).

Similarly, Kiefer (1979) interprets the Gricean maxims:

“The Gricean maxims attempt to describe cooperative communication in which the participants strive after the same goal and are equally interested in achieving this goal” (Kiefer 1979: 60).

Nevertheless, there are linguists, for instance, Haldcroft (1979), Margolis (1979), who consider that the Gricean maxims relate exceptionally to the theory of linguistic interaction, rather than to the more general theory of social interaction. Respecting Grice’s merits to propose a set of rules for good conversational behaviour, Koktova (1998) proposes an alternative solution:

“The maxims can be understood as psychologically basic principles of communication, being effective in simple situations (e.g., talking about facts, sequencing facts and alike); however, it often seems that non-observance rather than observance of maxims is the rule” (Koktova 1998: 372).

Thomas (1998a) asserts that the following conditions have to be considered when adopting the Gricean maxims for communication:

- the psycho-linguistic level, at which the Gricean maxims may be held,
- the linguo-pragmatic level, at which the principles of cooperation may be flouted ‘with the deliberate intention of generating an implicature’ (Thomas 1998a: 171).

Mey (1998), on the other hand, has classified the types of non-observance of the Gricean maxims (Mey, 1998a: 74-80):

- flouting a maxim: ‘blatant’ non-observance accompanied by the making of an implicature by the hearer (e.g., long-winded responses, instead of ‘yes’ or ‘no’),
- violating a maxim: the conscious generation of a misleading implicature, (e.g., trials, parliamentary speeches, arguments),
- infringing a maxim: the unconscious non-observance of a maxim by a speaker due to other reasons (e.g., the language users’ performance is impaired due to illness, nervousness, imperfect command of language, incapability of speaking clearly and to the point),
- opting out a maxim: unwillingness to cooperate in the way required by maxims (e.g., the speaker’s inability to answer for legal, ethical reasons),
- suspending a maxim: no expectation for the maxims to be observed (e.g., court proceedings, committees of inquiry, confrontational situations).

Considering the above mentioned, we can assume that the Gricean maxims being best known among the pragmatic functional principles can be viewed as general pragmatic

guidelines and normative rules of communication between the participants of conversation. In addition, correctness of utterance is not the only normative demand to be met from the linguistic viewpoint, 'the other is rationality' (Keenan 1976: 70).

If so, the Gricean maxims (maxims of quality, quantity, relation and manner) are good examples of the norms of rationality that govern the linguistic behaviour.

Referring to the application mastery of the Gricean maxims in the target language learners/users' communication, it should be admitted that the observance of the cooperative principle benefits favourably to succeed in a meaningful, purposeful, factual, context-bound communication. Even more, the four principles mentioned play an essential role in factual writing.

The norms of appropriate quality, quantity, relevance and manner are to be viewed, for instance, when designing procedural texts (instructions, recommendations, explanations, argumentations, etc.) around a sequence of events. Thus, presenting and maintaining the right amount of relevant information in a brief and clear way avoiding ambiguity and obscurity of expression is the basic demand to be met when designing written documents for banking/finance purposes: for example, reports, job descriptions, hortatory expositions (office memos, e-correspondence, the minutes of meetings). The significance of the quality maxim can be best viewed considering that hedging, or 'cautious notes expressed about how an utterance is to be taken' (Yule 1996:130), is used in cooperative interaction, providing the interlocutor is not totally aware or accurate of the facts, figures he/she is presenting (e.g., expressions, such as '*as far as I know*', '*I might be mistaken*', '*I'm not sure if it is right, but*', '*I think, I guess*').

Conversely, other forms of communication, when the interlocutor is conscious of the informativeness of the contribution (the quantity maxim), can be best viewed through the application of hedges to imply the language user's concern about the right amount of information he/she is providing (e.g., '*as you probably know*', '*I won't bother you with details, but*' and alike). Assuming the interlocutor is concerned about the relevance of the contribution (the maxim of relation), he/she applies such hedges as:

'I don't know if it is important, but...', *'this might sound irrelevant, but...'*, *'not to change the subject, but...'*, etc. Likely, the awareness of the expectations to be brief, orderly and clear to avoid obscurity and ambiguity (the maxim of manner) results in the interlocutor's usage of such hedges as *'I'm not sure if this makes sense, but...'*, *'I don't know if this is clear at all, but...'*, *'this may be a bit confusing, but...'*, etc.

The above mentioned usages of hedging benefit for producing off-record statements which are additional conversational implicatures that 'communicate the speaker's concern that their listeners judge them to be cooperative conversational partners' (Yule 1996: 39). On the one hand, reduced directness (off-record) is seen as a social value of politeness in interaction: an imposition of friendliness and good-will to succeed in good cooperative communication.

In terms of the present research, which focuses on investigating linguo-pragmatic principles governing written communication in English for Banking/Finance, it should be admitted that the cooperative principle of communication is worth analysing. On condition we view the linguistic norms and principles followed by the banking/finance community, we can ascertain that it observes the principle: contributions are to be as informative as required and as true as possible. At the same time, contributions are expected to be brief, clear, orderly and relevant: to exemplify only some of them, annual reports, general reports, banking statements, the Governor's speeches, official invitations and alike.

Finally, we assert that Grice's contribution has been a significant step made to examine systematically how interlocutors derive the ultimate message from the utterance. In addition, Grice recognized that the relevance maxim is probably the most important conversational principle to establish and maintain a brief and stimulating communication.

Sperber and Wilson (1986) took up the study and examined the kinds of inferences that occur in conversation. As a result, they offered a proposal that all the Gricean maxims can be subsumed under one principle, that is, the principle of relevance.

Brumfit (1987) noted that the Gricean cooperative principle provides, through a series of maxims (be: as informative, truthful, relevant, brief and orderly as possible) 'a list of presuppositions about the nature of communication, which will enable participants to make sense of one another's contributions'(Brumfit 1987: 27)

Reflecting on the Gricean cooperative principle and with regard to the underlying theme of our study, the following assumptions are put forward:

- *first*, like other social activities, participants of communication are mutually expected to recognize and share certain communicative conventions,
- *second*, the cooperative principle, proposed by Grice (1975), is not a set of rules of the English language or laws to be obeyed, but they are reference points for language interchange,

- *third*, the cooperative principle falling into four categories (quantity, quality, relation, manner) is to be introduced into the target language classroom because it benefits to developing qualitative topical, factual interaction/transaction,
- *fourth*, the applicability of the cooperative principle varies between different situations, different communities and cultures; it is related to the aspect of ‘face affect’ (Leech 1983, Brown and Levinson 1987), which envisages different cultural variation in the concept of *face*,
- *fifth*, a meaningful and purposeful utterance which result from the Gricean maxims (referred to as *conversational implicature*: Grice 1975, Levinson 1983, Allan 2001), is ‘the explanation of a speaker’s ability to assign interpretations to given utterances in given context and draw inferences from them’ (Horn 2003: 381).

3.3.2 Relevance Principle

Since the time Grice had postulated the maxims of cooperative principle of communication, many authors have studied ranking of maxims to define criteria for establishing and maintaining meaningful and purposeful communication.

Thus, Sperber and Wilson (1986), Werth (1985), Blass (1990), have voiced the idea that it is the relevance of utterance, which plays a principal role in a successful communication.

Sperber and Wilson (1986) observed that pragmatics needs only one principle, and that is the principle of relevance. They asserted that all the mental processes of communication can be viewed from the perspective of relevance, and, in addition, the principle of relevance appears to be of a core importance in studying human communication.

Hypothetically, Sperber and Wilson’s relevance theory (1986, 1995) rests on the uniformity of three constituencies:

- the notion of communicative act,
- the language users,
- the language users’ ‘cognitive environments’ (Talbot 1998: 778).

Similarly, Togeby (1998b) noted that ‘the principle of relevance makes manifest the intention behind the utterance’ (Togeby 1998b: 709).

Clark (1987), Wilks (1987) asserted that an utterance is relevant on condition it has a certain contextual effect.

Equally, Sperber and Wilson (1986) admitted that:

“The notion of a contextual effect is essential to a characterization of relevance: [...] the greater the contextual effects, the greater the relevance” (Sperber and Wilson 1986: 19).

Seemingly, the contextual information is a necessary prerequisite to presuppose that what people say is relevant and makes sense. If so, the fact of establishing and maintaining successful communication appears to be an implied aim of the communicative behaviour.

More specifically, Sperber and Wilson claimed that ‘a trustworthy communicator intends to make you believe something is an excellent reason for believing it’ (Sperber and Wilson 1986: 163) and asserted that all communication rests on either ‘informative’ or ‘communicative’ intentions of the interlocutors.

In consequence, Sperber and Wilson (1986: 39-83) asserted that three basic constituencies of the relevance principle underlie all communication:

- ostensive-inferential communication constituent: an interlocutor is engaged in ostension, but an interlocutor’s audience is involved in inferencing, which results in ‘a guarantee of relevance’ (Sperber and Wilson 1986: 50),
- informative and communicative intention constituent: an interlocutor intends a hearer to recognize an interlocutor’s intention to inform,
- cognitive environment constituent: an individual’s cognitive environment is his/her ‘manifest knowledge-the set of all the facts he/she can perceive or infer’ (Sperber and Wilson 1986: 39).

In brief, Sperber and Wilson’s basic idea rests on the assumption that ‘human cognition is relevance oriented (Sperber and Wilson 1986: 70), or as Mey (1998a) remarks: “Informative intention is a central trait of human communicative behaviour, [...] we are ready for something that will make sense (is relevant), and we build our understanding around that assumption (Mey 1998a: 81).

Thus, outlining the most salient points of the relevance theory in light of our research, we admit that:

- the principle of relevance is one of the basic principles to ensure and maintain efficient context-bound and audience-targeted communication,
- the term *relevance* implies an utterance in a specified context, the notion of context being an essential characteristics to view relevance as a significant norm of a meaningful and purposeful communication,

- interaction is considered to be a relevant one if it makes its informative and communicative intentions clear,
- the shorter is the time for an interlocutor to process the information obtained, the more relevant and direct is the information provided,
- the principle of relevance is closely linked to the principle of conversational cooperation because an interlocutor's intentions to be maximally relevant rest on the precise amount, quality, clarity, the sequence of information being delivered.

In light of the above discussed, we can assume that Sperber and Wilson have conducted their study by examining various kinds of inferences occurring in communication. Considering the Gricean maxims, Sperber and Wilson (1986) offered a proposal: all four maxims could be subsumed under one basic principle- the principle of relevance.

Attempting to identify the key role of the relevance principle applied in the field of our study, i.e., written communication in English for Banking/Finance, we admit that Sperber and Wilson's study results can be efficiently implemented in the target language studies in a variety of ways, for instance: to deal with avoiding ambiguity or vagueness in factual writing as both grammatical and lexical ambiguity usually cause problems in native/non-native interaction. Even more, lexical ambiguity in the areas of banking, marketing, stock exchange, is a daunting task for the target language learners/users to tackle.

Thus, the target language learners have to acquire and appropriately apply the specialist vocabulary, which is extensively used in the area of marketing and which is rich in military metaphors, for example, '*to make successful inroads into the market share*', '*a change of tactics in marketing*', '*to win a price war*', '*to withdraw from the market*' and alike.

The specialist vocabulary used in the field of banking is abundant in metaphoric expressions as well, for instance, '*dollar trading is thin*', '*commodity prices are erratic*', '*a quiet trade volume*', '*dollar makes rapid progress*' and so forth.

In consequence, we admit that:

- the context of the discourse, general knowledge of the world and speciality can help the target language learners/users to resolve the potential ambiguity and vagueness of utterances and establish relevant communication,
- context plays a beneficial role in understanding and interpretation of business, banking, marketing, accounting, stock exchange metaphors and metaphoric expressions.

Finally, according to Sperber and Wilson (1986) the relevance theory is an overriding principle governing communication. It offers insights into implicature and inferencing, which rest on social conceptions of informative and communicative intentions of the target language learners/ users and their cognitive environments.

In addition, the relevance theory explains the basic problem to be solved by the target language learners/users: 'why some utterances exhibit a clear and unambiguous meaning, but the others require a special effort on the part of the language learner/user' (Horn 1988: 115).

3.3.3 Politeness Principle

3.3.3.1 Concept of Politeness Principle

In ordinary language use, *politeness* refers to proper social conduct and tactful consideration of others.

As the object of this inquiry is written communication in English for Banking/Finance, *politeness* as a pragmatic concept relates to the ways in which the linguistic behaviour in the area of banking/finance is carried out.

Routledge Dictionary of Language and Linguistics (1996) defines that *politeness* is 'a combination of interpersonal considerations and linguistic choices affecting the form and function of linguistic interactions' (1996: 370).

Pragmatically speaking, politeness conventions are viewed as a complementary part to Grice's cooperative principle (1975), which envisages that communication is supposed to meet four of so-called Gricean maxims: the need to be informative, factually correct, relevant, and clear.

On condition that Grice's maxims attempt to view communication as an efficient, brief, relevant, and referential linguistic activity, the politeness principles address the relational goals, serving primarily to reducing tension in personal interaction.

The most comprehensive analysis of politeness principle has been carried out by Leech (1983) in his work *Principles of Pragmatics*, where the linguist reflected on six interpersonal politeness conventions: tact maxim, generosity maxim, approbation maxim, modesty maxim, agreement maxim, sympathy maxim.

Brown and Levinson (1987) in their contribution *Politeness-Some Universals in Language Use* proposed the notion a *face-saving view* of politeness. They viewed communication as a purposefully rational activity supported by an individual's publicly manifested self-esteem, or so-called *face*.

Social members of communication are supposed to maintain two types of face, namely, *positive face* being achieved through positive politeness, and *negative face* addressing negative face conventions. To put it differently, positive politeness strategies emphasize closeness between interlocutors by establishing common ground or by referring to desirable attributes in the hearer/audience. Negative politeness strategies suggest the social distance between interlocutors.

Reflecting on so-called Brown and Levinson's model, we assert that the model presents culturally and situationally defined factors of communication via three independent variables:

- social distance between a speaker/writer and a hearer/reader,
- positive politeness strategies, which emphasize a state of closeness between a speaker/writer and a hearer/reader by establishing, maintaining, confirming common ground, referred to as 'solidarity strategy'(Scollon 1983),
- negative politeness strategies, which denote a situational, social distance between interlocutors, referred to as 'defence strategy'(Scollon 1983).

As a result, the politeness principle, like the cooperative principle, can be distinguished as a series of maxims, which are expected to be evident in interaction/ transaction.

Admittedly, Leech (1983) observed that the fact of relationship existing between the indirectness of the English language and the politeness principle is quite questionable. In consequence, he proposed the model to analyse politeness by the use of six politeness maxims (Leech, 1983):

- I. The tact maxim: minimize cost to other; maximize benefit to other, which helps to distinguish the requests from offers and helps to structure directives, e. g, suggestions, orders, commands, prohibitions (Searle 1971: 1979).
- II. The approbation maxim: minimize dispraise of other; maximize praise of other, which helps to structure representatives, e.g, statements, descriptions (Searle 1971:1979).
- III. The agreement maxim: minimize disagreement between self and other; maximize agreement between self and other, which helps to function as a basis for achieving agreement or avoiding disagreement.
- IV. The modesty maxim: minimize praise of self, maximize dispraise of self.

V. The generosity maxim: minimize benefit of self, maximize cost to self.

VI. The sympathy maxim: minimize antipathy between self and other; maximize sympathy between self and other. (Leech 1983:119).

Leech considered that the tact maxim has the most marked influence on the way and manner how directives (Searle 1971), i.e., commands, requests, suggestions, orders, prohibitions, and commissives (Searle 1971), i.e., promises, threats, offers, are phrased. He stated that the approbation maxim is one of the most important politeness principles influencing phrasing of representatives (Searle, 1971), i.e., statements, descriptions, affirmations.

However, it is noteworthy that the model of politeness principle offered by Leech (1983) bears evident relation to three politeness maxims formulated by Lakoff (1973): '*don't impose*'; '*give options*'; '*make your receiver feel good*'.

Consequently, the conversational maxim view of politeness emphasises the enhancement of interpersonal relationships by minimizing the friction between the communication participants, thus ensuring efficient communication between the members of interaction. Though the politeness and cooperative principles might be seen as cultural universals, there is a considerable variation in their cultural manifestations because in different cultures and communities different emphasis is laid on key areas of importance such as time, property, friendship, expertise and so forth. If so, these differences may result in culture-bound communicative misunderstandings. Therefore, to show social consideration, courtesy is based on the politeness principles expressed via linguistic forms of indirectness.

According to Morand (1996), 'politeness is a context kind of communication in every culture, and it has a certain core of universal rules' (Morand 1996: 52).

However, the degree of contextuality varies from language to language and from culture to culture. Therefore, it is even not arguable that the language influences or shapes culture, and thereby behaviour.

3.3.3.2 Politeness Principle as Linguistic Norm

The above discussion of the selected theories in reference to the politeness principle attempted to identify the idea that languages differ in the conventionalization of pragmatic force and politeness. According to Leech (1983), Thomas (1983), the languages differ in their pragmalinguistic variation.

Consequently, the politeness principle constitutes a part of the pragmalinguistic knowledge to be possessed by the target language users. On condition relevant semantic structures of politeness conventions are mastered, one is able to demonstrate an appropriate style of spoken/written English according to the degree of interaction or distance between the members of communication. However, awareness and appropriate application of the politeness principle is a daunting task for non-native language users/learners to be tackled.

Within the framework of this inquiry, there arises a research question: which linguistic norms of politeness conventions can be mastered in the English-classroom setting?

As the present study is concerned with the written mode of the English language applied in banking/finance setting, the inquiry examines application of the politeness principle in banking/finance context.

3.3.3.3 Explicitness and Direct Statements

According to Pilbeam (2001), the British display a tendency to avoid over directness partly due to politeness, partly to avoid any confrontation. In view of this, Pilbeam's statement explains, for instance, the extensive use of modal verbs (*may, might, could, would, should*), modifying phrases (*slightly, somewhat, fairly, roughly, etc*) in the English language. For instance, '*your settlement is going to be late*' sounds more indirect if expressed '*your settlement might be slightly delayed*'. Thus, the conventions of the tact maxim should be observed when dealing with critical remarks in banking, finance context; to exemplify, instead of '*you are wrong about it*', the sentence '*we think you must be mistaken there*' would be expected.

Similarly, one of the main ways of presenting different viewpoint when disagreeing in a polite way would be considering the agreement maxim principles, for example, instead of '*this transfer would be better*', a more indirect way to disagree could be '*wouldn't this transfer be better?*', or instead of '*you should wait a while*', the sentence '*shouldn't you wait until...?*' would sound more polite.

Likewise, application of the tact maxim conventions is reasonable when complying with the demands set for a relatively formal register of the English language used in an office, to exemplify, instead of '*close the door as you go out*', the language users are expected to produce the sentence '*would you/do you think you could close the door, please?*'

In the same way, considering the modesty maxim appears to be appropriate to express, for example, proposals, offers ('*would you like us to close your account upon your request?*'; '*would you mind if we notify by mail?*').

Consequently, it should be admitted that the utterance itself may not imply its whole meaning; sometimes, almost the opposite meaning applies. At this point, taking into account the linguistic effects which might be attributed to using euphemisms seems to be an effective approach of coping with veiled meanings of comments, sometimes, requests or invitations. For instance, '*I will bear that in mind*' (I'll probably do nothing about it), '*that would be difficult*' (it is impossible), '*perhaps we could consider some other options*' (I don't like that idea), '*we must meet for lunch sometime*' (it is not a definite invitation).

Linking back to the aim of the politeness maxims, it is plausible to suppose that their principal target is to avoid communication conflicts, misunderstandings, confrontation provided the speaker and hearer might have different interests, desires or goals.

Therefore, it is taken for granted that all communication participants have *face* (Brown and Levinson 1987), i.e., they have two particular needs: the need to be unimpeded (negative face) and the need to be approved or respected (positive face). On condition that *face* consists of a set of needs, which can be satisfied by the actions of communication partners, face-saving will be the mutual interest of both partners of communication.

Taking into account our discussion regarding regulative speech acts (directives, commissives, expressives, assertions, representatives; Searle, 1971), we assume that directives and commissives might threaten the negative face of a communication partner (the need of unimpediment). In view of this, the communication partner is expected to minimize the face-threatening of the regulative speech acts by considering the principles of the tact maxim or the generosity maxim.

Similarly, provided that expressives and assertions theoretically might threaten the other's positive face (the need of approval), the speaker could minimize the face threatening by considering the approbation, modesty, agreement maxims.

In brief, our understanding of how the politeness maxims function in the English language is essential within the framework of this inquiry. On a practical level, we assume that the politeness maxims applied ensure that:

- information is offered in a comprehensible, clear, orderly, easy to process way,
- in the process of providing information, the communication partners act

- to satisfy the mutual communicative needs,
- to get the intentions of the speech act across in order to take off communication conflicts,
- to avoid communication breakdown.

3.3.3.4 Politeness Conventions: Positive and Negative Politeness

Linking to the above discussion, we admit that politeness conventions observed appear to be one of the key principles in successive communicative process between different cultures. Failing to use them according to the interlocutor's expectations, might result in inter-ethnic misunderstandings, especially – if politeness expressions are interpreted literally.

Thus, a positive politeness strategy leads the speaker/writer to establishing a common goal with the hearer/reader via language tools, through phrases such as '*how about..., I'd appreciate if..., is it all right if I..., could you do me a favour..., etc.*

Accordingly, the exposure of positive politeness is evident, provided that interlocutors:

- show interest in a person, in his/her well-being,
- share experiences and concerns,
- express admiration,
- enjoy somebody's hospitality.

However, in most English-speaking contexts, a negative politeness strategy applied appears to be a typical language norm. Besides, one of the most characteristic sentence structure forms seems to be a question containing a modal verb (*could, would, should, might*), for instance, '*might I ask you..., could I..., I'm sorry to bother you, but..., etc.*'

Briefly, a negative politeness strategy is characteristic when interlocutors avoid direct orders, when they express regret, apologize, disagree, solve conflict, strongly complain. Consequently, a negative politeness strategy being expressed typically via questions, results in opting for less direct, but, as one might expect, in less clear, generally longer, complex sentence structures causing greater efforts to the target language learners/users.

3.3.3.5. Politeness and Cooperative Maxims in Written Discourse

It is generally accepted that writing is a skill that is and can be acquired with maximum of conscious and persistent effort. It is not an instinctive skill that we are born with.

There are several reasons why writing is more complex than speaking. One reason could be that writing is a thought-provoking activity.

Due to the complex nature of written communication, a successful written text can not be created spontaneously. It requires a sufficient preparation and revision.

Although much business writing follows standard formats, phrases and in-house terminology, each task presents a new situation to tackle.

When developing the target language learners' written English competence, the task of acquiring written English proficiency becomes extremely challenging.

Thus, the professional documents provide information that result in some form of action.

Accordingly, writing in a professional context requires clarity, precision and conciseness.

In other words, the Gricean maxims mentioned above are heavily exploited in creating texts for professional setting. To exemplify:

- *first*, clarity is achieved if the writer knows exactly what information he/she is expected to communicate; clarity should be assessed from the viewpoint of the reader; highly subjective or obscure writing is the worst transgression in professional contexts; it forces the reader to re-read the document to comprehend the 'hidden meaning': being as relevant as possible is the case of politeness in written business communication because a clear and concise writing is viewed as a time-saving and cost-effective activity by business community;
- *second*, precision is achieved if the writer can quantify the information that he/she presents:
 - by choosing an appropriate context-bound terminology, expressions, politeness conventions,
 - by avoiding words, expressions that have many meanings and may be ambiguous,
 - by preventing any cases of confusion or misunderstanding,
 - by using the specialist terminology instead of vague or wordy descriptions, thus eliminating cases of redundancy;
- *third*, in writing for business purposes, being direct and modest but to the point is important, being tactful and polite is significant for a simple reason: in many cases, 'time is money', and the readers are to know if a document addresses their need without having to analyse it in detail.

Overall, professional writing does not aim only at informing the reader, it aims at pleasing the reader as well. Correct, accurate grammar, precision, conciseness are,

therefore, not the only criteria to judge a written text for a professional setting. The produced text should be diplomatic, which can be achieved by using politeness conventions (e.g., negative and positive politeness) and specific linguistic norms (e.g., modal verbs and modal verbs with perfect aspect). In addition, the text should give the readers the feeling of being respected and, at the same time, being informed and motivated.

3.3.3.6 Politeness Principle in Target Language Acquisition

Complying with *Common European Framework of Reference for Languages* (2001), the English language learners are to be familiarised with *politeness conventions*: a multiplicity of ways of how to demonstrate *positive* or *negative* politeness, appropriate modes of thanking, requesting, apologising, complaining, disagreeing, agreeing, refusing, suggesting and alike.

On a theoretical level, the target language learners/users are expected to know how to express the social distance between speakers/writers and their different role relationships, how to establish, maintain and save so-called *face*, or, in other words, the positive image or impression of a speaker/writer.

Common European Framework of Reference for Languages (2001) views politeness conventions as a linguistic norm of sociolinguistic competence, while pragmaticians (Kasper, Brown and Levinson, Fraser, Coulmas, Leech) attempt to identify politeness as a metapragmatic principle.

On a practical level, principles do not exist in an abstract world, they are expected to be identified and applied in the context of particular target language learners/users.

With regard to the above stated, we assert that the core principles of politeness conventions should be mastered within the target language acquisition process. In addition, the politeness principles can be mastered and practiced within the framework of pragmatic competence development aimed at being applied both interactionally and transactionally to communicate ideas adequately and according to the interlocutors' expectations.

Compared to the linguistic areas such as grammar, phonology, lexis and others, Rose and Kasper (2001) claim:

“The effects of instructional approaches on interlanguage pragmatic development referred to non-native language learners/users have been explored less than expected” (Rose and Kasper 2001: 121).

Admittedly, Kasper and Dahl (1991) assert that the research having been done indicates that pragmatic development ‘can be facilitated by instruction, particularly when that instruction is of an explicit nature’ (Kasper and Dahl 1991: 215).

Liddicoat, Crozet, Jansen and Schmidt’s (1997) study voices the idea that interactional norms of the target language can be taught and successfully acquired in a foreign language teaching context; however, ‘without sustained occasion for conversation in the target language, gains made during instruction may be difficult to maintain.’ (Liddicoat et. al.1997: 19-32).

Studies conducted by Gumpez and Levinson (1996), Wierbicka (1991), Gudykunst and Kim (1992) support the idea that:

“Culturally based differences about what is expected during communication can be a significant cause of cross-cultural communication difficulties”

(Rose and Kasper 2001: 125).

Research conducted by Bilbow and Yeung (1998), Gumpez (1982), for instance, proves that the target language learners/users misuse the surface forms of utterance which imply imperative. As a result, they face the problems resulting in misunderstandings or confrontation in intercultural interactions.

Teachers’ Handbook of Advanced Writing (1999) outlines some of the most salient points as referred to cultural relativity of conversational conventions and politeness strategies. It draws on the importance of maintaining balance between efficiency and relationship in communication. Besides, reflecting on the core principles to be considered in writing, it claims that ‘cultural differences will be realized through the way in which directness/indirectness is expressed and the amount of detail provided, and the use of inductive versus deductive information structure observed’ (1999:17).

Furthermore, the above mentioned handbook is concerned with other important factors of intercultural written communication, for example:

‘the value placed on harmony, avoidance of conflict, avoidance of displays of power, the obligations of people to fulfil actions, awareness of positioning a speaker/writer in relation to his/her audience’ (ibidem).

Thus, the linguistic norms of interaction/transaction, on which communication in the target-language culture is based, are, therefore, a significant component of the target

language acquisition. They have to be viewed as a culturally- and socially-bound phenomenon.

As the present inquiry is concerned with the study of the linguo-pragmatic principles underlying written communication in English for Banking/Finance, its author examines some of the linguistic choices made affecting the form and function of interaction/transaction. Thus, the research of communicative competence acquisition (e.g., Eisenstein and Bodman 1986, 1993) indicates that the target language learners' grammatical competence and pragmatic competence are separate and independent components and do not necessarily increase hand in hand. As a result, the target language learners/users may produce grammatically correct and complex sentences which, at the same time, are pragmatically inappropriate utterances.

As the English language differs in the conventionalization of pragmatic force and politeness, known as *pragmalinguistic variation* (Leech 1983, Thomas 1983) from, for instance, Latvian, the author of this inquiry has been interested in exploring those linguistic norms of politeness conventions which can be mastered in the target language classroom setting.

In the result of the study, the author of this paper has ascertained that at the foundation stage of acquiring the target language, the linguistic competence is a correct but inflexible manipulation of the language system. With more practice and experience, for instance, at the tertiary level, communicative language competence involves principles of appropriateness and a readiness on the part of the target language learners/user to apply relevant linguistic strategies to cope with particular language situations.

The findings of the present study evidence that native and the target language users differ in their pragmatic competence. Therefore, the language learning setting is one of the major variables in the development of the target language learners' pragmatic awareness. As a foreign language acquisition is deeply rooted in the community philosophy, in its culture and sensitivity to its social conventions, the present study asserts that the socio-pragmatic component of communicative language competence strictly affects the linguistic behaviour between representatives of different cultures. To put it another way, the knowledge of language alone does not adequately prepare the target language learners for an appropriate application of the language in meaningful contexts.

Therefore, learners are supposed to have the competence which includes the awareness of what is expected socially and culturally by the users of the target language because

there is a fundamental difference between the competence and the resulting performance of the native speakers and the target language learners/users.

On the whole, mastery of a foreign language requires more than the use of utterances that express propositional meanings. The form of utterances is expected to consider the relationship between interlocutors, on the one hand, and the setting and circumstances in which the act of communication occurs, on the other hand.

Tannen (1984), for instance, claim that those target language learners/users who have only mastered the basic vocabulary and syntax in their new language but who have not developed the skills in the domain of linguistic variability 'may find social interaction with native speakers in their new language to be a relatively negative experience and may become discouraged from pursuing language practice with native speakers' (Tannen 1984: 200).

The American anthropologist Dell Hymes, who has researched ethnography of communication and communicative competence, has asserted that the socio-pragmatic failure occurs when the target language learners/users do not know what to say/write and to whom. It causes a situation when the politeness norms of the English language are violated. Hymes (1968: 101) has noted:

"It is a question of what a foreigner must learn about a group's verbal behaviour in order to participate appropriately and effectively".

Summary

This chapter has concerned itself with examining the relationship existing in the division of the pragmatic field, namely, micropragmatics, macropragmatics and metapragmatics.

The division of the pragmatic field mentioned above does not deal with a strict and conceptual delimitation of the fields of research. Rather, the division benefits to the study of pragmatics, 'which is the study of language from a user point of view, where the individual components of such a study are joined in a common societal perspective' (Mey 1998: 725).

As it has been outlined in Chapter II of the present study, pragmatics is a 'young' sub-discipline of linguistics. Its origins date back to the early 1970s as a reaction to the collapse of some of the earlier theories, Chomsky's (1957) 'syntactic structures'- in

particular. Kuhn (1962) wrote that what was happening at that time was a 'paradigm shift in the most classical sense' (Kuhn 1962: 16).

Theoretically, pragmatics resting on the findings of the London School of linguistics, on the traditions of *Ordinary Language Philosophy* circle, on Levinson's contributions (1983), is, on the one hand, interested in the importance of the *context* and the *user*. On the other hand, pragmatics places an emphasis on functions of the language (the Prague School of linguistics, the Bühlerian model of the functional approach, Jakobson's (1960) model).

As regards this inquiry, it has focused on the study of pragmatics via examining language functions in a banking/finance context, the target language learners/users being at the centre of attention, or as Mey (1985) has asserted 'pragmatics is the linguistic dimension of social interaction' (Mey 1985: 2).

On condition that the most important criterion for the language is to fulfil its communicative function to get the message across, the division of pragmatics into micropragmatics, macropragmatics, and metapragmatics has promoted the study author's understanding of:

- how the language is used in smaller contexts, i.e., on the level of a sentence (micropragmatics),
- how the language is used in a variety of ways and settings (macropragmatics),
- how the language is used in a multiplicity of circumstances and conditions (metapragmatics).

In this respect, the first part of Chapter III analysed the English language from its micropragmatic perspective, placing an emphasis on:

- indexical and referential properties of the language,
- context and its features,
- the concept of presupposition,
- the speech act theory.

The above discussion has proved that the indexical properties of the English language, referred to as deixis, are represented:

- by personal pronouns to index the current language user and the current addressee in the utterance context,
- by spatial expressions to index place close to the language user/addressee,
- by temporal expressions to index time coinciding with the language user's utterance.

Searle (1969) reflecting on referential expressions asserted that the speech act is created if a speaker/writer makes an utterance to a reader/hearer in a particular context and uses the following forms of reference:

- situation-dependent reference, expressed via pronouns, definite articles and deictic expressions,
- situation-defining reference, expressed via illocutive expressions: intonation, punctuation, modal auxiliaries and indicators of verb mood, word and clausal order,
- situation-independent reference expressed via proper nouns.

Taking into account that the deixis acts as a link between semantics and pragmatics, the appropriate meaning of the deictic expressions can be determined within the context of actual language use. On condition that the utterances are viewed in specific contexts, the indexicals bear pragmatic characteristics.

Thus, phenomena such as reference and deixis point to the contexts that are larger than a single utterance, and, therefore, are seen as the syntactic and semantic coordinates of the sentence.

Referring to the notion *context*, it was the Firthian linguistics that conducted sustained research on language use and language usage both in situational and linguistic contexts in the early 1960s. From the 1960s and onwards, there was a shift from the Firthian 'context of situation' to the 'conditions of use'. Austin and Searle's *Speech Act Theory* viewed speaking as an act which is performed under certain 'contextual conditions'.

The early 1970s defined the research interest in investigating the relation of the social meaning of the language system and the language use in a social context. In this way, there appeared new cross-disciplinary fields: *discourse analysis*, which studied how sentences function in meaningful contexts and *textual grammar* (Halliday and Hasan, 1976), which studied the relationship between sentences, i.e., cohesion and coherence.

According to Cook (1992), context displays the following features: substance, paralanguage, situation, co-text, inter-text, participants. In addition, he asserts that text and context form discourse, which is perceived by participants of communication as a meaningful and unified notion.

With a focus on the object of this inquiry, it was discovered that presupposition is not only a necessary precondition to explain the linguistic phenomena of the English language. Presupposition functions as a link between 'outer' world of language users and their social conditions and environmental setting.

IV. English for Specific Purposes- Component of Societal Pragmatics

4.1 English for Specific Purposes- Interdisciplinary Variety of English

The issue of societal pragmatics is basically linked to the relationship existing between the target language users' communicative competence and the societal context in which the acquired language competence is applied.

The question of how the language learners acquire the target language and, according to Austin (1962) 'what they do with their words' serves to explain human linguistic behaviour in a societal context.

Consequently, there exist certain societal factors which influence the development and use of the language.

It is therefore not surprising that the research interests for about the last 40 years have concentrated on how to prepare the target language learners for the English language use both for academic and professional purposes.

Assuming that in the majority of cases competence in the English language is sought by people who need it primarily for instrumental reasons rather than only for educational experience, the present study tends to assert that the essence of English for Specific Purposes (ESP) lies in matching the target language competence to the needs of the target language learners/users.

As the scientific, technological, political and economic progress of the 21st century has given a rise to a very rapid expansion of the demand for the English language, it has become one of the basic means of international communication in the areas of politics, economics, information technologies, medicine and so forth.

On a theoretical level, the notion *English for Specific Purposes* has been defined in a multiplicity of ways.

Thus, Glaser (1998) admits that 'ESP is a functional variety of language use and is to safeguard adequate and effective communication in a specific subject area' (Glaser 1998: 469).

Sager et al. (1980) note that 'special languages are semi-autonomous, complex semiotic systems based on and derived from general language, there being no absolute borderline between general and special language'(Sager et al.1980: 68).

Sager's ideas that 'the threshold between general and special language can be delineated only by pragmatic criteria derived from usage' (ibidem) is vital in the context of the present research. It supports our assumption that a competent use of ESP is basically linked to a special training in a core discipline, where the English language serves as a common means of communication.

The seminal work by Hutchinson and Waters (1987, 1992) envisages that 'ESP is not a particular kind of language or methodology [...]; it is an approach to language learning' (Hutchinson and Waters 1992: 19).

Stevens (1988) has claimed that ESP is aimed at:

- meeting specific needs of the learner,
- referring to particular occupational areas,
- being centred on the learners' language proficiency (Stevens 1988: 7-11).

Having analysed the typical features of ESP, Robinson (1991) identified that ESP is 'goal-oriented; it has limited duration, and it is generally taught to intermediate or advanced learners of English in homogeneous classes' (Robinson 1991: 3).

Dudley-Evans (1998), reviewing the distinctive features of ESP having been proposed by Robinson (1991), Stevens (1988), Hutchinson and Waters (1987) expanded the notion of ESP by formulating two additional concepts:

- *first*, ESP may be designed for specific disciplines or professions,
- *second*, ESP materials will always draw on the topics of specific purpose (Dudley-Evans 1998: 4).

Within the framework of the present research, we tend to assert that communication by means of ESP is a social manifestation of the English language use. Therefore, we believe that ESP being a functional variety of language use is to be regarded in the context of applied linguistics and is to be analysed considering the pragmatic principles of language use.

Provided that ESP manifests itself both in a spoken and written discourse, it materializes in a form of text. Thus, ESP text can be viewed as a text:

- bearing a pragmatic function,
- containing specialist field related information,
- revealing the text author's attitude to the subject under discussion,
- demonstrating syntactic, semantic, stylistic properties of the English language,
- having a strong emphasis on a clear text organization, a concise and factual textual development and a precise usage of specialist vocabulary.

In sum, considering that current needs for ESP are undergoing rapid changes, we tend to claim that ESP is primarily based on:

- the target situation analysis,
- the target language learners' immediate needs analysis,
- the target language learning styles analysis,
- the study materials analysis.

Thus, being closely linked to General English, the English language used by banking/finance community can be distinguished as a goal-oriented functional variety of ESP use which stands out as the language extensively exploiting the properties of specialist vocabulary:

- metaphoric expressions bearing specific context meaning, e.g., *bullish market*, *bearish market*, *blue chip shares*, *index-linked bonds*, *seed capital*, *Bill of Exchange*, *Letter of Credit*,
- professionalisms to refer to money matters: financial trends, financial indicators, bank analysis and auditing, foreign exchange and money markets, e.g., *Gross domestic product*, *current account balance*, *industrial output*, *average monthly salary*, *bank prime rate*, *sound money*, *legal tender*, *fiduciary issue*, *promissory note*,
- abbreviations to deal with the banking environment, e.g., *BIN-Bank Identification Number*, *OTC-Over the Counter*, *AIBD-Association of International Bond Dealers*, *VRM-Variable Rate Mortgage*, etc., to refer to banking services, products and procedures, e.g., *EFT-Electronic Funds Transfer*, *IMF-International Monetary Fund*, *APR-Annual Percentage Rate*, *VAT-Value Added Tax*, etc.,

Perspective on English for Specific Purposes Research

The majority of the first research into the field of ESP was conducted in the early 1960s. This period was concerned with the study of the properties of subject-specific communication, and it focused mainly on investigating:

- specialist vocabulary,
- word formation patterns,
- the sources of terminology,
- the semantic relations between subject-specific words and phrases.

This inquiry views English for Specific Purposes (ESP) from a synchronic perspective. However, to understand the prevailing tendencies in ESP development, the study offers a diachronic perspective on ESP as well (see: Annex 1).

The research of the selected theories of the end of the 20th century and of the beginning of the 21st century reveals that at the outset of the new millennium, ESP displays interest in

- ‘materials production and text analysis, of both written and spoken discourse, which still predominate in ESP’ (Dudley-Evans 1998: 31),
- sociological studies of professions (Gilbert and Mulkey 1984),
- rhetorical studies of professional writing (Bazerman and Paradis 1991),
- rhetorical studies of economics genre (Mey 1998c, Dudley-Evans and Henderson 1990).

However, little research seems to have been conducted in the field of banking discourse. Some authors, such as Johnson (2000), Pratten (1997), Corbett (1990), are well-known for bringing the real world of banking and finance into the English language classroom. Therefore, this study attempts to investigate the complex nature of English for Banking/Finance (EBF) in order to report on the core linguo-pragmatic principles underlying written communication in EBF. As a result, this inquiry attempts:

- to characterize the banking/finance domain-related language as a means of international communication,
- to view the approaches to be taken to bring the specialist language into the target language classroom considering banking/finance community’s requirements in the current situation in Latvia.

4.2 English for Banking/Finance- Functional Variety of English for Specific Purposes

ESP, being classified according to clear-cut criteria set by professional domain, falls into the following basic divisions (Dudley-Evans 1998, Robinson 1991):

- English for Academic Purposes, by which we mean English for Banking/Finance, English for Economics etc. provided that it is acquired at the academic tertiary level, for instance, at the Banking Institution of Higher Education,
- English for Occupational Purposes, for instance, English for Banking/Finance, provided that its proficiency is enhanced in a professional context, and it is aimed at meeting the professional purposes of a banking/finance setting.

Consequently, it would not be appropriate to assert that English for Banking/Finance (EBF) is a specific language variety bearing only defining features (e.g., banking terminology) of the English language applied in banking/finance context. Conversely, EBF representing certain properties of a specified sociolect being purposefully applied exhibits common-core linguistic features of General English. EBF is governed by the English language properties applied in the areas of economics, marketing (so called *economese*, Mey 1998c: 273), and it is characterised by an abundant usage of specialist vocabulary.

Subsequently, it can be assumed that, on the one hand, EBF represents specific linguistic features (e.g., a limited range of tenses, high frequency vocabulary, and factive verbs). On the other hand, it displays strict norms of institutional language and the principles distinguishing Business English (see: Chapter III). In addition, it maintains a specific character of *economese*, which, according to Mey (1998c), is 'easy and immediate conversion of social values to calculable monetary units' (Mey 1998c: 274)

In view of this, we tend to assert that:

First, EBF is a goal-oriented and authentic materials-based functional variety of ESP use. Regarding the ESP classification model (Dudley-Evans 1998, Robinson 1991), it can be considered that EBF is the language applied for professional purposes and is used either for making theoretical/analytical statements of general business nature (e.g., analysis of economic situation) or for revealing specific banking/finance-related situation (e.g., forecasts of currency exchange rates).

Second, EBF is a specialist language. Its use is a part of social (interactional) and information conveying (transactional) processes (Brown and Yule 1983b). Being a

means of communication occurring in meaningful contexts, EBF is seen as a linguistic behaviour performing three basic macrofunctions of the language (Lyons 1977, Halliday 1978):

- the *social* language function to establish and maintain social relations between interlocutors,
- the *descriptive* language function to ensure collecting and disseminating banking/finance area-related information dealing with money-circulating, money-reserving, money-lending, money-saving and money-exchanging matters,
- the *expressive* language function to accumulate and provide information about the target language user (e.g. a bank/financial institution).

Besides, communication in EBF fulfils an additional function of the language use, i.e., the *representation* language function (Castelloti 2002). It offers an insight into how the emerging global economy performs within a framework of competitive and interdependent processes. As a result, the prevailing tendencies occurring in the area of banking/finance are revealed, and it benefits to distinguishing the general nature of the social bonds existing between different players of banking/finance community.

Third, EBF being a specialist language bears full amount of professionalisms at the same time representing the features of non-scientific metaphorical language; to illustrate, *to pour money into the project, to be confronted with economic variables, to interpret the quoted values, to be in the red, to be in the black, to break even, to come into money.*

In this way, EBF performs as a functional variety of English for Specific Purposes and is applied to reflect on a wide range of processes occurring in the area of economics, in the domains of banking and finance in particular. It is the language full of rhetorical devices and means of figurative speech to deal with issues related to banking/finance setting. It involves the properties of Business English and exhibits essential features of institutional language use. It may be restricted to the learning needs (e.g., written English for Banking/Finance), but generally it involves balanced and integrated language skills (reading, listening, speaking and writing). Being based on a particular type of vocabulary, linguistic materials and teaching methodology, EBF is a specific target directed (Robinson 1991), taught basically to adults in a homogeneous English language classroom both for academic and professional purposes.

Resting on the linguistic norms of General English and manifesting semi-autonomous, complex semiotic properties of the English language, EBF usually materializes in the form of texts.

In view of the above stated, the present study asserts that written communication in English for Banking/Finance represents the following linguo-pragmatic features:

- It is a specific context-bound genre demonstrating its internal text linguistic and external text pragmatic properties.
- It exhibits discursive elements: conceptual and physical organization of information, coherence markers via pronominalization and cohesive devices, evident elaboration of text in terms of theme/rheme progression.
- It displays specific macropragmatic features such as norms of institutional language: formality, clarity, conciseness, factuality, accuracy, thus exhibiting particular stylistic properties of the English language used in banking/finance setting.
- It demonstrates marked micropragmatic features: high frequency speech act verbs, textual referentials which serve as cohesive means both within and between paragraphs, thus contributing to coherence of the whole text.
- It is governed by metapragmatic linguistic principles and norms: cooperative principle, relevance principle and politeness principle, which contribute towards reaching the communicative purpose of the text.

4.3 Principles of Written Communication in English for Banking/Finance

4.3.1 Annual Report Genre Analysis

The Chapter III of this study has asserted that the unit of description in macropragmatics is the discourse, while the unit of description in linguistics is the sentence. In line with this statement, the chapter has offered an insight into the discourse of business language claiming that business language represents a specific language corpus and denotes a particular type of communication occurring within a well-defined context.

Consequently, with the purpose to understand the established principles of written communication occurring in banking/finance setting, the present inquiry rests on the above given study and description of EBF linked to the forthcoming analysis of one of the most important and widely applied genres of written communication in banking environment: annual reports.

Having observed how reports are drawn up and how widely they are used in inter-bank and intra-bank information circulation, the author of this study has ascertained that in

real life situations annual reports are one of the prevalent written documents issued for storing, filing and disseminating financial information both domestically and abroad.

In consequence, longitudinal examination of the communicative properties of annual reports raised the study author's research interest in:

- identifying the language functions this type of document fulfils,
- analysing the textual properties and communicative intentions this type of document manifests.

Yet, it should be noted that the conventions observed in annual reports do not necessarily comply with other rules and regulations set for writing in banking context. For instance, feasibility studies, proposals and submissions, inter-bank memos fulfil their own communicative purposes and present their own textual norms: text structure organization and text progression principles.

Having examined the communicative purposes and text organization principles adopted by documents produced for banking/finance community, the author of the paper asserts that the annual report genre incorporates overall features common for lengthy writing produced for banking/finance purposes.

Thus, annual reports are compiled to communicate financial information in a written form at institutional, governmental, intra-institutional, inter-institutional and inter-governmental levels by banking/finance community. Considering the above mentioned, it should be admitted that written communication in EBF being a social manifestation of the English language fulfils its communicative purposes via the following macro-functions of the language:

- the social representation function (Jodelet 1989, Bonardi 1999, Castelloti 2002),
- the descriptive function (Lyons 1977, 1981),
- the textual function (Halliday 1978, 1985).

At the end of the 20th century, there emerged an increasing number of linguistic and educational studies on the nature and structure of *social representations* of the language. Jodelet (1989) asserts:

“A social representation is a form of a language function, [...] which contributes to the construction of a common reality for a social group”(Jodelet 1989: 15).

The traditional definitions of the notion *representations* distinguish three basic aspects of this language function:

- representations are developed in and through communication,
- representations construct or reconstruct the reality,

- representations shape the surrounding environment.

Bonardi and Roussiau (1999) have conducted a research on the social representation function of the English language. The linguists have identified:

“Analysing a social representation of the language means attempting to understand and explain the nature of the social bonds between individuals, social groups and the social practices they engage in” (Bonardi and Roussiau, 1999: 25).

In light of this inquiry, it should be admitted that annual reports are produced by banking/finance community to communicate financial situation of an institution at a micro level, or to communicate monetary/fiscal information of a country at a macro level. The main function of this document type is to disseminate the information of a general nature, which fully characterizes an institution’s microeconomic, or the country’s macroeconomic situation. Therefore, annual reports perform the social representation function of the language which contributes to:

- shaping the processes and/or strategies developed through implementing financial policy by banking/finance community either at a microeconomic or at a macroeconomic level,
- establishing the links between counterparts of banking/finance community and maintaining the social relations between interlocutors in terms of their linguistic behaviour,
- assessing the effectiveness of the procedures established and followed by banking/finance community.

As to the descriptive language function, written communication in EBF conveys factual, banking/finance area-related information and offers an insight into the data of banking/finance nature.

As to the textual language function, Halliday (1978) has stated:

“The textual function is to create written or spoken texts, which cohere within themselves and which fit the particular situation in which they are used”(Halliday 1978: 12).

The textual function of the language benefits to producing smooth written communication in English for Banking/Finance. It is concerned with the way how the parts of annual reports are organized and related to one another in order to form a meaningful transaction in banking/finance context.

Thus, on the basis of the empirical knowledge gained from teaching the target language learners to draw up reports for the banking/finance setting, the author of the present

research admits that annual reports exhibit their text-internal linguistic and text-external pragmatic features. To analyse them, it is important to define the notion *report*:

“A report is an informative formal piece of writing concerning a particular situation and is written in response to request or instruction” (Evans 2002: 120).

Further, this paper focuses on studying the annual report genre to acknowledge its text structure organization and thematic progression principles, its communicative event and communicative purpose defining principles: the conventions specific for a particular type of written communication maintained by banking/finance community.

To analyse the genre of annual reports, the study considers the definition of *genre* offered by Swales (1990):

“Genre is a class of communicative events that share some sets of communicative purposes recognized by the expert members of the discourse community” (Swales 1990: 3).

Consequently, the paper views the annual report genre from two perspectives:

- from the perspective of annual report text-internal elements,
- from the perspective of annual report text-external elements.

Corpus of the Study

On a practical level, the corpus of study consists of the annual reports issued by two national banks, the Bank of Latvia, the Bank of England, and one international bank, the European Central Bank. As the implied aim of this study is to view the current tendencies governing written communication performed by banking/finance community, the annual reports issued in European banks were selected to investigate the object of this research: written communication in English for Banking/Finance. For the study purposes, the annual reports published in the period of this research conduct, i.e., the years 2001 and 2002 were selected.

It should be noted that the Bank of Latvia and the European Central Bank function within the unity of the Eurosystem of Central Banks. The Bank of England has not joined the Eurosystem of Central Banks, yet. Nevertheless, the European banks' annual reports comply with the approved standards established for their text organization, thematic development and communicative purposes.

In line with the above stated, the author of this paper has selected the following authentic documents:

Bank of Latvia: Annual Report 2001 (BL),

Bank of England: Annual Report 2002 (BE),

European Central Bank: Annual Report 2002 (ECB).

Providing that that the primary goal of this study is to analyze the text linguistic and text pragmatic properties of the annual report genre underlying written communication, the secondary goals of this inquiry are:

- to see how annual reports as authentic linguistic materials can be applied in the target language classroom,
- to study the annual report genre with a purpose to adopt the genre-based approach to developing the target language learners' written EBF proficiency.

4.3.2 Annual Report Genre: Text Linguistic Analysis

In text linguistics, the unit of description is *text*, which, according to Togeby (1998a) is 'a linguistic unit larger than the sentence, consisting of well-formed sentences and dealing with the internal linguistic conditions for textuality: cohesion, coherence and composition' (Togeby 1998: 1008).

On a theoretical level, the issues of cohesion, coherence have been referred to in Chapter 3.2.2 of this study. On a practical level, the present inquiry attempts to examine the distinctive text-internal properties of the annual reports in terms of analysing their surface level elements and forms used to construct cohesive and relevant flow of factual information via application of the following linguistic means:

- thematic development principles,
- text structure organizational principles,
- information sequencing principles.

4.3.2.1 Thematic Development Principles

Within the framework of hierarchical text typology, the thematic development of texts falls into descriptive, argumentative, narrative and explicative texts (van Dijk 1972b: 297-323) Therefore, the underlying text thematic development principles serve as important text organizational structure criteria to analyze the annual report genre.

Assuming that *Descriptions* and *Reports* belong to the text categories referring to the type of *factual writing* (Martin 1990: 6), this inquiry asserts that the annual report genre

under study applies to the category of *Descriptive Reports* (Marsen 2003: 135). Being primarily based on presenting generalized factual information and not intending to analyse financial data, annual reports have an informative nature.

Considering the internal principles of report text thematic organization, this study states:

- the annual report genre refers to the category of Descriptive Reports (Martin 1990, Marsen 2003) due to its descriptive thematic development,
- the annual report genre belongs to the type of Informative Reports (Rozenbergs 2004) due to its informative nature and the communicative event, in which the communicator transfers information to the target audience by relevant linguistic means and with a consideration of a particular social and/or institutional context.

As a result, to offer an analysis of information progression principles observed in the annual reports, the present research has approached the annual report genre study from the perspective of report-internal features. Therefore, the author of this paper has based report-thematic progression study on the Hallidayan (1985, 1994: 139-156) systemic-functional model of linguistics, which has evolved from the Functional Sentence Perspectivists' theories (Firbas 1986, Kopple 1983; discussed in Chapter 1) Consequently, the principles of thematic progression in the annual reports have been viewed considering the following text-internal features:

- theme/rheme alteration,
- textual reference,
- usage of proper nouns and abbreviations,
- surface/sentence level structural forms,

4.3.2.1.1 Theme / Rheme Alteration

In annual reports, theme/rheme alteration principle is applied as a text cohesive element in a paragraph, where its topic sentence introducing the main theme of a paragraph is supported by evidence statements functioning as a rheme of the same paragraph.

For instance, "Mr. Einars Repse resigned from the post of the Bank of Latvia's Governor (theme).

Mr. Repse was elected Governor in 1991 and re-elected in 1997. It was under his guidance that the Bank of Latvia evolved into a modern central bank pursuing strict monetary policy (rheme)" (BL 2001: 2).

"Links between the Bank and the Office for National Statistics have become closer over the past year (theme).

The Office for National Statistics has run a number of courses for Bank staff, have explained how various statistics are constructed and the Bank staff have given a number of seminars on how statistics are used (rheme)" (BE 2002: 18).

4.3.2.1.2 Textual Reference

In annual reports, textual reference is achieved via the co-occurrence of groups of surface level linguistic forms, referred to in this study as *referentials* (Chapter 3.1.1). These surface level linguistic elements (anaphora and cataphora) benefit considerably to smooth a report text progression within a paragraph. The anaphoric and cataphoric linguistic elements function as effective text-constructive means used for sentence cohesion purposes.

For instance, *"The Committee is chaired by the Governor. Its other members are D. Klementi and M.King"* (cataphoric reference, BE 2002: 12).

"Given these counterbalancing factors, the Governing Council kept the minimum bid rates unchanged at 3.25%"(anaphoric reference, ECB 2002: 8).

However, guarding against ambiguity or confusion, often at the expense of style, a wide use of pronouns instead of nouns is not typically accepted, especially if there are several nouns in the previous sentence to which the pronoun might refer.

4.3.2.1.3 Proper Nouns and Abbreviations

Banking discourse is characteristic of an extensive usage of proper nouns and abbreviations, which, on the one hand, grant the factual precision. On the other hand, they pose a range of problems to non-professionals to understand the theme completely.

For instance, *"The latest data from Eurostat show an average deficit of 2.2% of GDP. In October 2002, the ECOFIN Council decided on the existence of an excessive deficit in Portugal"* (ECB 2002: 51).

"The experts from the IMF and the WB expressed positive evaluation on the operation of the SAMS and the EKS, recognizing their conformity with the Core Principles for Systemically Important Payment Systems (BL 2001: 41).

“It is published in the Financial Stability Review, and discussed with international colleagues in the FSF, the BIS Committee on the Global Financial System, the ECB’s Supervision Committee and elsewhere” (BE 2002: 23).

4.3.2.1.4 Surface/Sentence Level Structural Forms

Banking discourse research (Klimova 1999) has testified to the usage of a limited number of syntactic forms of subordination in annual reports with the purpose to construct a set of relevant assertions ‘from the level of sentence to the level of structuring of a text’ (Grabe and Kaplan 1998: 71).

The author of the study has observed the following syntactic forms of subordination in the annual reports under discussion:

- opening verbless clause constructions,
- opening adverbial clauses (typically: clauses of reason, concession, time, condition),
- opening participial clauses.

Opening Verbless Clause Constructions

According to Biber et al. (2002: 461), a verbless clause is a type of a non-finite dependent clause with no verb. In view of this definition, this inquiry has examined the above mentioned annual reports, and has identified that they extensively apply verbless clause constructions to introduce the theme sentence of the paragraph.

For instance, *“With slight inflation, real interest rates on loans and deposits in Lats decreased”* (verbless clause construction, BL 2001: 20).

“Since its launch, this framework has functioned satisfactory, and work is continuously undertaken to enhance portfolio and risk management techniques” (verbless clause construction, ECB 2002: 79).

“As the central bank of the United Kingdom, the Bank is committed to promoting the public good by maintaining a stable and efficient monetary and financial framework” (verbless clause construction BE 2002: 10).

Opening Adverbial Clauses

The opening adverbial clauses are observed in all the annual reports considered. However, it should be noted that each annual report has its own conventions:

The Bank of England Annual Report 2002 mostly applies the opening adverbial clauses of reason, concession and condition, to exemplify:

“In the event of a serious technical failure or unavailability of systems, the Bank maintains remote contingency facilities to support its own operations and the market-wide systems run by the Bank” (clause of condition p.55);

“As mandated by Court, the Bank has built up the research effort supporting its financial stability remit” (clause of reason, p.24);

“Although the regime is non-statutory, the Bank has generally found system operators receptive to the issues raised by the oversight process (clause of concession, p.23).

Thus, *the Bank of England Annual Report 2002* uses a relatively small number of subordinators with the opening adverbial clauses. They are the subordinators of concession (*although, whereas*), reason (*for, as*), condition (*the prepositional phrases- in the event of, in the event that, conjunctions in the form of participles- provided/providing that*). The subordinators mentioned, the prepositional phrases and the conjunctions in the form of participles begin the great majority of finite clauses but are rare with non-finite clauses. The opening adverbial clauses in the annual report mentioned commonly maintain a special linguistic function, they:

- establish cohesion,
- maintain information flow,
- frame the subsequent discourse.

The European Central Bank Annual Report 2002 commonly uses the opening adverbial clauses of reason, time, concession and condition, applying a relatively limited number of subordinators with the opening adverbial clauses. They are the subordinators of concession (*although, while*), reason (*as, for, since*), time (*since, as*) condition and contingency (*if, the conjunction in the form of participle given that*).

To exemplify, *“Given the high volume of euro coins frontloaded to banks, the number of euro coins in circulation increased by only 2.6%”* (clause of condition, p.131);

“For marketable tier one and tier two assets, a single reference market is selected as the price resource” (clause of reason, p.85);

“Since October 1999, the ECB has been publishing data on nominal and real effective exchange rates for the euro” (clause of time, p.164);

“Although the use of the euro is not widespread in the exchange rate arrangements of the area as a whole, the ECB is of the view that the euro plays an important role for several countries” (clause of concession, p.112).

It might be relevant to notify that the *European Central Bank Annual Report 2002* commonly uses the above mentioned types of the opening adverbial clauses as one of the linguistic means to state the theme of the paragraph, thus focusing on the most topical information of the statement and attracting the readers' attention. In addition, it seems relevant to state that the subordinators typically bear only one semantic role in the annual report. For instance, according to Biber et al. (2002), the subordinators *as, since* are the 'subordinators expressing multiple meanings: *as-* reason, time, manner meanings; *since-* reason, time meanings' (Birber et al. 2002: 381)

However, the author of the paper has observed a strong connection between the annual report register neutrality/formality and the use of subordinator meaning. To illustrate this statement, the paper considers the case of *since*. Thus, Birber et al. (2002: 380-382) assert that *since* as the time subordinator is used commonly in spoken English, but *since* as the reason subordinator overwhelmingly marks reason in academic texts. The present study has ascertained that in the overwhelming majority the annual report employs *since* in the meaning of time, thus marking the neutrality and formality of the register.

“Since the introduction of the euro banknotes and coins and the payment infrastructures to the euro on 1 January 2000, public attention and demand have focused on the further development of the single euro payment area” (opening adverbial clause of time, p.146);

“Since 2002, TARGET participants tend to submit their payments early” (opening adverbial clause of time, p.12);

“Since its launch, this framework has functioned satisfactorily, and work is continuously undertaken to enhance portfolio and risk management techniques” (opening adverbial clause of time, p.79).

Therefore, this study states that:

- a single subordinator usually undertakes one semantic role in the annual report text,
- the choice of a subordinator meaning is restricted by the register of the annual report,

- the initial position of the subordinator performs a special linguistic function and ensures smooth information flow within the discourse.

To refer to the usage of opening adverbial clauses in case of *the Bank of Latvia Annual Report 2001*, it should be noted that this document uses a reduced number of opening adverbial clauses to introduce a theme of a paragraph. The study has observed only some cases of the opening concession and reason clauses applied.

To illustrate, "Although the Bank of Latvia's foreign reserves grew significantly in 2001, the banking system's net foreign assets declined by 5.3 million Lats" (clause of concession, p.17);

"Since the US dollar strengthened against the other currencies of the SDR basket, its exchange rate rose against the Lats in the Latvian foreign exchange market" (clause of reason, p.23).

Opening Participial Clauses

In the annual reports under study, the opening participial complement clauses usually occur in the subject position. The most common speech act verbs controlling the opening participial clauses in the annual reports are speech act verbs, which signal aspect, manner, or the truth-value of the statement. According to Searle's speech act theory (1975), they are known as *representatives* or *assertives* (referred to in Chapter 3.1.4 of this study).

Thus, the analysis of the verbs mostly used in the above mentioned documents reveal that they are such as:

to begin, to start, to follow, to conduct, to depreciate, to fluctuate, to deteriorate, to soar, to overlap, to rocket, to support, to back, to increase and alike.

In the majority of cases, these verbs are used with the purpose to itemize/characterize the financial trends and financial indicators.

To exemplify, "*Overlapping with the high-tech industry, the telecommunications sub-sector experienced a particularly sharp increase in M&A activity in the late 1990s*" (ECB 2002: 65).

"*Following the review of the last year's IT strategy, the Bank has made a number of changes*" (BE 2002: 3).

However, it should be remarked that the Bank of Latvia Annual Report does not employ the structure of the opening participial clauses at all.

In sum, it would be emphasised that the usage of the above discussed surface level structural forms have different frequencies across the registers of the annual reports. It was observed that, in general, the verbless clauses and the opening adverbial clauses function as sentence level structural forms to introduce the theme of a paragraph and to create cohesion with the previous discourse.

As a result, the study attempts to assert that text-internal elements, such as theme/rheme progression, textual reference, usage of proper nouns and abbreviations, surface level structural forms (the opening verbless clauses, the opening adverbial clauses, the opening participial clauses) contribute to text progression and move within paragraphs of annual reports.

However, in order to view the text structure and principles of its organization, it is important to analyse those components of the annual reports that ensure the unity of its structure.

In order to observe how clear, concise and precise information flow between the annual report paragraphs is sustained, the present study views how information is structured between paragraphs so that coherence of the overall text is developed and maintained.

4.3.2.2 Text Structure Organizational Principles

The present study attempts to view the text structure organizational principles from five perspectives:

- semantic inference,
- paraphrase,
- placement of key information,
- syntactic parallelism,
- cohesion: logical connectors.

4.3.2.2.1 Semantic Inference

This approach is used in the annual reports with the purpose to link the information displayed in the previous paragraph to the successive paragraph at a particular point in the text by means of direct or indirect association or contrast.

For instance, *“One of the major themes in the recent evaluation of financial markets has been the accelerating pace of risk transfer between sectors that have traditionally regarded as distinct.”*

In this vein, the Bank has been reviewing new techniques for transferring risk amongst financial institutions“(semantic inference, BE 2002: 23).

“Even when the collateral itself can be defaultable, the credit risk is strongly mitigated if the credit quality of the bonds is sufficiently high.

In the assessment of the standard of debt instruments, the ECB takes into account inter-alia, available market agency ratings and the NCB’s own credit systems” (semantic inference, ECB 2002: 86).

“Likewise, the Bank adopts regulations governing the operation of payment systems: in the reporting year, the Bank of Latvia also assessed risks inherent in both interbank payment systems.

An efficient and secure operation of payment systems is important not only to banks, but also to their customers, who use payment instruments offered by bank”(semantic inference, BL 2001: 39).

4.3.2.2 Paraphrase

Following Bussmann’s definition (1996), ‘paraphrase is a means for explaining, clarifying, or interpreting original communicative intentions’ (Bussmann 1996: 348).

In the annual reports under study, this means is employed to indicate identical information related to all or a part of statements delivered in the previous or in the proceeding paragraphs by use of either a single lexical item or by use of groups of items bearing the intended meaning content. The annual report genre analysis has revealed that with a greater extent the annual reports attempt to apply two types of paraphrases: lexical paraphrase and pragmatic paraphrase.

To illustrate, *“Many of the items mentioned above [...] also have an efficiency dimension.*

This is true, for example, in relation to improvements in payment systems” (pragmatic paraphrase, BE 2002: 24).

“To reduce risks, the Bank of Latvia has established limits in the value of a payment (in effect as of February 2001).

In the reporting year, the assessment of the Latvian payment system was conducted within the framework of the Assessment Program of the IMF and the WB”(lexical paraphrase, BL 2001: 40).

“The rise in the goods surplus resulted mostly from a significant decline in the value of impost combined with small increase in exports.

The huge fall in the value of goods imports in 2002 compared with a year later related to developments in both import volumes and prices” (lexical paraphrase, ECB 2002: 61).

4.3.2.2.3 Placement of Key Information

The annual report text structure analysis demonstrates that, in the majority of cases, the key information tends to be placed at the beginning or/ and at the end of the paragraph. This text organization principle draws the reader’s attention to the essential factual information, thus enhancing the cohesive links between paragraphs.

For instance, *“At its meeting in Laeken in December 2001, the European Council adopted a ‘Declaration on the Future of the European Union’, which identified the challenges for a Union standing at ‘a crossroads, a defining moment in its existence.*

In the light of these challenges, and in order to pave the way for the next Intergovernmental Conference, the European Council decided to hold a Convention on the future of Europe.

It mandated the Convention to consider the key issues arising for the EU’s future development, to try to identify possible responses, and to simplify and recognize the existing treaties, thereby progressing towards a Constitution for European Citizens” (ECB 2002: 106).

“In the reporting year, a number of procedures forming The Bank’s quality management system were improved. To ensure a more detailed description of the Bank’s operational processes, new procedures were developed in the field of payment operations and information systems.

In 2001, two internal quality audits of the Bank of Latvia’s management system were conducted. In June and December, Bureau Veritas Latvia conducted two surveillance audits, during which no serious deficiencies were detected in the Bank’s management system” (BL 2001: 43).

“In December 2001 the Bank announced the planned introduction of a new 5 pound note, featuring Elizabeth Fry on the reverse, scheduled to take place around the middle of 2002. The new 5 pound note will replace the old note, which features George Stephenson.

In recent years the Bank has become concerned that the quality and the quantity of 5 pound notes in circulation was below the acceptable levels. It started to investigate the issue. It has been pursuing initiatives with the institutions in wholesale note distribution” (BE 2002: 27).

4.3.2.2.4 Syntactic Parallelism

The annual reports under study employ parallel sentence constructions both within paragraphs and between paragraphs to add symmetry to the text. By reducing the number of words required to express ideas, parallel sentence constructions contribute to clarity and precision of the statements and to smoothness of the information flow.

For instance, *“To expand research on economic processes and to ensure quality in compiling statistical data, the Bank of Latvia cooperated with respondents”* (BL 2001: 38).

“During the last decade, progress in disinflation in the accession countries was significant. Inflation has come down from double-digit rates to relatively low levels.

In 2002, the process of disinflation continued to advance. By the end of the year, the average inflation rate of the accession countries was slightly above that of the euro area” (ECB 2002: 119).

In addition, parallel sentence constructions play a significant role in marking chapter headings and sub-headings.

For instance, *“Management of the Bank of Latvia’s budget. Financial results of the Bank of Latvia’s performance”* (BL 2001: 43, Chapter III, sub-headings).

“Banking Department Profit and Loss Account. Banking Department Balance Sheet. Banking Department Cash Flow Statement” (BE 2002: 60-63, Chapters I-III, headings).

“Monetary and financial developments. Price developments. Output and labour market developments. Fiscal developments” (ECB 2002: 8-51, Chapter I, sub-headings).

4.3.2.2.5 Cohesion: Logical Connectors

In the annual reports, linking words are used for transitional purposes. On the one hand, linking words connect sentences and clauses into longer utterances relating them to a wider context. On the other hand, they function as direction, chronology and relationship markers. By forming clear sequencing of events, by revealing the purpose of writing and the writer’s attitude, they assist the reader to go through the paragraphs. However, it

should be noted that the reports drawn up for banking/finance purposes are not abundant in connectors. The usage of connectors in an excessive amount might interfere with the conciseness, brevity and clarity of factual writing.

Therefore, the above stated could serve as an explanation why the annual reports prefer a limited number of connectors both for paragraph linking and sentence linking purposes.

The annual report genre analysis reveals that the most typical connectors used to link paragraphs are:

- result connectors: *therefore, thus, as a result,*
- time connector: *meanwhile,*
- listing connectors: *first, second, third,*
- adding connectors: *likewise, in addition,*
- contrasting connector: *however.*

Yet, it should be noted that the annual reports under study hold different conventions of paragraph linking. *The Bank of England Annual Report 2002* mostly uses three types of connectors, such as listing connectors *first, second, third,* adding connectors *likewise, in addition* and contrasting connector *however.* *The European Central Bank Annual Report 2002* applies listing connectors *first, second, third,* time connector *meanwhile,* contrasting connector *however,* result connectors *therefore, thus.* *The Bank of Latvia Annual Report 2001* mostly uses adding connectors *likewise, in addition* and result connectors *thus, as a result.*

4.3.2.3 Information Sequencing Principles

The annual report genre analysis shows that the thematic progression and information flow within a report paragraphs is maintained via presenting the data in a distinct sequence of the events occurred and the relevant actions taken.

Thus, series of events are arranged in a chronological sequence of their occurrence. From this point of view, it should be noted that cash flow statements, analysis of recognized gains and losses, financial performance results are revealed in a *chronological sequence* (e. g., see: Annex 2; BL 2001: 41, ECB 2002: 131, BE 2002: 41).

The information related to banking strategy, budget planning, balance sheet statements is presented in an *effect-to-cause sequence* (e. g., see: Annex 2; BL 2001: 30, BL 2002: 38, ECB 2002: 36).

The data dealing with financial matters assessment such as financial stability, threats, risk factors, financial investment are mostly presented in an *emphatic sequence* being supported by sound arguments referring to the area of economics (e.g., see: Annex 2; ECB 2002: 85, BE 2002: 53).

As regards the organizational principle applied to link paragraphs in a coherent text, the present study has identified two organizational techniques used in the annual reports under inquiry:

- *First*, organization of information is established in topically related paragraphs or text segments. With a grater extent of regularity, this pattern has been observed in general quality/quantity descriptions of financial operations and in finance performance analysis (e.g., see: Annex 2; ECB 2002: 61, BE 2002: 39, BL 2001: 40).
- *Second*, the linear chaining of the given and new information is another text progression pattern commonly applied in the annual reports under inquiry. It means that the information expressed towards the end of one utterance (rheme) is picked up and used again, but – in the role of the given information occurring in the next utterance (theme). With a greater degree of regularity, this principle of information distribution between paragraphs was observed in the analytical part of annual reports that dealt with risk management assessment, fiscal developments and changes in stock prices(e.g., see: Annex 2; ECB 2002: 51, BE 2002: 29).

4.3.3 Annual Report Genre: Text Pragmatic Analysis

Chapter 3.2.2 of this inquiry has stated that a text being a socially determined product is to be viewed in relation to its users and to its social/cultural setting.

Consequently, a *text* in terms of text pragmatics has been defined as a communicative event occurring in a communicative situation.

In light of the above stated, this chapter aims at analysing the annual report genre as a communicative event focusing on its:

- communicative purpose,
- distinctive text-external features,
- linguo-pragmatic means of communication.

4.3.3.1 Communicative Event and Communicative Purpose

Essential to the annual report genre analysis is the analysis of its communicative intention. According to Grice (1975), the intention of any text is the communicator's purpose 'to change the audience's mental model of the topic of the discourse by means of audience's recognition of this intention' (Grice 1975: 47).

Thus, the present study asserts that the communicative intention of the annual reports for banking/finance purposes is to provide the target audience with accurate *generalized* information concerning monetary and fiscal issues of an institution/ enterprise by means of describing and analysing factual data. Therefore, to distinguish text-external properties of annual reports, this inquiry attempts to view these properties as complex speech acts that are identified by the factors of the communicative situation such as *communicative event and communicative purpose*.

As it was noted, the annual reports for banking/finance purposes convey the data to *inform and persuade* the intended audience about a sound financial situation of an institution, enterprise or a country. Each of the mentioned activities playing a particular social role characterizes definite social activities involving communicators (those who produce reports on the target audience's request) in this communicative event.

Tribble (1996) states that 'people are using language in an agreed way to get something done' (Tribble 1996: 47). Accordingly, it may be assumed that the *communicative event* of the annual reports produced for banking/finance setting is: competing for a reader's time and attention, to reveal the content of the document, which, as a rule, follows distinct text organization principles and is usually supported by graphical information to promote the text perception.

Genre Analysis- English in Academic and Research Settings by Swales (1990) notes that 'genre comprises communicative events, the members of which share some set of communicative purposes' (Swales 1990: 58). This definition leads to the assumption that the communicative purpose of annual reports can be distinguished if the text function is considered from text-pragmatic perspective.

As it was mentioned above, the text function is conventionally signalled by text communicative functions. Accordingly, the *communicative function* of the annual reports under study is to provide generalized and objective account of finance and/or economics related facts.

The *communicative purpose* of annual reports is usually determined either by the bank's Governor's foreword, or it can be elicited from the introductory part of the report. Thus, the communicative purpose of the *European Central Bank's Annual Report 2002* is: to summarize the conducted activities and to provide an overview of the monetary, financial and economic developments.

The Bank of England Annual Report 2002 states that its communicative purpose is: to consolidate the information on the organization, to review the financing, performance, risk management strategies and to reflect the new governance arrangements.

The Bank of Latvia Annual Report 2001 asserts that its communicative purpose is:

The Bank of Latvia Annual Report 2001 asserts that its communicative purpose is: to outline integration into the European union, to focus on informing general public about euro cash changeover and to report on international cooperation and national monetary policy.

As it can be seen from the above examples, pragmatic presuppositions of the overall content of the annual reports can be made taking into account the speech act verbs (known as *factive* verbs, Levinson 1983) such as *to overview*, *to outline*, *to reflect*, *to consolidate*, *to summarize*. The speech act verbs contribute significantly to forming clear statements in declarative sentences (Searle 1975, Allan 1998).

On a theoretical level, the notion of pragmatic presupposition- the extra-linguistic feature- which benefits to understanding of the text is reviewed in Chapter 3.1.3 of this research.

On a practical level, the usage of speech act verbs signals the writer's intention to communicate the information as effectively as possible, thus assisting the target readership in presupposing the core issues of the whole text as precisely as possible. The annual reports being long and formal accountings are often the result of a requirement or demand, or expectation on the part of the audience. Therefore, initially and primarily, these documents are drawn up for a particular segment of an audience. Consequently, social interaction with a communicative purpose to establish a beneficial and favourable setting is considered to be an integral part of annual reports.

Considering the annual reports under study, it should be admitted that they combine some of the illocutionary types (e.g., topicality, informativeness, persuasiveness, reader-orientation) to achieve their communicative purpose. In addition, audience consideration is enhanced if readers' willingness to read the report is motivated in order to learn and not to read in order to forget. Therefore, consideration of readers' needs, their

competence level of the subject, their knowledge of the language, their education and experience is a paramount criterion for the reports to be drawn up. Consequently, the annual reports circulated within banking/finance setting are produced with a clear communicative intention (e.g., to inform, to overview, to summarize). They are usually drawn up for a specialist readership to glean information and typically are not read from cover to cover for every fact or analysis of statistics.

In brief, analysis of the annual reports issued by the national/central banks performing within a common Eurosystem of Central Banks has revealed that the communicative purpose of these documents is usually identified by the overall monetary/financial/fiscal policy formulated by the national governments. Therefore, the objective(s) set for drawing up the annual report is the responsibility of both the institution/government (the audience) who asks for a report and of the institution (the communicator) who prepares it. To formulate precise objective(s) of the annual report, the communicator is to know specifically the subject, the scope and purpose of the report and the audience, for whom the report is intended: not only who the audience is, but what information the audience has already at its disposal. Provided the report objectives are clearly, concisely, completely and correctly formulated, the document generally complies with the established norms of factual writing deviated from so called *Rule of Four C's*:

“Every effort should be made to ensure that the report is Clear, Concise, Complete and Correct” (Aldis 1999: 2).

4.3.3.2 Distinctive Text-External Features

Grice (1975), Habermas (1976) have asserted that communication process is ensured by certain linguistic norms, according to which information is communicated and interpreted by the audience. As regards annual reports, they employ additional instruments to enhance the preciseness and clarity of the text:

- a distinct schematic structure,
- visuals as an alternative means of presenting data,
- headings and sub-headings as a brief indication of the content.

Annual reports usually hold two thematic parts: a compulsory part and an optional part. Specific text organizational patterns, clear and logical format contribute to perceiving the information in a complete way, allowing the reader to make quick and easy decisions.

As a result, annual reports dealing with banking/finance matters have:

- Governor's Foreword,
- The Board of Directors' Report,
- Report of the Internal Auditors,
- Financial Statements,
- Notes to Financial Statements.

A compulsory part of the report is envisaged to provide the target audience/customers/share holders with idea-promotional information (Klimova 1999: 33), which aims at describing the operational and financing progress of the bank/financial institution and characterizes its main financial and/or organizational activities. In other words, this part offers accurate analytic-economic description (Klimova 1999: 33) of the institution's successful or unsuccessful financial performance. An optional part, depending on the communicative purpose of the report and in-house institutional regulations, can hold:

- Financial Highlights,
- Operational Reviews,
- Performance Reviews,
- Chief Executive's Review,
- Risk Management Review.

Visuals being un compulsory means of presenting information form a valuable and useful non-linear complement to the written information. The information presented in a graphical way benefits to the clarity and brevity of the complicated data revealed by annual reports. Thus, visuals included in the annex part communicate the meaning that is complementary to the meaning presented linguistically.

4.3.3.3 Linguo-Pragmatic Means of Communication

With reference to the above discussion, it should be noted that communication process in annual reports is controlled by certain linguistic principles because the data provided are to be comprehensible, clear, brief, precise and orderly to be easily processed. Information precision in banking/finance annual reports is basically achieved via usage of specialist vocabulary primarily relating to seven core areas of banking and finance:

- banking environment, where the specialist vocabulary serves as a linguistic means to refer to banking setting, e. g., *the World Bank, the International Monetary Fund, the European Monetary Union,*

- monetary policy, e. g., *shortage of funds, deals in foreign exchange market, external value of currency,*
- the central banks' tasks and activities, e. g., *prudent supervision, the EU directives, Risk Asset Ratio, banking ombudsmen,*
- banking services, products and procedures, e. g., *business loans, standing order, portfolio services, mortgage,*
- correspondent banking e. g., *Electronic Data Interchange, Consumer Price Index, Clearing House Interbank payments system, International Money Order,*
- foreign exchange and money markets, capital markets and stock exchange, e.g., *promissory notes, fiduciary issue, sound money, legal tender, blue chip shares, Treasury Bills, index-linked bonds,*
- financial trends and financial indicators, e.g., *financial fluctuations, price slump/boom, stagnation, stagflation.*

Besides specialist vocabulary that guards banking /finance annual reports against possible misunderstandings or ambiguity, thus avoiding 'obscurity of expression' (Grice 1975: 47), annual reports apply series of particular speech act verbs in declarative, affirmative statements to refer to the financial indicators and/or financial performance. For instance, in the sense of the verb *to aid*, the factive verbs *to assist, to support, to back, to finance* are commonly used; in the sense of the verb *to control*, the factive verbs *to curb, to restrict, to regulate, to supervise* are typically used.

As a result, brevity and precision (the Gricean maxims of manner and relation) in annual reports are reached via the use of words of high associate value: specialist vocabulary and the factive verbs contribute to the precision of the factual information.

Therefore, it may be asserted that annual reports aim not only at informing the reader, but they also aim at pleasing the reader. An appropriate choice of linguistic elements, balance and control of information, objectivity based on evidence, clarity, completeness, and a unity of text testifies to marked rhetoric intentions of annual reports achieved via particular textual and pragmatic elements:

- the Gricean maxims of conversational cooperation (quality, quantity, relation, manner),
- the Sperberian relevance principle (e.g., objectivity based on evidence, control of information flow, supply with the theme-related data),
- the Lakoffian politeness principle (e.g., audience-relatedness, fixed communicative event and underlying communicative purpose).

As it has been stated before, the annual reports drawn up for informative needs are expected to comply with the linguistic norms (Grice 1975, Aldis 1999) and the linguistic principles (Sperber and Wilson 1986, Lakoff 1973, Leech 1983). Therefore, it would be relevant to notice that an annual report is viewed as:

- a clear report on condition that the reader is able to understand it at first reading (maxim of quality),
- a concise report on condition that the information offered is kept down to the expected minimum (maxim of quantity),
- a complete report on condition that truly relevant information is included (maxim of relation/principle of relevance),
- a correct report on condition that information provided is accurate and is supported by unobtrusive, objective and factual evidence (maxim of manner/politeness principle).

In line with the above stated, the present inquiry has discovered that the annual reports under study appear to be clear, because:

- the style of writing is adjusted to the needs of readers- specialists in the area of economy, banking, finance: most of writing is distinct and formal, information is offered in an affirmative, descriptive but unobtrusive way,
- the overall layout, i.e., information organization and its sequencing pattern contribute to the clarity of the report thematic progression: the report format is widely recognized; it is logical and easy to use; the report itself is divided into parts and sections, which breaks the information into manageable chunks, thus contributing to fast its procession,
- headings being on a separate line from the text, ensure an accurate and precise introduction to what follows,
- each individual page of the report is designed for ease and encouragement of the reader to proceed with reading of the document: much information is given in a list format, thus reinforcing the general order of series of events in the readers' minds.

In addition, visuals are integrated in the text. They support the information delivered and are placed where the readers need to see them: on the page holding the relevant information.

Furthermore, the annual reports under discussion are concise for the following reasons:

- the amount of information involved is justifiable by evidence, the factual data are as informative as required but not more informative than required,
- special emphasis is laid on the information the readership already knows (rheme); it is systematically linked to the new information (theme), because figures mean little by themselves unless being interpreted in a context, for instance, the data on price fluctuations are supported by the data on inflation rate fluctuations,
- theoretically, each paragraph should have a unity of theme; practically, long paragraphs are broken into two or three shorter paragraphs: the use of the linguistic means such as logical connectors, parallel sentence constructions, sentence inference, lexical and pragmatic paraphrase contributes to a smooth information flow between paragraphs, thus benefiting to an overall unity of the theme.

In addition, the annual reports considered are complete, because of comprehensible and relevant evidence offered to support the factual information delivered. The annual reports viewed are correct for the following reasons:

- writing is free from language errors, it is accurate and fluent flowing smoothly and logically; the sentence length is varied: short sentences tend to be placed at the end or at the beginning of paragraphs to consolidate the main idea of the statements; lists of facts usually contain several short messages; assessment of events and data analysis are presented in long, complex sentences; readers are guided through the documents by varying the sentence length;
- writing is unobtrusive: word choice in statements is precise, usage norms of specialist vocabulary are considered, unnecessary professional jargon is avoided, thus eliminating ambiguity or misunderstanding.

All in all, the annual reports described can be generally characterized as well-written and well-presented documents which serve their communicative purpose: to win the goodwill and trust of their readers and to function as ambassadors for their countries/institutions of origin.

With reference to the above discussed, this inquiry has studied the corpus of three annual reports issued by the European Central Banks, two of them (the Bank of Latvia, the European Central Bank) performing according to the common membership guidelines accepted by the European Union.

As a result, the study has examined the typical linguo-pragmatic features of the annual report genre. This inquiry was approached from two perspectives:

- from the perspective of analysing text-internal elements: thematic development, text structure organizational patterns, sequence of information flow- the principles contributing to text coherence;
- from the perspective of analysing text-external elements: communicative event, communicative purpose, principles of politeness, relevance and cooperation- the principles contributing to the rhetorical intentions of the annual reports.

In consequence, having viewed the annual reports drawn up for banking/finance purposes, the author of the present inquiry has come to the following interim conclusions:

1. From the perspective of text linguistics and within the framework of text typology, the annual reports for banking/finance purposes fall into the category of Descriptive Reports.

2. Due to the fixed structure and the generalized informative nature, the annual reports for banking/finance purposes correspond to the type of Informative Reports.

3. The distinctive text-linguistic principles of the annual reports are:

- surface level features such as textual reference, the opening adverbial clauses, the opening verbless clauses, the opening participial clauses contribute to achieving cohesion within paragraphs,
- text structure organizational patterns such as semantic inference, placement of the core information at the beginning of paragraphs, syntactic parallelism, paraphrase, the use of logical connectors contribute to establishing and maintaining a smooth information transition between paragraphs,
- thematic progression principles within paragraphs such as display of data in a chronological, effect-to-cause, emphatic sequence contribute to the overall information flow,
- information organization in topically linked paragraphs, the linear data organization chaining the given information in the previous paragraph to the new information in the following paragraph contribute to balanced distribution of information between paragraphs.

4. The distinctive text-pragmatic features of the annual reports are:

- two thematic parts: the compulsory part holding idea-promotional information and analytic-economic description, and the optional part holding financial and operational reviews,
- information distribution in chapters and sub-chapters,

- organization of information in chapters around seven core areas of banking/finance such as banking environment, banking services, products and procedures, correspondent banking, money markets, capital markets, financial indicators,
- the target audience related communicative event and communicative purpose.

The linguistic and pragmatic principles distinguished in the course of analysing the corpus of annual reports produced by banking/finance community enabled the author of this study to formulate the concept *written communication in English for Banking/Finance*:

Written communication in English for Banking/Finance being a social manifestation of the English language use is a banking/finance subject-related interaction/transaction, which exhibiting the common-core linguistic and pragmatic properties of the English language and being a functional variety of English for Specific Purposes is applied to reveal banking/finance area-centred information via specified linguo-pragmatic principles and established discursive norms.

Summary

The implied aim of the chapter was to analyse English for Banking/Finance- a functional variety of English for Specific Purposes- and to distinguish the linguistic and pragmatic properties underlying written communication in English for Banking/Finance.

Within the framework of this inquiry, the chapter investigated the selected theories referring to the research conducted in the area of English for Specific Purposes (ESP) and offered a brief insight into the research of the late 1990s and the early 2000s concerned with marked developments in ESP.

Having referred to the contributions made by distinguished scholars, the chapter has asserted that

- communication established by means of ESP is a social manifestation of the English language use,
- ESP is a functional variety of the language use,
- ESP has to be viewed in the context of applied linguistics and approached from the perspective of linguistics, pragmatics and sociolinguistics,
- ESP manifesting itself both in a spoken and written discourse, materializes in the form of texts,

- an ESP text has to be viewed as a text following the established text organizational principles, bearing a specified communicative function, being supported by specialist-field related data and demonstrating the syntactic, stylistic and semantic properties of the English language.

Further, the study drawing on English for Academic purposes and English for Occupational purposes stated that English for Banking/Finance (EBF) refers to both categories. Providing EBF is acquired at the tertiary level, e.g., at the Banking Institution of Higher Education, it refers to the category of English for Academic purposes. On condition that EBF competence is gained and expanded into a banking setting, EBF refers to English for Occupational purposes.

Thus, it can be confirmed that EBF exhibiting the common-core linguistic properties of General English and being a functional variety of English for Specific Purposes is applied in the professional areas of economics, banking and finance as a means of international interaction and transaction.

To justify the linguistic and pragmatic properties of written communication in EBF, for this study purposes, the author analysed the corpus of annual reports produced by two national banks (the Bank of Latvia, the Bank of England) and one central bank (the European Central Bank). The selected annual reports were issued in the period from 2001 to 2002: the period which overlaps with the time of the present research conduct. Two of the mentioned banks (the Bank of Latvia, the European Central Bank) function in a united system of European Banks and obey the rules and regulations of the European Union. The Bank of England follows the classical and rigid traditions of the European banking system. Nevertheless, the annual reports chosen represent a full range of written English properties common for written banking/finance discourse.

As a result, the annual report genre was analysed from a triangular perspective: from the perspective of *the surface level structural forms*, from the perspective of *text function and text organization* and from the perspective of *text rhetoric intention*.

This analysis played a considerable role in shaping the principles underlying written communication in English for Banking/Finance, thus resulting in investigating the object of this inquiry and supporting the following conclusions:

1. Lengthy texts drawn up for banking/finance community needs, e.g., annual reports, present stable text-internal linguistic properties, which contribute to text composition and text coherence purposes, while text-external pragmatic properties serve to reveal text communicative event and communicative purposes.

2. From the perspective of text linguistics, EBF texts hold a limited range of the surface level structural forms: the opening adverbial clauses of reason-purpose, contrast, result, condition, the opening participial clauses and the opening verbless clause constructions. Text organizational structure is ensured via semantic inference, lexical and pragmatic paraphrase, syntactic parallelism, usage of a limited range of logical connectors, placement of the core information (basically) at the beginning of the paragraph.

3. From the perspective of text pragmatics, EBF texts focus on a fixed communicative event and communicative purpose. They are the target reader oriented and convey the message through completeness, correctness, coherence, conciseness and clearness; they have a positive, unobtrusive, and appropriate tone and are expressed in a neutral style through the use of natural, unambiguous specialist lexicon.

V. Methodology of the Empirical Research

5.1 General Nature and Goals of Research

To understand the properties of written communication in English applied in banking/finance setting, the intrinsic purpose of the previous chapter was to explore the linguo-pragmatic principles of communication established via the texts produced for banking/finance community's needs. Thus, Chapter IV explored the object of this study: *written communication in English for Banking/Finance*.

As to this part of the research, the intrinsic purpose of Chapter V is to study the subject of this inquiry: the target language learners' competence of written English for Banking/Finance which results in their linguo-pragmatic performance.

It has been emphasised so far (see: Chapter IV) that English for Banking/Finance (EBF) is an interdisciplinary and authentic materials-led functional variety of ESP, and it exhibits the following properties:

- it is designed to meet specific needs of the target learners/users, and is expected to satisfy the requirements of the relevant professional field,
- in the majority of cases, it is designed for adult learners who undergo their academic or occupational studies,

- it uses specified target language acquisition methodology envisaged either for homogeneous study groups in educational settings or for heterogeneous study groups in professional field disciplines,
- its acquisition is determined by considering three principles: target situation analysis (Chamber 1980), learning situation analysis (Dudley-Evans 2001) and learning means analysis (Holliday and Cooke 1982).

So far, this inquiry has been concerned with the analysis of the selected theories on language in use, applied linguistics' perspective on communicative language competence and the related theories referring to pragmatics at its micro-, macro- and meta-levels. This all contributed to exploring the object of the present research: written communication in English for Banking/Finance.

Referring to the subject of this inquiry: the target language learners' competence of written EBF communication, this part of the study aims at:

- determining how the target language learners' immediate/delayed needs contribute to EBF acquisition and its conscious use in professional contexts,
- justifying the target language learners/users' written competence of EBF, which testifies to their abilities to observe basic EBF language functions (social, descriptive and expressive) in producing business content-led texts.

With reference to the stated, the goals of the empirical research have been formulated:

- to identify the general research perspective and research type of the empirical study,
- to develop the research methodology and to examine the research context,
- to establish the research procedure and characterize the research participants and instruments,
- to describe and analyse the collected research data,
- to evaluate the obtained research data applying the survey technique, document analysis technique and the language outcome measurement technique (i.e., the learners' self-assessment reports).

In these circumstances, it is relevant to offer our understanding of the concept *research*, which is based on Nunan's (1993), and Brown and Rodgers's (2002) definitions:

"Research is a system of inquiry consisting of three elements or components: hypothesis, data and interpretation of data" (Nunan 1993: 232).

"Research is any systematic and principal inquiry in language learning and teaching" (Brown and Rodgers 2002: 12).

Therefore, an account of the factors which encouraged us to start, continue and finish this research makes one of the most essential parts of the inquiry.

Thus, over the last ten years of Latvia's independence, we have been involved in the target language learners' spoken and written EBF competence development applied in banking/finance context. As a result, we gradually started to acknowledge that there is a substantial need for a systematic research done to study how EBF can be acquired both in the target language classroom and in a professional setting considering the particular context of the situation in Latvia. Even more, the current writing about ESP, nothing to say about EBF, often seems like literature on ESP: it is abundant in assertions and prescriptions about what to teach/learn. With the exception of, for example, Pilbeam 1990 2001, Rose and Kasper 2001, Salsbury and Bardovi-Harling 2000, there is little hard evidence about what works well in particular non-native language learners/users' communities, the target language learning settings and in professional environments.

Therefore, it is our intention to claim that research on ESP, particularly research on EBF, should have more voices raised by practitioners who are not only aware of the existing limitations in ESP/EBF research, but who also have their own ideas to offer. Brumfit (2000) has noted 'what is needed is the research for the people whose prime concerns are practical' (Brumfit 2000: 36).

Thus, based on the research data collected in Latvia context, this study offers its standpoint on the factors that can influence and promote the target language learners' needs for written specialist language competence which can further result in their performance when the target language is used as a means of written communication on an international level. As a result, within the framework of this research hypothesis addressed, two research questions were posed:

Research Question 1: how do the target language learners' immediate/delayed needs contribute to English for Banking/Finance (EBF) acquisition and its conscious use in a professional context?

Research Question 2: to what extent can the target language learners' written English proficiency testify to their abilities to produce business-content related texts meeting the requirements of banking/finance community?

5.2 Contextual Factors of the Research

On a theoretical level, we have discussed the role of context in Chapter 3.1. We have emphasised that it was the British structuralism that conducted a sustained research on language use and language usage both in situational and linguistic contexts.

Within the framework of this research, we admit that the situational context in which the target language acquisition occurs, e.g., the English language classroom, plays a decisive role in the overall target language proficiency development process.

In the broadest sense of the meaning, the notion *context* applies to ‘interrelated conditions (social, pedagogical, chronological) in which something exists or occurs’ (Merriam-Webster 1991: 283). Provided we view *context* from the perspective of macro-pragmatics, we assume that the English language classroom is an environment, which contributes to EBF acquisition, but a banking setting is a professional field of EBF manifestation. In other words, we consider that our research has been carried out within *the institutional contexts* of the Banking Institution of Higher Education and the Bank of Latvia. Further, to offer a thorough background of this study considering the actual real-life needs for EBF, we examine EBF in *the local context* of its application. In addition, the research data are viewed in *the chronological context* of ten academic years when the study was carried out and in *the social context* considering the homogeneity and heterogeneity of the target language learners.

Consequently, the contextual factors mentioned (institutional, local, chronological, and social) constitute an overall perspective from which the research goals, research context, research methods and data analysis are considered. According to Lier (1993), ‘it is the holistic principle of ethnographic research when events are judged in the context of their surroundings: in the context of their occurrence’ (Lier 1993: 43).

Research Context

In 1992, the author of this paper started ESP teaching at the Banking College. From 1996, this institution was accredited as the Banking Institution of Higher Education (BIHE).

In fact, it was a daunting task to teach EBF to the would-be bankers and financiers: the proportion of General English lessons against EBF was two in four. Pre-experience, day

department students underwent a seven-semester EBF course having undertaken roughly 400 academic lessons of ESP/EBF (from 2003/2004 the amount of EBF lessons is considerably reduced due to financial reasons). These intensive EBF programs being envisaged for the day department students contrasted markedly with the regular ESP programs undertaken by job-experienced learners who did their studies at the BIHE for professional or re-training reasons. The impetus for an intensive EBF acquisition arose from the needs of the national economics and was completely supported by the Bank of Latvia. These factors contributed to relatively high EBF standards of the Banking Institution's graduates who were expected to apply the acquired competences in Latvia banking/finance setting. However, it should be noted that EBF acquisition process revealed certain limitations of the programs, e.g., a reduced number of lessons envisaged for developing written English skills, an increased number of lessons planned for gaining the grammatical and lexical competence rather than the functional use of English, preference of accuracy over fluency and alike. It would be relevant to note that at the end of 1993/1994 the target language learners' self-reported data testified to their growing interest in written English acquisition being a means of inter-institutional communication with their foreign counterparts. Banks and financial institutions started to set increasing demands for the Banking Institution's graduates: apart from fluent spoken English, they had to possess and apply written English skills, thus manifesting their abilities to produce banking/finance area-related texts. In fact, the academic year 1994/1995 was the time when Latvia banks' needs and requirements for written English were formulated. Therefore, the academic year 1994/1995 can be considered a starting point for the author's research interest raised in written English for Banking/Finance. The author of this paper was involved into the project launched by Latvian Bankers' Association supported by Language Training and Consulting, Bath (England) and the Banking Institution of Higher Education.

The project was aimed at assessing the banks' prospect demands for the English language expected to be manifested in a banking-related area. However, the underlying purpose of this assessment was to tailor the banking field-led course of written English envisaged for the banks' employees who were studying in Latvia to obtain the diploma of the Chartered Institute of Bankers (England). Moreover, that time coincided with the period when the first BIHE graduates expressed serious concerns about their inadequate abilities to establish written communication in banking context. As a result, the above stated factors served as weighty arguments to introduce marked changes into the

Banking Institution's target language study programmes. These changes were aimed at satisfying the real needs of Latvia banking/finance community and at enhancing the graduates' competitiveness in the internal and external labour markets. Thus, in cooperation with Latvian Bankers' Association and Language Training and Consulting, Bath (England), the Banking Institution introduced considerable changes in the target language acquisition programmes. The new study programmes envisaged the emphasis not only on the form and function of the language, but also on the relationship of the semantic meaning and the pragmatic meaning in written banking discourse-related interaction and transaction.

With reference to the chronological context of our study, we can admit that within a ten-year period, from the academic year 1994/1995 to the academic year 2004/2005, we have been directly involved both in analysing the banking sector's changing demands for EBF and in assisting the target language learners to gain the language competences required by the banking/finance-related job market. This all served as a resource for the present research, which is based on the description and analysis of the following items:

- collected and systematized research data based on the target language learners' self-reports,
- the target language learners' written performance,
- documented responses obtained from job-experienced banking/finance area specialists,
- documented responses obtained from the banks' target language training management.

All in all, 620 respondents within a ten-year research period have contributed to this study.

To narrow the focus of this inquiry, we selected the responses, which accounted for:

- the increasing need for written communicative competence manifested in banking/finance setting,
- the importance of authentic study materials used in EBF acquisition,
- the significance of supportive target language study environment effecting EBF acquisition.

Consequently, we had the goal: to discover the factors which motivate the target language learners/users to apply the proficiency of EBF in real job-related situations rather than what they theoretically know but are not able to demonstrate adequately upon a request.

Thus, this study is geared to meet the needs of the EBF users in the real situations, where they work. Assuming that in the majority of cases, the English language classroom has always served as the basic target language acquisition context, the professional setting judges if the quality, quantity, relevance of the offered product satisfies the current demands set by the real-life context.

5.3 General Research Perspective and Research Type

In the early 1970s, applied linguistics first focused its research interest on writing, when it studied writing produced by native and non-native learners of English, referred to as *contrastive rhetoric* (Kaplan 1972). The research analysing the writing needs of ESP learners, according to Kaplan (1996: 27-35), has been an active area of investigation over the next two decades.

At this point, having reflected on typical features of professional communication in writing applied in the area of banking/finance, Chapter IV of this study analysed the discourse of banking/finance. Thus, the inquiry focused on the significance of the social context in banking/finance text construction. As a result, the annual report genre was researched from the text linguistic and text pragmatic perspectives so to distinguish and define the core linguo-pragmatic features underlying this genre.

Admittedly, the present part of the study aims at focusing on the subject of this inquiry: the target language learners' competence of written communication in English for Banking/Finance. Therefore, it has been pre-supposed on a hypothetical level that the distinguishing and defining of the linguo-pragmatic principles which govern written inter-bank/inter-institutional communication promote the development of the target language learners' communicative language competence on condition the principles are theoretically justified and the obtained research results are implemented into the target language studies undertaken in authentic context and followed by immediate language use in a banking/finance setting.

Taking into account the above stated, the general goal of this inquiry is: to approve the target language learners' ability to produce written texts for the communicative needs of banking/finance community.

We presuppose that this goal can be achieved if the inquiry is approached from the qualitative research perspective which is supported by numerical data represented in a

form of graphs and tables. Thus, considering the reasons mentioned further this study follows the principles of ethnographic tradition:

- The research has been carried out in the context in which its participants, the target language learners/users, usually study or work, i.e., **the holistic approach** to the study was taken.
- The research has not manipulated or influenced the phenomena under investigation, thus it is **an unobtrusive study**.
- The research has been conducted within the period of the academic years 1994/1995 and 2004/2005; it is **a longitudinal study**.
- The research has involved the participation of the target language learners (pre-experience, low-experience, job-experienced), language training management (The Bank of Latvia), four Foreign Language Faculty members (the Banking Institution of Higher Education); it is **a collaborative study**.
- The research has involved the interpretive analysis of the data; it is **an interpretive study**.
- The research exhibits the features of a process-oriented approach to the study. It examines the target language learners' and the banking/finance area-related employers' needs for written ESP/EBF competence. It emphasises the significance of learning setting in the process of the target language acquisition. Additionally, the research demonstrates a product-oriented approach to the study, because it explores the principles underlying written communication in English for Banking/Finance. As a result, the research emphasises the interdependence of the parts of the study-field: thus, the present research is approached from **the synthetic perspective** (Selinger and Shohamy 1995:27).
- The author or the present inquiry is its participant-observer due to her dual function in the research conduct: a lecturer/trainer and an observer being directly involved in the target language learners' EBF acquisition processes.
- The collected, multifaceted research data are evaluated applying the **triangulation methodology** of data analysis.
- The research has an **inductive and descriptive nature**; it aims at deepening the author's empirical knowledge about the issue under study.

The internal reliability of this study is reached by involving four other qualified faculty members lecturing for the target language learners of the Banking Institution of Higher Education. However, due to the extended nature of this inquiry, the collaboration was

only possible within the academic years 1999/2000 and 2000/2001, therefore validation and interpretation of the obtained research data was ensured by the author of the present study.

The external reliability of the present research is achieved by providing a detailed description of the research participants, the research context and the conditions under which the study was conducted.

In sum, we have reflected on the general perspective and the type of this research drawing on nine features, which support the ethnographic tradition underlying the present inquiry. Chaudon (1988) identifying ethnography as one of the four major traditions in applied linguistic research notes:

“Ethnographic research is a qualitative, process oriented approach to the investigation of interaction, which involves continuous record keeping, involvement of the researcher in the classroom and careful interpretation of the usually multifaceted data”(Chaudon 1988: 46).

Interim Conclusions

The present study has focused on examining the principles underlying written communication in English for Banking/Finance. Therefore, it was decided to analyse the annual report genre to find out the text linguistic and text pragmatic principles governing written communication in English used by banking/finance community.

On the other hand, the purpose of the study was to observe the target language learners in the process of gaining competence of written English - the competence which is applied in the banking context to meet the demands of the current labour market in Latvia.

As a result, this study has been approached from the qualitative research perspective involving graphical, numerical investigative instruments of the quantitative research. It applied the triangulation principle of data analysis methodology.

Following Brown and Rodgers's (2002) research typology, this study follows the principles of ethnographic tradition.

The research has the following parameters:

- it was approached from a synthetic/holistic focus allowing ‘to view the separate parts as a coherent whole’(Selinger and Shohamy, 1995: 27),
- it has a heuristic objective, as its intrinsic purpose is to discover the principles underlying written communication in English for Banking/Finance,

- by observing the process of written EBF proficiency acquisition, the data were collected in an attempt to examine the contextual information,
- the collected research data were triangulated via the process-product-genre oriented approaches.

5.4 Research Procedure

With reference to the above stated, this inquiry is viewed from the general perspective of the qualitative research. Due to the importance of contextual, discourse community and professional setting factors, the present inquiry attempts to describe, interpret and analyse the collected and systematized data within the framework of the ethnographic study tradition.

In fact, the pre-supposed hypothetical level assumptions have governed the selection of the research components (procedure, participants, instruments) determining the choice of data analysis methodology.

At this point, we find important to offer our understanding of some of the notions mentioned. Thus, we apply the notion *participants* referring to the notion *subjects*, because Glatthorn (1998), Brown and Rodgers (2002) note:

“In most quantitative studies they are identified as ‘subjects’; in most qualitative studies- ‘participants’ “(Glatthorn 1988: 157).

By the term *instruments* we mean research data collection methods. In the framework of this study we have applied a survey research method, document analysis method and performance assessment method. By the term *ethnographic study* we mean the documented and systematized research data collected in the institutional, local, chronological and social contexts (see: Chapter 5.2), the description and analysis of which constitute the core of this pragmatic part.

As a result, the empirical part of the study examines the subject of this inquiry, i.e., the target language learners’ competence of written English for Banking/Finance. So, this part is aimed at testifying to the learners’ abilities to apply the linguo-pragmatic competences acquired at the tertiary level in the relevant professional setting. Therefore, this part is analysed in *five stages*:

- the first stage when the author of this paper started to lecture to the students of the Banking Institution of Higher Education (the academic year 1992/1993) and observed ESP and EBF acquisition process at the tertiary level;

- the second stage when the teaching practice at an academic level was combined with the target language teaching practice at an occupational level (The Bank of Latvia, Deutche-Lettische bank/Hansabanka; the academic years from 1995/1996 to 1997/1998);
- the third stage when the author of the paper started the doctoral studies at the University of Latvia, formulated the research field, addressed the pre-suppositional level research hypothesis, posed the relevant research questions and examined specified needs of the banking community for specialist language (the academic years from 1999/2000 to 2002/2003);
- the fourth stage when the teaching practice both at the tertiary level and at the occupational level was combined with the research being focused on developing the target language learners' written English competence to meet the changing demands of Latvia banking/finance sector (the academic years 2002/2003 and 2003/2004);
- the fifth stage when the obtained research data were systematized and the research hypothesis was tested, and the study results were implemented into practice (from 2003/2004 to 2004/2005).

Stage 1

This stage can be characterized as a pre-research stage, when the most extensive English language classroom observation was carried out by visiting the ESP lecturers' classes at the Banking Institution of Higher Education. At that time, it was not the author's intention to claim that one ESP teaching methodology is better than another. Irrespective of the teaching approach, the results obtained in the observed ESP lessons provided insights both into the English language classroom management and into the teaching methods applied. These observations contributed to the author's understanding of what works and what does not work in the target language classroom.

In spite of the accredited ESP study programme and the established goals, the ESP lecturers had prioritized reading and listening skills at the expense of speaking and writing skills. The ESP teaching was mostly content-, specialist vocabulary-, form-focused and teacher-centred activity. Writing as a skill was hardly developed; writing was used either as a means of testing or as an exposure of homework.

It would be relevant to note that the academic year 1992/1993 was an important stage for the present inquiry. Due to this stage, the research acquired its present direction and shape.

Stage 2

This stage was very different from the former one: the author of this paper was involved into the body of trainers who, apart from their academic work, provided an ESP course for banking specialists. It was an opportunity not only to acknowledge the needs for ESP used in a banking/finance setting but also to experience the needs for written specialist language used in banking/finance-related communication.

In addition, the Banking Institution's Senate introduced changes into the academic ESP and EBF study programmes envisaging 400 academic lessons of English per seven ESP/EBF study semesters with a written graduation examination to follow. It promoted the learners' motivation to advance their written English competence which resulted in a first-rate quality of their written ESP/EBF proficiency.

As a result, this period contributed to the author's increasing research interest in written English, gradually becoming an indispensable part of an EBF curriculum at the Banking Institution of Higher Education. In the first surveys, the students and graduates reported on a slight need for written English competence. It was applied only when doing business correspondence; thus, the growing need for fluent spoken English prevailed. The first questionnaires completed by job-experienced learners, the employees of the national bank and commercial banks, demonstrated that written English competence is a compulsive need for the executive level and the middle level banks' management. The front-office and back-office employees of the commercial banks, e.g., tellers, bookkeepers, accountants, do not require this competence at all. Looking through the job advertisements published by the newspaper *Diena*, interviewing both the Bank of Latvia Personnel Department and Latvian Bankers' Association, the author of this paper found out that in Latvia banking/finance setting:

- demand for competence of written English varies depending on the position the individuals hold,
- the standard written banking documents in English are inter-bank correspondence, memos, conference materials and executive summaries,

- progress reports and annual reports are usually drawn in two languages, in Latvian and English, and the middle level management is involved in their production.

Stage 3

In the academic year 1999/2000, the author of this inquiry started to do doctoral studies at the University of Latvia. This stage was important period for specifying the study field: the research hypothesis was addressed, the research questions were posed, research methods were developed and the research instruments were justified.

Stage 4

During this stage, the author conducted an in-depth examination of written English properties applied by the banking/finance sector. In cooperation with the Bank of Latvia (Personnel Department, Executive Board), Latvia Bankers' Association, the State Employment Service, the following conclusions were drawn:

- on condition writing competence is acquired at an occupational level, the course should be related to gaining the target language learners' linguistic, pragmatic (e.g., language norms and principles) and sociolinguistic competences (e.g., register),
- the course is to be supported by the authentic language materials to contribute to expanding the target language learners' specialist vocabulary extensively applied in real life contexts,
- on condition writing makes an integral part of an EBF course delivered at the tertiary level for the would-be bankers/financiers, the course should involve both a specified focus on acquisition of the linguistic, pragmatic, sociolinguistic properties of the English language and on the specified field-of-study related assignments.

Taking into account the length of time to be invested in developing the mastery of written English for professional purposes, the author can acknowledge that writing in the professional and business contexts is both a highly valued and complex process.

Stage 5

This stage has been materialized via finalizing the collected research data analysis aimed at approving the hypothetical level presuppositions addressed. Therefore, considering the conclusions drawn from the analysis of the selected theories on language in use, applied linguistics' perspective on communicative language competence, the following assertions can be put forward:

- the increasing demand for EBF stems from the growing use of English as an international means of communication in economic areas; apart from the related fields of banking/finance, it is heavily used, for instance, in the domains of taxation and stock exchange, in the governmental and political areas, when the matter concerns, for example, the state budget or its the financial/fiscal situation,
- spoken/written competence of EBF is sought by the target language learners/users who, in the majority of cases, need the specialist language for instrumental reasons and are not primarily interested in language learning as an educational experience,
- it is a limited in number category of pre-experience/low-experience learners who have delayed needs for EBF, for instance, students of the BIHE; the EBF learners are usually the related-area specialists who account for immediate needs for specialist language,
- EBF is to be seen as a functional variety of ESP as it covers all the aspects of the English language: by expressing functional and semantic relations of the English language, EBF stems from the banking/finance domain and is linked to the situational and social contexts of the language use.

5.5 Research Participants

5.5.1 Author of the Study

As it noted before, the author of this inquiry has undertaken two roles within the overall period of this research conduct: the role of an EBF course lecturer, when working at the tertiary level with pre-experience and low-experience ESP and EBF learners, and the role

of an EBF course trainer, when working with job-experienced learners employed by domestic banking/finance setting. Therefore, the author can consider herself being a participant-observer of this study who:

- shapes and formulates the research hypothesis,
- determines the research content,
- studies the research participants both at academic and professional settings,
- collects and systematizes relevant data to achieve the objectives of this inquiry.

As a result, the author undertook not only the role of an ethnographer-observer but also the role of a practitioner. As the trainer, she tailored and provided six EBF courses for the Bank of Latvia middle level management. As the lecturer, she taught the academic subjects of ESP and EBF to the tertiary level students of the Banking Institution of Higher Education within the whole time of the research conduct.

It would be relevant to note that in the context of banking sector, the years 1996/1997 and 1997/1998 reported on the employees' increasing demand for fluent spoken English bringing specialist vocabulary expansion and functional language acquisition into focus. The years 2001/2002 and 2002/2003 reported on the demand for integrated language skills with a steady tendency towards written interactional (business correspondence) and transactional communication (progress reports, annual reports). Due to Latvia becoming a Member State of the European Union and the Bank of Latvia becoming a Member of European System of Central Banks, the years 2002/2003 and 2003/2004, in particular, evidenced that spoken and written English started to be used as a means of external inter-bank communication. Thus, in cooperation with a doctoral student *Indra Karapetjana* (the University of Latvia), the author of the paper tailored and piloted a course of written EBF for:

- the Bank of Latvia executive and middle level management in 2003/2004 with an integrated course of spoken/written EBF in 2004/2005 to follow,
- the Commission of Financial and Capital Market, Riga, executive level management in 2005.

As a result, performing as the ethnographer-observer, the author of the paper observed and acknowledged the EBF acquisition process by non-native EBF learners. By examining the delayed and/or immediate needs of EBF learners both at the tertiary and professional levels, the author:

- documented and systematized the data provided by Latvia banking/finance setting,

- analysed the demands set for the quality of written EBF manifestation fulfilled by the domestic and foreign banking/finance communities.

Performing as the provider of knowledge and as a *facilitator* or a *consultant* (Dudley-Evans et al. 1998: 150), the author ensured the implementation of ESP/EBF study courses both at the Banking Institute of Higher Education and at the Bank of Latvia.

5.5.2 Target Language Learners

To characterize the participants of this study, they have been grouped according to two principles. Thus, the learners whom we will refer to as *pre-experience/low-experience* are the students undertaking a seven-semester integrated ESP and EBF course at the Banking Institute of Higher Education; they constitute the first group of the participant-body of this inquiry. The learners whom we will refer to as *job-experienced* are the employed banking, finance, entrepreneurship area specialists who either undergo retraining at the BIHE or work in the related areas; they constitute the second group of the participant body.

To specify, by *pre-experience* target language learners we mean I year and II year day department students of the BIHE. By *low-experience* target language learners we mean III year and IV year day department students and I, II, III and IV year evening department students of the BIHE who usually do a part time job in the related sectors of banking, finance and entrepreneurship.

To start with the description of the first group, it would be noteworthy to mention that the Banking Institution of Higher Education is the tertiary level educational establishment providing a higher professional level education in the spheres of banking, finance, entrepreneurship and information technologies. Having been founded as the Banking College in 1992 by the Bank of Latvia, it is now a state-run higher educational establishment with a student body totalling to 2000 learners.

To characterize the student community composition, it would be admitted that it is a body of mixed group of the target language learners representing the urban and the rural parts of Latvia.

Thus, a thorough analysis of the student community composition was made in the academic years 1999/2000 and 2000/2001. A randomly selected I year day/evening department student body consisting of 129 respondents was questioned. The

questionnaire results reported that 56% in 1999/2000 (see: Figure 1, Annex 3) and 57% in 2000/2001 of the learners represent the rural population of Latvia (see: Figure 2; Annex 3). The prevailing number of the target language learners representing the rural areas of Latvia has been a typical feature of the learners' composition at the BIHE by now. However, due to a marked learners' drop-out by the end of a four-year study period, the proportion of urban and rural Banking Institution's graduates differs from year to year.

Each speciality study group is composed of 35 learners being divided into equal parts for the target language studies. The learners in speciality study groups are of a mixed gender, mixed abilities and mixed ethnicity. It is the interest in the domain that unites them- be it the field of banking, finance, entrepreneurship or information technologies.

In terms of social context, academic pre-experience/low-experience learners' groups can be classified as homogeneous study groups because of a core discipline and a similar age of learners (the day/evening department students are in their early twenties). However, in terms of the English language level, the study groups can be referred to as heterogeneous study groups: the proficiency level of English in one group varies from low-intermediate to high-intermediate levels. In addition, the first year day department students possess a relatively high command General English, which can be hardly said about the first year evening department students. Nevertheless, the functional use of the English language is unfamiliar to all the learners. The same can be said about the linguistic principles and norms governing the English language applied in professional banking/finance area-related communication (spoken and written). Therefore, teaching pre-experience/low-experience learners merely means performing as 'a provider of input' (Swales, 1988). Although the English teacher's role is not to be a teacher of the core banking/finance subject matter, the teacher's general competence of the relevant field is of great value.

Thus, the questionnaires completed by pre-experience/low-experience learners report that the teacher/lecturer's teaching experience, expertise, and specific content knowledge balance the teacher/lecturer's personal skills such as an outgoing personality, the ability to motivate the learners, sensitivity to the learners' needs and the ability to regard the less amiable learners as a challenge rather than a hindrance.

To describe the second group, the job-experienced learners, it should be admitted that it differs substantially from the first group of the learners due to the following factors:

- The learners are very motivated to use the specialist language to achieve precisely formulated objectives; their target language learning goals are clearly set and the immediate needs for the specialist language are specified.
- The learners have precisely identified the language input they need and the pragmatic and/or sociolinguistic competences they require.
- The course content, length, and the course cost-effectiveness appear to be the most important pragmatic criteria for an ESP/EBF course design; this course is to be tailored to meet the target language learners' specified needs. The course content and the teaching quality are to ensure the learners that the money invested provides a reasonable rate of return in terms of micro-, macro-, meta- language skills obtained. In addition, the financial input into ESP/EBF proficiency development is expected to maximize the learners' language production and to raise the overall performance quality in the related professional field.
- In terms of the target language learners' community composition, the job-experienced learners are multinational. They represent the middle class of the society; they usually hold a degree in different disciplines. In addition, job-experienced learners can already have reasonably high standards of General English and Business English. In addition, the study groups are heterogeneous in their composition as the learners represent different disciplines and different managerial levels of the banking/finance community. From the viewpoint of the English language proficiency level, the study groups are homogenous in their composition due to the learners' comparatively similar command of the language.
- The study course usually taking place in the core working time and being done on an intensive basis has a narrow focus. It mainly focuses on developing the target language learners' productive skills, or concentrates on developing the skills relevant to specific genres, for instance, report writing.

Thus, in terms of institutional context, the ESP/EBF course is a subject to be negotiated either with the language training management or the course participants. The tendency towards offering content-centred language training requires the trainer/facilitator to have the content expertise, which supports the core language training.

Consequently, it is relevant to admit that the study programmes tailored for banking/finance community needs are strengthened provided the trainer possesses both an advanced level of specialist language and the relevant field competence.

Hull-Kramina(2002), referring to Brundage and McKeracher(1980), asserts that adults learn best ‘when the content is personally relevant to past experience or present concerns and the learning process is relevant to life experiences’(Hull-Kramina 2002: 87).

5.5.3 Language Training Management

Currently, in the institutional context of banking, the requirements set towards the English language training programmes comply with constant changes. Due to remarkable technological advances introduced into banking industry and due to economical and political fluctuations, the internal and external conditions promote further developments in the money matters-related sector. Therefore, the banking sector is expected to respond rapidly and effectively to be competitive both in the domestic and foreign contexts.

The above stated factors influence the language training policy maintained by the Bank of Latvia.

As the author of this inquiry has been cooperating with the Bank of Latvia language training management over the last eight years, she has come to the following conclusions:

- EBF is the subject to change or modify in response to the changes faced by the banking environment itself,
- EBF is to be based on meeting the specified needs of the institutional setting,
- assessment of the target language learners’ progress is to be made on a continuous basis, and the language training management is expected to use the obtained information for further development of the in-house language training programmes,
- EBF programmes which are mainly teaching programmes should become learning programmes and keep track with the linguistic, pragmatic and sociolinguistic developments applicable in the banking context.

To conclude, the above analysis of the research participants has contributed significantly to obtaining the research data.

The author of the study has performed as the research participant-observer. The learners’ population was viewed from a triangular perspective (pre-experience, low-experience and job-experience learners) in the institutional, local, social and chronological contexts. The Bank of Latvia language training organisers’ role was considered to understand the

changing nature of EBF which enabled the author of the study to formulate precise requirements set to the target language acquisition and manifestation in order to satisfy the external demands of the banking/finance sector.

Research Results Interpretation

Qualitative research methods are associated with naturalistic inductive design 'and are guided by a research patterns rather than by a ready formulated hypothesis' (Patton 1987: 15). Therefore, to establish a meaningful pattern for the interpretation and analysis of the collected and systematized research data, the author of this paper has approached the data interpretation from the perspective of:

- data sources description, i.e., participants of the research,
- research instruments description, i.e., tools applied in research data gathering process,
- research description methodology, i.e., approaches taken to handle the information collected and to narrow the research focus.

5.5.4 Procedure

It would be relevant to note that data interpretation and analysis techniques applied in this research were selected to handle non-numerical data expressed in a written form and obtained, for instance, from the learners' self-assessment reports. Besides, the numerical data obtained from the learners' completed questionnaires was used to support the reliability of non-numerical data. Therefore, the author has applied a combination of:

- *data triangulation technique* to gather research information from three divergent groups of learners (see: the part *Participants*),
- *research instruments triangulation technique* to identify the research tools applied in data gathering process: open-response and closed-response questionnaires, the learners' self assessment reports, the learners' produced written texts,
- *research description techniques* to interpret the information gathered:
 - a survey principle, which presents the research instruments applied to observe, describe and interpret the research process, thus offering reasonable answers to Research Question 1,

- the output measurement principle, which examines the product: the business-content related texts, produced by the learners, thus contributing to providing answers to Research Question 2.

Besides the principles of handling the research data, research instruments, research description mentioned, it is to be noted that the data were gathered considering the degrees of explicitness of the data collection procedures.

Thus, open informal interviews, the language classroom observations, the learners' letters to the author of this paper, contributed to developing the author's general understanding of the issues under study. Therefore, these procedures being of a broad and general nature have resulted in obtaining the research data of a low degree of explicitness.

The research data collection procedures of a high degree of explicitness with a purpose to specify the focus of the research information to be sought were: the structured questionnaires completed by the research participants, their self-assessment reports and their written texts produced. As a result, the selected data collection and examination parameters contributed to investigating the inductive nature of this qualitative study. It involved broad data of low explicitness to promote the general understanding of the phenomena under research. On the other hand, to elicit specific information for the purpose of this inquiry, data collection procedures of high explicitness were in use.

5.6 Research Instruments

To identify data collection instruments, this study adopted two methods to handle and interpret the research information gathered which was aimed at validating the research results obtained. These methods are: the survey method and the output measurement method (Glatthorn 1998: 159).

In context of this study, the survey method employs two types of research instruments: closed-response and open-response structured questionnaires (Brown and Rodgers 2002: 142). This method was adopted:

- to identify the *delayed needs* of pre-experience/low-experience ESP/EBF learners and to acknowledge the *immediate needs* of job-experienced EBF learners/users,
- to distinguish the target language learners' immediate and/or delayed needs for written communication in English applied in professional banking/finance contexts,

- to respond to Latvia banking/finance community's needs and demands for written communication in English for Banking/Finance.

For the study purposes, some of the open-response questionnaires were devised by the author of this inquiry, for instance, *Self-analysis of the English language competence applied in banking/finance area, The Bank of Latvia assessment of the BIHE graduates' performance*. At the same time, the open-response questionnaires devised by Shears (1982), Ur (1991), Ellis and Johnson (1994), the Bank of Latvia (1997), Fulcher (1997) were applied for eliciting the research data.

The output measurement method (Glatthorn 1998: 159) was selected to assess the target language learners' written performance taking into account the texts produced by them.

Selection of this method benefited to acknowledging:

- the quality of the texts produced by the target language learners,
- the target language learners' ability to produce banking/finance or entrepreneurship field-led texts.

It should be remarked that the instruments used to collect and analyse the research data depended on the qualitative general perspective of this study and on its empirical nature.

Therefore, in the process of conducting this research, the underlying purpose of the author was to observe and describe:

- how the target language learners use the language,
- what written texts they are able to produce,
- what factors promote the target language proficiency and its conscious use in professional settings.

As a result, the research instruments selected complied with the nature of the study, its hypothetical level assumptions and the research questions addressed. Considering that the author of the paper performed both the role of a research-participant and a research-observer, the research instruments selected ensured a long-term empirical study of the target language learners' EBF acquisition process.

On the whole, due to its synthetic type and inductive nature, the present research employed a triangulation approach to the data analysis procedure. With the purpose of gaining an overall and broad view of *how* English for Banking/Finance is acquired in natural environment, e.g., in the English language classroom, the research was governed by a low degree of explicitness data collection procedures. Having determined the specific focus of the information to be sought, e.g., target situation analysis, learning

situation analysis, the study employed a high degree of explicitness data collection procedures.

Summary

The chapter focused on characterising the research methodology applied in its empirical part. It dealt with the conditions underlying the research. It described the methodology applied to interpret the collected data, and it analysed the instruments used to obtain, systematize and describe the research data.

By *conditions*, we meant the context in which EBF acquisition and application takes place (e.g., the English language classroom). By *methodology* we meant the factors underlying the research analysis such as the research objectives, the addressed research questions to support the pre-supposed hypothesis. By *instruments* we meant the tools selected to collect information such as questionnaires, informal interviews and the record of the target language learners' output. By *data* we understood 'all behaviours observable by the researcher' (Selinger and Shohamy 1995: 38). Therefore, Chapter V was the study author's attempt to present and prove the nature of the research methodology chosen.

On a conceptual level, the initial objective of this research was to reveal and describe the core features underlying written communication in English for Banking/Finance.

On a practical level and to investigate the subject of this inquiry, the research aimed at finding the factors that influence the target language learners' need for written EBF competence, which is currently demanded by the internal banking setting and is expected to be demonstrated in the external professional interaction/transaction.

Therefore, the present study was *a systematically applied research* supported by the relevant selected theories.

From the view point of the general perspective, this study belongs to the category of *qualitative study*, which involves numerical investigative instruments of quantitative study. Therefore, the quantitative data serve as a means for interpreting the qualitative data.

The study followed the principles of *the ethnographic research* type (referred to as 'holistic ethnography', 'ethnography of communication', 'interaction analysis', Long, 1983) due to the reasons as mentioned below:

- the empirical knowledge of the phenomenon under study was gained:

- through the analysis of the selected linguistic theories on language in use,
 - through the observation processes of the target language acquisition by non-native language learners in ESP/EBF classrooms in Latvia,
 - through the research data collection,
 - through the interpretation and description of the obtained information.
- the longitudinal, unobtrusive, collaborative and organic nature of the research has been seen within the framework of its author's observation/practice of ESP/EBF teaching, the last three years being focused on examining the process of the target language learners' written EBF acquisition both at the tertiary level and in the professional setting.

Thus, the present study has been approached from a synthetic inductive perspective, which views the separate parts of the phenomena under study 'as a coherent whole' (Selinger and Shohamy 1995: 27). On condition that the research focuses on the overall idea that 'language acquisition is a synthesis of many factors' (Selinger and Shohamy, 1995: 28), the study attempted to synthesise the factors determining a purposeful development of the target language learners' written EBF competence, this competence being manifested in written communication in EBF as a response to growing demands for the target language users' ability to interact/transact in writing in international banking/finance contexts.

To enhance the research credibility and to support the research outcomes, the study attempted to describe its participants within a long term perspective, five stages of the research conduct shaping and determining the study content and the research instruments applied.

It would be relevant to remark that this study being basically the qualitative research employed numerical quantitative data, or as Alderson and Scott (1992) have stated that numerical data are 'more amendable to analysis and summary' (Alderson and Scott 1992: 53). Being inductive (heuristic) in its nature, the study involved some components typical for the analytical-deductive research, namely, operational definitions of the key terms, formulation of the research questions to test the pre-supposed hypothesis.

In sum, the research methodology adopted in the empirical part of this study was aimed at finding the perspective from which the collected data description and analysis is to be implemented.

On the other hand, the author of the paper holds the view that the information gathered hardly contains a sufficient number of samples to arrive at absolutely objective judgements about the quality of the target language learners' written ESP/EBF competence. True competence is presumably *unconscious* knowledge of the English language, on which its natural/contextual usage is based. Therefore, the author claims that the target language learners/users' competence of written English for Banking/Finance cannot be observed directly. It can be inferred from the language learners/users' *performance in the context in which it occurs*.

VI. Research Results Analysis

The study reported here is related to testing the presupposed hypothesis put forward.

The two research questions posed in Chapter V were addressed to confirm the hypothetical level assumption and were aimed at exploring the subject of this inquiry. Linked to the above mentioned, the structure of Chapter VI is subdivided into two sections corresponding to the research questions addressed.

Thus, the first section *complying with Research Question 1* describes and analyses the documented and systematized data. It aims at providing a substantial evidence for the target language learners' immediate/ delayed needs contributing to EBF acquisition and resulting in EBF conscious use in a professional context.

The second section *complying with Research Question 2* offers a description and analysis of the texts produced by the target language learners. The data were selected *to examine* the learners' proficiency to produce business content-related texts.

As indicated in Chapter V, the data referring to the first section were analysed employing the survey method instruments:

- closed-response and open-response structured questionnaires,
- informal interviews with the target language learners/users,
- the target language learners' self-assessment reports,
- the target language classroom observations,
- the banking/finance community's observations.

The data referring to the second section were analysed employing the output measurement method. By adopting this method, a big variety of texts produced by the target language learners were examined. Besides, to support the factual information obtained, the numerical quantitative data in the form of charts were supplied to support the research results obtained.

As indicated in Chapter V of this inquiry and in the response to Research Question 1, “*How do the target language learners’ immediate/delayed needs contribute to EBF acquisition and its conscious use in a professional context?*”, the study attempted to undertake the learners’ target needs analysis and the learners’ learning needs analysis. Therefore, to gain empirical knowledge of the issue under discussion and due to the holistic nature of the study, the Research Question 1 was posed, and the collected research data were examined. That is, the obtained research results were considered applying data collection procedures of a low degree of explicitness (open informal interviews, the language classroom/banking setting observations) and applying data collection procedures of a high degree of explicitness (structured questionnaires, self-assessment reports).

To have a response to Research Question 2, “*To what extent can the target language learners’ written English proficiency, being gained in EBF acquisition process, testify to their abilities to produce business-content related texts?*”, this study described and analysed business content-led texts being produced by the target language learners in EBF acquisition process at the tertiary level.

Taking into account the addressed Research Question 2, the obtained data were considered from the perspective of data collection procedures of a high degree of explicitness (the learners’ produced business content-centred texts) and analysed applying the instruments complying with the output measurement method.

6.1 Target Needs Analysis

“What distinguishes ESP from General English is not the *existence* of the need but the *awareness* of the need”, Hutchinson and Waters assert (Hutchinson and Waters 1992: 53).

This assumption is extremely relevant if viewed in the context of the present study; the same important as is the authors’ distinction made between *target needs* and *learning needs* of non-native language learners/users (Hutchinson and Waters 1992).

As the research interest of this inquiry is focused on collecting and analysing the data referring to the target situation requirements, the study approaches the issue from the perspective of the target needs analysis and learners' needs and wants analysis. Thus, the study employs the term target needs in the sense of the definition proposed by Hutchinson and Waters (1992):

“Target needs are necessities determined by the requirements set by the target situation” (Hutchinson and Waters 1992: 63).

Additionally, the study applies the term learners' needs considering its definition formulated by Hull-Kramina (2002):

“Learners' needs are the demands to the relevant ESP course put forth either by the learner as a social being [...] or by society in general” (Hull-Kramina, 2002: 85).

Thus, to arrive at accurate and unbiased results, which report on the needs for EBF determined by the target situation requirements set by Latvia banking/finance community, this study examines the target needs from a triangular perspective:

- from the perspective of the study author's observations,
- from the perspective of the Bank of Latvia requirements set to EBF,
- from the perspective of the job-experienced learners' language needs analysis.

6.1.1 Study Author's Observations

As noted in Chapter V, the author of this inquiry has been collaborating with the banking sector in Latvia since 1995, when the first attempts to provide a job specific, extensive English language training course for the middle and junior level banking management employees were made.

In terms of possessing the English language skills, the employees of Latvia banking/finance sector were expected to demonstrate telephoning skills, informal presentation skills and meeting skills in 1995. However, due to a huge inflow of information from European banks (England, Germany, France, Sweden and Switzerland), the need for specific language competences increased.

Thus, the Bank of Latvia in cooperation with Latvia Bankers' Association and with the author of this study took initiative in tailoring the course *English for Banking/Finance*. It was first implemented in training the Bank of Latvia executive and middle level management. With rapid developments of the banking/finance sector, with the growing expansion of its domestic and international functions, the language training framework

started to obtain its present-day shape. Moreover, the rapid pace of globalization and internationalization of the banking industry created an upsurge in the need for an effective, clear, 'westernized' English language, this resulting in the Bank of Latvia heavy investment into EBF training. As the banking sector was working in a fast changing environment, an advanced level specialist language and well established communication skills, both spoken and written, became a crucial need for Latvia banking/finance community. As a result, to justify the language skills applied by different positions depending on the job descriptions, the national bank's 22 employees selected randomly completed the open-ended questionnaire. It was devised by the Bank of Latvia language training management at the end of the EBF training course in 1995/1996. As indicated in Figure 3, most respondents of the study year 1995/1996 applied reading skills in their professional areas to deal with specialist literature; fewer applied writing skills as a means of inter-bank communication (see: Figure 3, Annex 3). The next questionnaire was developed by the author of this inquiry. Its aim was to prioritize the employees' needs for language skills to comply with the professional field requirements. As indicated in Figure 4, the majority of the respondents of the study year 1996/1997 reported on the need for expansion of speaking and writing skills (see: Figure 4, Annex 3).

Thus, since 1996, the Bank of Latvia has introduced a series of changes into the target language training scenario to comply with the fast changes undergone by internal and external banking/finance communities:

- First, the Bank of Latvia set high standards for the English language use as a means of inter-bank communication on the international level.
- Second, due to the rapid changes introduced into the domestic/foreign job market requirements, the present-time EBF focuses on manifestation of the integrated language skills. In other words, accurate and up-to-date handling of information in the English language means employing the linguistic norms and functional principles governing the language use, which results in achieving the communicative purposes of interlocutors on the international level.
- Third, the need for cross-cultural training has emerged recently. It is focused on communicating factual information most efficiently not only linguistically but also considering different values and attitudes of the corporate partners abroad.

6.1.2 The Bank of Latvia Requirements to EBF

To assess whether the Bank of Latvia employees', the Banking Institution's graduates', the English language proficiency meets the requirements and the professional needs of the banking environment, the opinions of four Department Heads (the Bank of Latvia) were surveyed in 2000. Foreign Exchange Department, Personnel Department, Payments and Settlements Department and Monetary Policy Department are those units of the Bank of Latvia which use the English language most extensively as a means of international communication. Therefore, the research interest was to find out the language competences applied in the banking sector to communicate information externally. In addition, via informal interviews, the research interest was directed to acknowledging the prospect needs for the English language competences in order to introduce changes into the new target language training programmes undertaken by the Bank of Latvia employees.

The questionnaire was devised by the author of this inquiry. It was completed by the top executive level management of the Bank of Latvia.

The results obtained confirm that three language competences are applied most extensively to satisfy the communicative purposes of the banking/finance community: the written competence, the lexical competence and the textual competence (see: Figure 5, Annex 3). The study acknowledged that the banking community requires:

- the written language competence to manage international inter-bank communication,
- the lexical competence to ensure clarity, conciseness, correctness and completeness of communication,
- the textual competence to adopt the in-house principles of text composition and text organization.

In addition, the informal interviews held with the Bank of Latvia employees evidenced on further expansion of the language skills required to succeed in business correspondence and in report writing activities and in managing the monetary policy, money markets, payment and settlement matters-related debates.

6.1.3 Job-Experienced Learners' Language Needs Analysis

Referring to the above discussion, it would be relevant to emphasise that job-experienced language learners' target needs analysis is focused on investigation the requirements set to *EBF use*. Therefore, job-experienced learners' language needs were viewed in the context of their job responsibilities.

Consequently, the author of this study observed and analysed the target language needs of two groups of EBF learners. The first group consisted of 12 Banking Institution's graduates, who studied at the BIHE in the period from 1996 to 2000. Six of them were employed by the Bank of Latvia; six of them were employed by the commercial bank *Unibanka*. These graduates possessed a high-intermediate level of EBF proficiency and were employed by the above mentioned banks in the middle managerial positions such as senior economists, payment system analysts, payment systems managers, foreign exchange dealers, trade finance officers. The second group consisted of 23 respondents, graduates of the BIHE, who studied at the Institution in the period from 1999 to 2001 and were employed by the Bank of Latvia, *Parex Banka*, *the Mortgage and Land Bank*, *the Savings Bank* and *Unibanka*. They possessed a low-intermediate level to an intermediate level of EBF knowledge and were employed by the above mentioned banks mostly in the back-office and front-office positions. Both groups were taught by the author of the paper at the Banking Institution of Higher Education. Thus, the inquiry had an underlying purpose:

- to identify the range of competences gained at the BIHE which are applied in the domestic banking setting,
- to discover the skills the job-experienced employees would prefer to expand more,
- to test the efficiency of EBF teaching methodology introduced at the BIHE,
- to prove the importance of developing the target language learners' proficiency of written EBF.

As a result, in the academic year 2000/2001, questionnaires were designed by the author of this inquiry and spread among both respondent groups- the Banking Institution's graduates employed by the banking sector. 50 questionnaires were spread, 35 were answered. The responses elicited from the first question of the questionnaire are

indicated in Figure 6 (the Bank of Latvia employees), Figure 7 (Unibanka employees) and in Figure 8 (commercial banks' employees).

Thus, to the first question, i. e., *what competences do you apply in your present position from those you have gained at the Banking Institution*, both respondent groups reported on a large-scale use of the linguistic competence. The target language users mostly applied specialist vocabulary which rests on grammatical accuracy. At the same time, the employees of commercial banks indicated to the manifestation of the pragmatic competence because they have to apply appropriate linguistic principles when communicating with foreign banking/finance area customers.

Figure 6 Language Competences Applied by the Bank of Latvia Employees

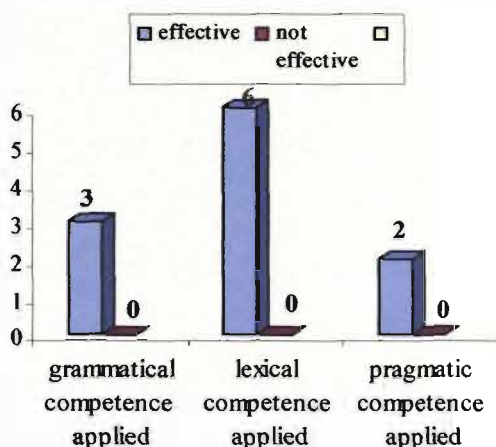


Figure 7 Language Competences Applied by Unibanka Employees

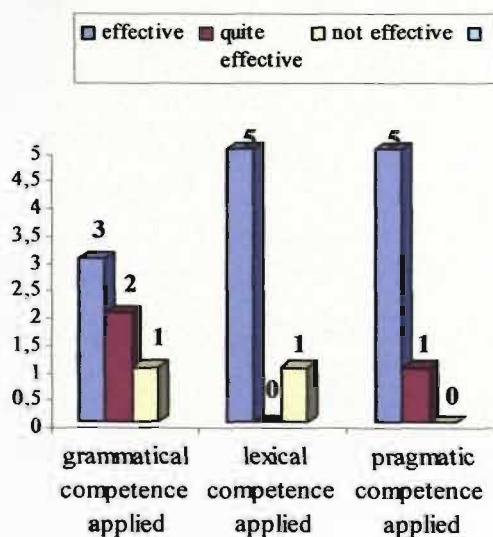
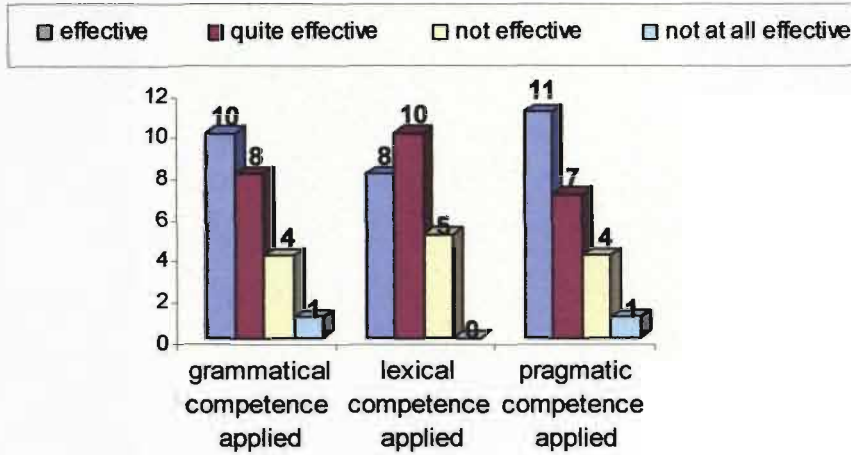


Figure 8 Language Competences Applied by Commercial Banks' Employees



The responses obtained from the second question addressed by the questionnaire, i.e., *what would you like to be taught more if you were a student*, are indicated in Figure 9 (the Bank of Latvia's employees, see: Annex 3), Figure 10 (*Unibanka* employees, see: Annex 3) and in Figure 11 (commercial banks' employees, see: Annex 3).

The data collected indicate that the majority of the respondents preferred further expansion of spoken interactional skills. Less than a quarter of the respondents prioritized further need for written ESP/EBF.

The answers elicited from the third question addressed by the questionnaire, i.e., *what conditions promoted your English language studies at the Banking Institution*, report that the respondents of the first group were mostly motivated to acquire EBF proficiency with the purpose to use it efficiently in a banking setting. As to the second group of respondents, the paramount factor advancing the English language studies was the learners' motivation to know the target language in general.

As indicated in Figure 12 (see: Annex 3), nearly a half of the first group respondents accounted for the pragmatic need in the language application. Figure 13 (see: Annex 3) reveals that the second most important factor enhancing the target language learners' interest in the subject was the supportive and relaxed atmosphere governing the English language classroom. Figure 14 (see: Annex 3) reports on the third factor furthering the target language learners' studies: it testifies to meeting the occupational requirements set by the banking community and emphasises the variety of teaching techniques applied to enhance a conscious language acquisition process.

As regards the second group of the respondents, roughly a quarter of them reported on the pragmatic need in the language. However, a half of them confirmed that the positive atmosphere of the English language classroom, meeting the occupational needs of the banking community and teaching efficiency promoted the language acquisition process considerably (see: Figure 15, Annex 3).

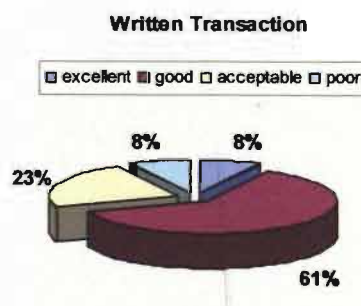
As the focus of the present study is on developing the target language learners' written ESP/EBF competence and on its conscious manifestation in banking/finance contexts, the author of this inquiry spread additional open-response questionnaires (Ellis and Johnson, 1994) among the above mentioned respondents at the end of the year 2001. The questionnaire was based on the form developed by instructors at Sumikin-Intercom Inc., Osaka, Japan. As a result, the respondents were expected to answer the question: *How do you rate the development of written interactional skills?* As indicated in Figure 16a and in Figure 16b, the majority of the learners' reported on the expansion of written interactional/transactional English language skills. They appraised their abilities to apply these skills in a banking/finance setting.

However, the learners drew on uneven development of written interactional English language skills (see: Figure 16a).

Figure 16a. Acquisition of Written Interactional Skills



Figure 16b. Acquisition of Written Transactional Skills



6.1.4 Discussion of Target Needs Analysis Results

Considering Latvia's current economic and political situation, taking into account that since 2004 Latvia's banking system has been performing within the framework of the European Union, the English language plays a key role in inter-bank communication on the international level.

The data elicited from the completed questionnaires prove that the banking/finance area-related communication, undoubtedly, rests on the proficiency of specialist vocabulary usage. A brief survey conducted among the employees working for the banking sector reports on three basic types of vocabulary applied in specialist communication, namely:

- core banking/finance vocabulary to establish professional communication, e.g., *an average deficit, fiscal developments, tax revenue growth, price developments, public finances, price stability* and alike,
- area-specific vocabulary applied for a definite job profile such as accounting, financial operations and control, human resources, statistical functions, information technologies, payments system, money market operations, e. g., *profit and loss account, consolidated balance sheet, corporate funding, corporate governance* and so forth,
- professionalisms used to enhance the factuality of data and the precision of information, e. g., *open market operations, lump-sum allowances, outright transitions, Chinese wall, benchmark* and alike.

Thus, it would be relevant to note that the current requirements to be met by banking community have determined a set of language skills and competences which form an integral part of the employees' job descriptions. Examining job descriptions of middle/junior level managerial posts (for instance, assistants to presidents, executive secretaries, lawyers, finance operations managers, payment officers) and considering the results of informal interviews, the author of this paper has observed that:

- back-office middle/junior level managerial posts require the manifestation of two modes of interaction: written and spoken to deliver factual information; the employees holding the managerial posts, in addition to knowledge of specialist vocabulary, are expected to demonstrate appropriate linguistic norms and

principles, which rest on the linguistic accuracy and fluency and on the textual competence,

- front-office clerical workers such as secretaries, service officers, tellers, need the basic language skills and a range of specialist vocabulary to manage occasional non-routine language situations.

Finally, the data elicited from the above questionnaires demonstrate that acquisition of English for Banking/Finance is a goal-directed activity. In addition, it is obvious that the adult learners acquire the language to satisfy their needs for particular or immediate pragmatic purposes. These pragmatic purposes are related to the target language learners' professional life, and they seldom stem out of the mere interest in the language itself. As a result, the analysis of the questionnaires has discovered the factors enhancing the adult learners' interest in the target language acquisition:

- the emotional motives such as motivation, persistence, responsibility, encouraging learning/teaching atmosphere,
- the psychological motives such as the teacher's support and understanding, consideration of the occupational/professional needs or requirements,
- the physical motives such as appropriately selected linguistic materials contributing to the perception, intake and proficiency of the target language being acquired.

Consequently, the analysis of the collected information shows that the adult learners learn better by doing rather than by being told. Therefore, the English language acquisition for professional purposes should be based on frequent review and practice, proceeding from the known to the unknown. Adults are encouraged to learn if they can feel or can demonstrate that they make a progress. In light of this, Hull-Kramina (2002) has asserted:

“Adult learners are not merely passive recipients of the subject matter devised by some educational authority, but they have a wide experience of life and developed individual learning styles “(Hull-Kramina 2002: 86).

According to the results elicited from the questionnaires, spoken fluency is the paramount objective of the target language learners/users. However, the current banking/finance setting evidences on the growing need for written English competence to communicate internationally. Thus, written English fluency gradually becomes the major target of the EBF acquisition process, in particular for those learners/users who are directly involved in international banking/finance entrepreneurship.

In sum, the study so far has identified the objective factors shaping the necessities for the specialist language use in a banking/finance setting. In the field of the subjective factors, the needs of particular learners' community are to be assessed to match the target language competence against the existing language knowledge. Therefore, the above discussion is followed by pre-experience/low-experience learners' target language needs and wants analysis.

6.2 Target Language Learners' Needs and Wants Analysis

To provide an accurate account of the target language learners' needs and wants, the language needs and wants are analysed in a chronological dimension and are described in terms of the pre-experience learners' expected language performance, or according to Richards (2001), 'in terms of what learners are able to do with the language after the course' (Richards 2001: 33).

On condition that the learners' target needs analysis has been considered via the perspective of the language use, the learners' needs and wants analysis is viewed via studying their demands to the relevant ESP course put forth by the banking/finance community.

Thus, this inquiry has been primarily concerned with distinguishing the job-experienced learners' demands to English for Banking/Finance to satisfy the professional field requirements. In line with this, the target language learners' needs and wants were analysed chronologically, considering the overall developments being undergone by the banking environment itself. Consequently, in the result of informal interviews and via observing the job-experienced learners' in their professional settings (the Bank of Latvia, *Hansabanka*, the auditors' company *Price Waterhouse Coopers*, for instance), the author of the paper found out that the specialist language in the banking/finance context is basically used:

- to obtain information through listening and reading,
- to communicate information through speaking and writing with an emphasis laid on the specialist terminology application.

Therefore, it would be relevant to note that the target language users, depending on their job language profile, apply the specialist language in the banking/finance area in human context, i.e., to communicate the intended information to the target audience, and in linguistic context, i.e., to deliver the intended information externally.

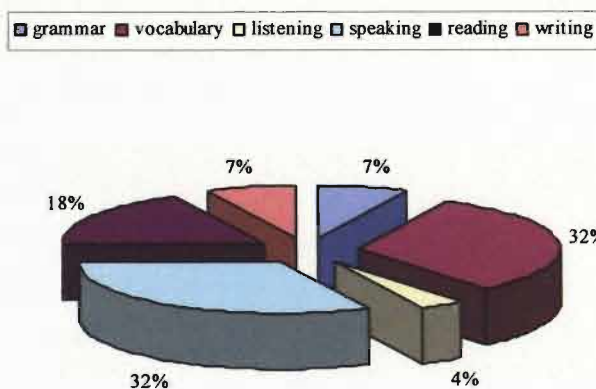
To have an insight into how pre-experience language learners' demands meet the needs of their target professional areas, the author of this paper conducted a study of pre-experience language learners' needs and wants. This study was implemented in three stages,

- the first stage refers to the academic year 1997/1998,
- the second stage refers the academic years 1998/1999 and 1999/2000,
- the third stage refers to the academic year 2002/2003.

First Stage

The purpose of this inquiry was to identify the target language learners' desired linguistic abilities to be acquired at the end of the EBF course. The first year finance speciality day department students were asked to complete the questionnaire (Ur 1991: 254) and to prioritize the English language skills they would need in the future. 25 questionnaires were distributed, 12 were returned. Less than a half of the respondents accounted for paramount importance of specialist vocabulary knowledge and for spoken English fluency for their future job language profile. Only 7% of the respondents seemed to be interested in the future demand for written English proficiency to be manifested in a banking/finance setting (see: Figure 17).

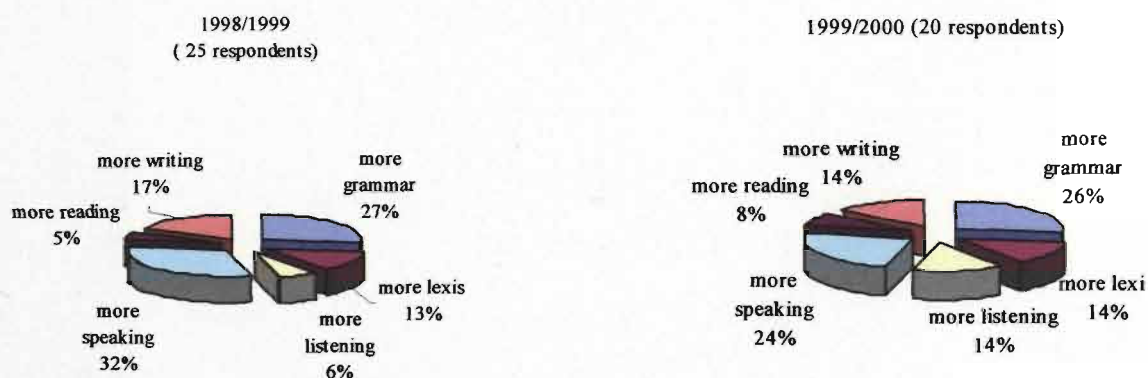
Figure 17 Pre-Experience Learners' Language Learning Needs



Second Stage

The intrinsic purpose of this stage was to elicit the EBF course learners' opinions on the language skills to be expanded within the subsequent courses of the specialist language studies. 45 questionnaires (Ur 1991: 254) were completed by the first year finance and banking speciality day department students. The results obtained confirmed that roughly a quarter of the learners would appreciate further expansion of spoken English fluency and further development of the English language accuracy. In comparison with 1997/1998, the number of those being interested in written English proficiency development to meet their future professional needs has increased. Thus, in 1998/1999, 17% (1999/2000-14%) of the respondents accounted for further need for written English, which is expected to be demonstrated in the professional setting (see: Figure 18).

Figure 18 Pre-Experience Learners' Language Learning Priorities



Third Stage

The overriding purpose of this stage was to acknowledge the target language learners' self-assessed competences gained within a certain study period. 50 self-evaluation checklists (Shears 1982: 21) were completed by the following learner population:

- 17 first year finance speciality day department students who had finished the second semester of ESP studies and were expected to undergo their first practice in the State Revenue Service,

- 17 second year entrepreneurship speciality day department students who had finished their fourth semester of ESP/EBF studies and had undergone a three-month practice in state-run institutions and private companies,
- 16 third year banking speciality day department students who had finished their sixth semester of ESP/EBF studies, the majority of them being employed by banks or private companies.

As indicated in Figure 19, only 6% of the pre-experience first-year students reported on future need in written English accuracy development. 25% of the respondents accounted for further need for spoken English fluency and for specialist vocabulary development (see: Figure 19, Annex 3).

As indicated in Figure 20, roughly one half of the pre-experience second year students reported on specialist vocabulary, grammatical competence acquisition and on ability to produce written, business content-centred texts; the rest of them were still eager to invest time in spoken English fluency development in their future studies (see: Figure 20, Annex 3).

As indicated in Figure 21, the undergraduates, the low-experience third year students, have accounted for acquisition of the linguistic and pragmatic competences in EBF study process. However, besides spoken English fluency development, the learners see further need for expanding written English accuracy and for broadening the knowledge of specialist vocabulary and register differences (see: Figure 21, Annex 3).

Thus, the obtained results of the learners' target language needs analysis gave a reasonable proof to admit that the learners' language needs reflect its communicative uses. It is not surprising that the demand for spoken English fluency has been acknowledged as the main priority in the questionnaires completed by the target language learners. Therefore, it is the social situation, professional setting and opportunities for promotional growth that increase the target language learners' interest in and need for the acquisition of written English competence.

6.3 Target Language Learners' Performance Analysis

To answer *Research Question 2* addressed by this inquiry and to offer an in-depth description and analysis of the target language learners' abilities to produce business content-related texts, this study has examined the process of written English proficiency

development within a seven-semester study period undertaken by each learner group referred to below. Due to the holistic nature of this inquiry, the author has observed, systematized, documented and analysed a selected number of the written works produced by the following learner groups:

- The first learner group under discussion consisted of the banking and entrepreneurship speciality day department students who did their seven-semester ESP/EBF studies at the BIHE from the academic years 2000/2001 to 2003/2004. All in all, 46 learners' written English proficiency development was observed and promoted in the course of their systematic studies. Within the context of the research question posed, a randomly selected number of works have been analysed, the entrance examination results concerning General English being the key criterion for this choice. The entrance examination results reported that the learners' General English at the initial stage of studies at the BIHE corresponded to an intermediate level of the English language proficiency. Therefore, this study group was considered to be a homogeneous English language learners' group.
- The second learner group under study consisted of banking speciality day department and finance speciality evening department students who did their seven-semester ESP/EBF studies at the BIHE from the academic years 1999/2000 to 2002/2003. Over this period, 45 learners' written English proficiency development has been both observed and promoted by the author of this paper. Within the context of the research question posed, 36 learners' performance in terms of the acquired report writing competence was analysed. Complying with the entrance examination results, the learners' General English level at the initial stage of studies at the BIHE varied between the pre-intermediate and intermediate language proficiency levels. This was the core criterion to view the target language learners' group as a heterogeneous language study group.
- The third learner group under discussion consisted of banking and entrepreneurship speciality day department students who did their seven-semester ESP/EBF course at the BIHE from the academic years 1999/2000 to 2002/2003. Over this period, 34 students' written English proficiency development has been observed and advanced by the author of this study. Within the context of the research question posed, the learners' ability to produce economics content-

related texts was examined. Complying with the entrance examination results, the study group can be referred to as a homogenous learners' group possessing an intermediate level of English.

6.3.1 Research Procedure

As the author of this inquiry performed not only as an ethnographer-observer but also as the lecturer who accomplished the educational goals of the study process, the target learners' language competence acquisition was mainly viewed via the learners' language performance analysed in three stages.

Stage 1 identifies the first group learners' written English abilities at the beginning of ESP acquisition process. Due to the homogeneity of the English language level, the author of this paper randomly selected and analysed eight first year entrepreneurship speciality students' works produced at the end of their first study semester of the academic year 2000/2001.

Stage 2 views the second group learners' written English advancement in the middle of ESP/EBF acquisition process. To offer an in-depth analysis of the learners' progress made, the author analysed the reports produced by 17 third year banking speciality day department students and the reports produced by 19 third year finance speciality evening department students. By that time, the students representing both specialities were about to finish their sixth study semester having taken roughly 300 lessons of English.

Stage 3 examines the third group learners'- the Banking Institution's graduates' abilities to produce economics content-centred texts at the end of the seventh semester of ESP/EBF studies. Thus, to view the target language learners' competence of written English, the author analysed 34 fourth year entrepreneur/banking speciality day department students' performance: executive summaries produced as their graduation papers in English. By that time, the learners had received roughly 400 lessons of English tuition.

6.3.2 Research Discussion

Stage 1

To gain an insight into the first year day department entrepreneurship speciality learners' abilities to produce *a descriptive composition* on the basis of the knowledge gained at the secondary school level, the students were set a task to describe their favourite means of mass medium in a written form. As a description is considered to be a widespread type of factual writing and, as indicated in Chapter IV of this study, descriptive reports are one of the most common genres produced in banking/finance context, *the intrinsic purpose* of the task was:

- to motivate the learners to observe the world around them,
- to collect general information about the issue under discussion,
- to select only the relevant data,
- to record the obtained factual information,
- to display it in a form of a text.

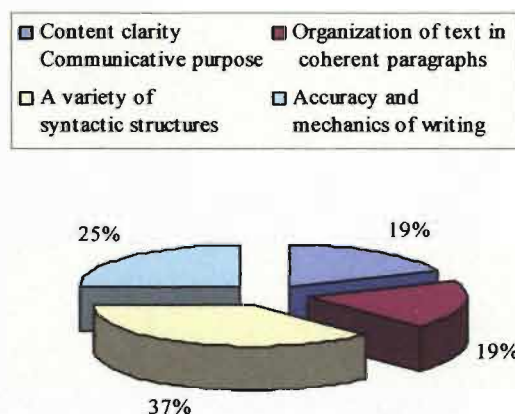
As indicated above, the learners' English language knowledge corresponded to an intermediate level of language proficiency; therefore, the produced compositions demonstrated an adequate surface level accuracy of academic writing. Taking into account that the learners had not been taught text organization techniques and information sequencing principles agreeing with the target language writing conventions, the implied aim of the task was to observe and discover the ways of how the Latvian/Russian origin learners distribute, develop and link information when they produce a text in a foreign language.

Seventeen students submitted their works for the study author's consideration. As the group was homogenous in terms of the English language command, the author randomly selected eight learners' compositions for further description and analysis.

The author viewed the submitted compositions considering text organization and text sequencing principles agreeing with the norms of the English language text construction conventions. In consequence, to characterize the obtained results, the author adopted the criteria applied for factual writing being defined by Martin (1990: 8-11). As a result, *text organization in terms of distributing information into paragraphs and text sequencing in terms of applying transitional devices were considered.*

In general, the analysis of the learners' submitted compositions testified to their abilities to formulate the ideas logically and to display the information in a written form adequately. However, the following principles were hardly observed by the language learners: distribution of information into fixed parts and paragraphs, sequencing of information by using cohesive devices, relating the known information to the new data, and the target readership consideration. Text construction principles appeared to be adjusted to the norms of writing agreeing with the learners' native language conventions. The results analysis is reflected in Figure 22.

Figure 22 Text Linguistic Analysis of Descriptive Compositions



The obtained results confirmed the interim conclusions drawn by the author:

1. To achieve the writer's objectives and to succeed in proceeding and processing information in the target language, text construction conventions, the linguistic norms and principles complying with the standards set for writing in a foreign language have to be taught to the non-native language learners. Unless taught, non-native writers keep to the established norms of their mother tongue and apply them to the texts to be created in a foreign language.
2. Well written texts bear a minimum risk of being misunderstood; they are easy and enjoyable to read, and they enhance the reputation of the individual who has produced them. Conversely, poorly written texts are associated with muddled thinking, lack of thought organization, which results in loss of credibility in a writer and in loss of confidence in the work itself.

3. Paragraph progression conventions and information sequencing principles have to be taught to the target language learners. Paragraphs, serving various purposes, primarily contribute to demonstrating the learners' ability to organize and sequence the information in a logical way. Paragraphs, revealing information in unity and coherence, add to the 'eye appeal' of a page of typescript. They increase the reader's desire to read the text produced, to understand and interpret the text created, thus preventing the reader from becoming lost in 'a sea of words'.

4. The target language learners might generally succeed in text production in the foreign language, providing they have acquired the competence of written mode of communication in the foreign language. As a result, the analysis of the target language learners' compositions reports that:

- the approaches taken to develop writing skills in the target language can not blindly follow non-native language learners' mother tongue writing or English L1 writing conventions; at the initial stage of writing, EFL/ESP learners primarily need to concentrate on the correct mechanics and accuracy of writing, often, at the expense of considering the text construction principles and the linguistic norms of the target language,
- after having reached certain standards of the language accuracy corresponding to an intermediate level of the English language proficiency, EFL/ESP learners can consciously acquire the mastery of text construction: text division into paragraphs, theme-rheme text progression principles, usage of cohesive devices to achieve text coherence.

Besides, one of the subsequent stages in the target language learners' written ESP/EBF proficiency development resulting in their written fluency is the mastery of applying the linguistic principles and the pragmatic norms of the English language (e.g., relevance principle, politeness principle, cooperative principle) to create coherent, concise, complete and courteously meaningful texts intended for the target readership.

Stage 2

In line with the addressed *Research Question 2*, at the end of the sixth study semester, the third year banking speciality day department and the third year finance speciality evening department learners produced banking/finance content-related texts based on their research done on marketing strategies implemented in Latvia. The research reports

were intended as verbal presentations, although they had to be organised according to the conventional text organization and information progression principles complying with the norms of written English.

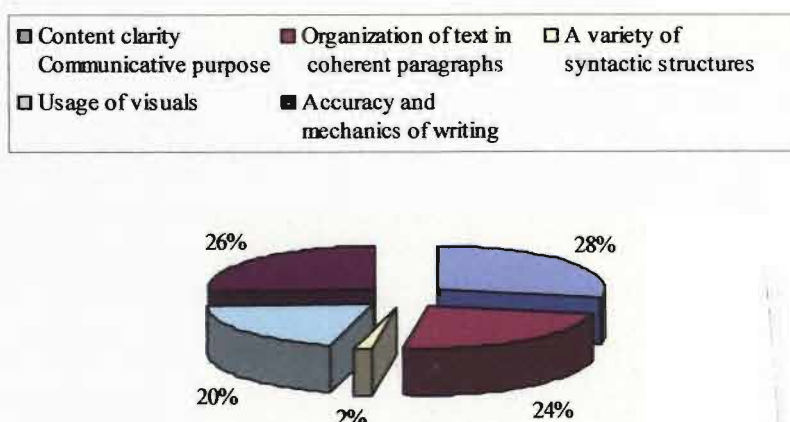
By the end of the sixth semester, the students had taken roughly 300 lessons of ESP/EBF. Within this amount of lessons, the learners had mastered:

- text structure organizational principles,
- paragraph writing principles,
- information progression and sequencing principles,
- text transitional principles,
- rhetorical stance principles,
- writing mechanics.

Thus, 36 reports were presented in the ESP/EBF language classroom and afterwards submitted to the author of this study.

For the research purposes, the learners' reports were analysed considering four criteria such as content relevance, text organization and information development, use of graphically displayed information and writing accuracy. The results of the text linguistic analysis of the reports produced by the target language learners are reflected in Figure 23.

Figure 23 Text Linguistic Analysis of Learners' Reports



As indicated in Figure 23, the target language learners have advanced their report writing skills in the course of their academic studies at the BIHE. Therefore, if viewed in the context of this research, the learners have produced business content-based reports aimed at informing and persuading the readership about the results of the individual inquiries.

In the majority of cases, the reports confirmed that the writers-learners are competent professionals in the relevant banking/finance areas. The research findings offered were complete, clear and concise. The reports submitted had a clear-cut organization and format. Visual materials to support factual information were used to group the related items, to reinforce the text structure, to increase the text comprehension and recall. In most cases, writing was accurate, which could be hardly said about written fluency. Generally, the texts were organized in parts and in paragraphs; however, the paragraphs lacked transition and coherence. Some learners experienced problems with over long paragraphs, which consisted of cohesively unlinked sentences. The descriptive way of writing prevailed when the product/service qualities were presented.

Considering the above description of the target language learners' reports, the author of this study has arrived at the following conclusions:

1. When working with the target language students who possess a pre-intermediate level of foreign language proficiency, the *guided/controlled approach* (Kroll, 1992) to developing written English skills is appropriate. At that stage, quality rather than quantity of writing for ESP purposes should be attained, and the learners have to be guided to avoid making a great number of grammar mistakes. It is generally held that non-native learners first should master the language system in a foreign language acquisition *process*. At this level, the learners' writing is concentrated on the construction of written sentences and controlled paragraphs with little linguistic or content freedom offered. Therefore, at the early stages of ESP writing, the learners' full attention should be closely devoted to gaining *written accuracy*.
2. After having achieved an intermediate level of the target language proficiency, the *guided-free approach* (Elbow 1973, Kroll 1992) to further ESP/EBF writing development is efficiently applicable to promote the content skills. The target language learners have to be aware not only of the mechanics of writing, but they also have to write coherently, producing passages in which the sentences follow each other on the level of sense as well as grammar. At this stage, the *paragraph-pattern approach* (Kroll 1992) has to be integrated into the written ESP/EBF acquisition process. According to Kroll (1992) this approach contributes to adopting text organization principles such as paragraphing, information sequencing, usage of cohesive devices, and usage of topic and support sentences. On a practical level, the knowledge gained at this stage of written skills acquisition can be successfully applied in memo, minutes, meeting agenda, job application, cover letter, CV writing in EBF classes.

3. Having achieved a high-intermediate level of the English language proficiency, the target language learners are able to explore the topic through writing. In a professional setting, for instance, they are often involved into motivated pre-writing activities such as discussions, debates, presentations, or in composing, drafting, revising or editing procedures of reports/annual reports. Therefore, to succeed in producing professional content-centred texts, the target language learners/users are expected to present 'content knowledge, context knowledge, language system knowledge, writing process knowledge' (Tribble 1996: 43). It would be worth notifying that within writing process, the learners not only obtain but also demonstrate the overall writing virtues. For instance, those are the linguo-pragmatic, sociolinguistic and discourse competences required to produce professional content-bound texts. The texts are expected to meet the needs, requirements, standards and the linguistic norms and principles set by the relevant business community.

4. Writing for banking/finance purposes means producing advanced level professionally-centred texts envisaged for use in a social context and addressed to a knowledgeable and professionally experienced readership. Therefore, in the acquisition process of written English for Banking/Finance, *the emphasis should be on keeping to the established banking/finance community standards, set for producing particular types of documents, which usually maintain rigid in-house conventions deviating from the norms established by the professional community itself*. In other words, the essential linguo-pragmatic, sociolinguistic, discourse features characterizing the genre of banking/finance texts, determine the target language learners' need for the mastery of banking text structural and thematic development skills to mark and achieve the intended communicative event and the communicative purpose of the text produced.

5. The report genre, one of the mostly produced types of writing in banking/finance context, can be mastered providing the target language learners possess a high-intermediate level of the English language proficiency. Consequently, this study has acknowledged that besides the marked areas of linguo-pragmatic, sociolinguistic, discourse competences, which the learners are expected to demonstrate in written communication in EBF, banking/finance report production mastery is to be linked to three additional skills:

- the skills of distinguishing, outlining and summarizing the factual information,
- the skills of describing the factual data,

- the skills of supporting factual data by graphically designed visuals (graphs, charts, tables) to ensure the text clarity and precision.

As the features characterising the annual report genre exhibit the particulars that contribute to the clarity, conciseness, correctness and completeness of the banking documents created with certain communicative intention (e.g., to inform, to persuade, to analyse), the *social/genre approach* (Tribble 1996) to gain the particular skills (i.e., describing trends) applied in written communication for EBF is to be incorporated in the acquisition process of written English for Banking/Finance both at the tertiary level and at the banking setting level.

In sum, the way to a report writing proficiency is a time-consuming process, which is cost-benefiting only in a longitudinal dimension. Therefore, this research data confirms that the target language learners' report writing proficiency can be gained providing that within the process of written EBF acquisition procedure, report writing development either at the academic level or at a professional community level is based on a balanced use of four teaching/learning approaches such as *guided-free-paragraph-social/genre approaches*.

Stage 3

To gain an insight into the undergraduates' abilities to produce business content-related texts at the end of EBF studies, this stage of the research examines the executive summaries produced by the 4th year banking and entrepreneurship speciality day department students being their graduation papers in EBF at the end of the academic year 2002/2003. Therefore, it could be assumed that the obtained data testify to the overall written EBF competence acquired by the target language learners in their systematic and conscious EBF studies at the tertiary level. In addition, the analysis of the texts produced by the target language learners characterises the learners' abilities to manage business content-related writing.

Within a seven-semester study period, the students undertook roughly 400 academic hours of ESP/EBF. They were trained to gain the mastery of discursive essay writing aimed at distinguishing facts from opinions, transactional letter writing (e.g., letters of request, application and complaint), commercial correspondence (e.g., enquiries, orders, payment advice, credit advice, banking correspondence) and memo and report writing (e.g., informative/descriptive reports, survey reports, proposal reports).

In addition, the learners were taught the essential principles of text organization and information transition complying with the norms of business-related writing. Moreover, they were taught to apply the pragmatic principles of relevance, politeness and cooperation in terms of generating clear, concise, complete and the target readership oriented texts.

Subsequently, 34 learners' graduation papers were submitted and analysed by the author of this inquiry. The analysis results are revealed in Figures 24a and 24b (see: Annex 3). For the study purposes, the produced texts were analysed considering the principles of Functional Sentence Perspective model and the principles of systemic-functional model discussed in Chapter I. Figure 24a reveals the results of text-linguistic analysis, and Figure 24b reveals the results of text-pragmatic analysis of the reports produced by the target language learners.

Text Linguistic Analysis

Considering the Functional Sentence Perspective model, text structure organizational principles and information sequencing principles applied in the reports produced by the target language learners were examined. Besides, taking into account the systemic-functional model, text thematic progression principles applied in the reports produced by the target language learners were viewed.

It was referred to in Chapter I of this research that the Functional Sentence Perspective principle provides insights into the structure of texts. Theme/rheme dichotomy (Halliday 1985) sees *theme* representing 'the point of departure in a structure' (Grabe and Kaplan 1996: 51) and *rheme* representing 'the move away from the speakers' starting point' (ibidem).

As noted by Grabe and Kaplan (1996), 'theme/rheme relationship is based on the perspectives of the speaker/writer and is based on constituent sequence' (ibidem).

In view of this, the analysis of the learners' works under study shows that the produced texts were organized into logical parts. The information was distributed into the theme-related paragraphs and was supported by *rheme* information. However, breaking the information down into constituent paragraphs, the learners had hardly considered the convention of forming the topic sentences and the support sentences to promote the thematic progression of the message within paragraphs. The majority of students used a range of the cohesive devices to ensure clear transition of ideas; therefore, adequate

quality of text coherence was observed. Thus, the text analysis undertaken showed that the target language learners primarily use those linguistic devices to produce a coherent text which they had been trained to recognize and apply:

- adverbial conjunctions and the related connectors (time conjunctions: *when, after, since, before, until*; time connectors: *afterwards, subsequently, simultaneously*; condition conjunctions: *if, unless, only if, as long as, in the event if; provided that, given that*; concession connectors: *however, nevertheless, though, nonetheless*; result conjunctions: *because, since, as, for*; result connectors: *therefore, thus, so, as a result, consequently, accordingly*),
- relative defining and non-defining clauses,
- various types of reference and substitution (personal pronouns and determiners, quantity pronouns and determiners: *another, both, neither, either, many*; demonstratives, substitution for nouns *one, one*; substitution for clauses *it, this, that*; reference to place and time: *here, there, now, then*),
- sentence adjuncts used to show the writer's attitude to the text (attitude to the likelihood or truth of what has been reflected: *certainly, no doubt, of course, perhaps, probably, possibly, likely, definitely, certainly, apparently*; judgement of events: *interestingly, remarkably, predictably, typically, naturally, significantly*).

Text Pragmatic Analysis

At this level, two principles underlying the rhetorical intention of the texts produced by the undergraduates were taken into account:

- the discursal interpretation of the compositions considering the Gricean maxims (text clarity, relevance and brevity),
- text functional use.

Consequently, in terms of the discursal interpretation of texts, the pragmatic analysis of the learners' works demonstrated that most of the texts exhibited:

- *clarity*, which was achieved by precisely defined purpose of writing and by a logical text organizational pattern aimed at promoting the readership's complete understanding of the core message,
- *precision*, which was achieved by quantifying the intended information and by reducing the usage of imprecise words/word combinations that might have held a vague idea,

- *completeness*, which was achieved by limiting the number of irrelevant details when revealing the subject matter of the text.

Therefore, it can be asserted that the majority of learners possessing a high level of linguistic competence succeeded in producing clear, concise, complete and correct executive summaries, thus managing to get the intended message across. In addition, the executive summaries produced demonstrated that their authors had considered the target readership. This all provided an empirical evidence of the target language learners' ability to produce a document, which is:

- relevant but economic in expression,
- factual because it is based on true information,
- complete because it gets the intended information across.

Considering the above analysis, the author of this study asserts:

“On condition that the target language learners possess a high-intermediate level of linguistic competence, they are able to produce clear, relevant, concise, the intended readership oriented business content-related texts, thus demonstrating their pragmatic awareness.”

Apparently, the use of cohesive devices, as discussed above, contributes not only to promoting the overall text coherence but also to serving text pragmatic intentions: clarity, conciseness, brevity and the target readership-centeredness.

In terms of the functional language use, the presented executive summaries communicated the information elicited from the original resource to the third party. Thus, fulfilling the social representation language function, the descriptive language function, and the textual language function, the texts created by the target language learners communicated the intended information to the target readership.

In brief, the executive summaries produced by the target language learners at the final stage of their seven-semester EBF course undergone at the tertiary level confirmed that the students are able to communicate information in a written way and are able to produce texts that manifest the distinctive features of the annual report genre:

- standard format and terminology used within the bounds of the given context,
- headings and subheadings used as signalling and summarising devices,
- distribution of information into relevant paragraphs where the theme of the paragraph is supported by the rheme of the paragraph,
- smooth flow of information development ensured by usage of cohesive devices.

Considering the above analysis, the results of which are revealed in Figure 24a and in Figure 24b (see: Annex 3), the author of this study has arrived at the interim conclusions:

First: the professional contexts present a type of tasks that lead to generalising, summarising, and analysing the factual information; they are aimed at *informing* the reader about the events that have happened in the past or are to happen in the future. These contexts usually deal with a problem; they study the facts of the situation and offer the *recommending action*.

Thus, writing for corporate and business settings primarily is based on revealing factual information involving a strong element of persuasion.

Second: success in producing the target readership-oriented written documents to satisfy the requirements of banking/finance community depends on effective distribution of information into passages and paragraphs, so that the paragraphs meet the following requirements:

- each paragraph is expected to discuss only one topic and display a unity of the subject matter, this subject matter often being expressed in a *theme* sentence of a paragraph,
- each paragraph is expected to be complete and to express all what the reader might need to know about the topic,
- the sentences within paragraphs have to follow a certain order to develop the intended idea clearly,
- the sentences within paragraphs have to exhibit a coherence to promote the sequence of ideas.

Third: the target language learners possessing a high-intermediate level of linguistic competence are usually successful in manifesting both the pragmatic competence and the discourse competence. They are able to produce coherent, well organized and clear-cut texts displaying the pragmatic awareness via applying the relevant pragmatic principles (maxims of conversation, relevance principle) and the norms of language use (politeness principle). The target language learners of a low linguistic competence are mostly concerned with writing accuracy and are slow to succeed in producing coherent, brief and readership-oriented texts to satisfy the needs of corporate business settings.

As a result, the author of the present study, having based her observations on the longitudinal process of developing the target language learners' abilities to produce written business content-related texts in the target language asserts that the ESP/EBF

learners' written competence can be successfully developed and promoted providing that:

- the specialist language study occurs within the social, professional, and cultural aspects of language use,
- the learners' attention is focused on the process of constructing and producing typical patterns of texts used in professional contexts,
- the advancement of written language skills is implemented into three successive levels:
 - at the surface/structure level (Grabe and Kaplan 1996), focusing on a specific content-bound register, i.e., formal grammatical, structural, functional, lexical properties governing the genre of the document to be produced (the guided/controlled-free approach, Kroll 1992),
 - at the text organizational level (Halliday 1985), focusing on keeping to the established text organization, thematic development, information distribution, information sequencing and text cohesion principles (the paragraph-pattern approach, Kroll 1992),
 - at the level of the social function of genre (Marsen 2003), focusing on the context in which the text is used, on the language patterns applied in that context and on the communicative purpose to be achieved (the social/genre approach, Tribble 1996).

6.4 Target Language Learners' Self-Assessment Analysis

The above discussion has dealt with the target language learners' written ESP/EBF *performance analysis*. To increase the validation level of this study and to elicit the learners' opinions about the mastery of ESP/EBF gained whilst the study process, they were asked to assess their language proficiency. For this purpose, the undergraduates were offered to use the *self-assessment* grid proposed by *Common European Framework of Reference for Languages* (CEFRL, the DIALANG scales, 2001: 231-237). On the one hand, the DIALANG scales were offered to relate the undergraduates' ESP/EBF performance account to their own views about the language competences acquired. On the other hand, the main idea underlying the target language learners' self-assessment process was to assist them to assess their strengths, to recognize their weaknesses and to

raise their motivation and interest in further ESP/EBF proficiency expansion. Therefore, the information obtained resulted in the increased students' autonomous learning, and it stimulated their control over the whole target language acquisition process.

Consequently, at the end of the academic study period (the academic years 2001/2002; 2003/2003; 2003/2004), the undergraduates submitted their self-assessment reports which revealed their ESP/EBF proficiency levels at the moment of submission. Four language skills were analysed. Providing that our research interest complies with the record of written skills, we refer to them more in detail.

Thus, Figure 25 (see: Annex 3) indicates that in 2002 the majority of the finance speciality day department undergraduates reported on possessing B2 proficiency level in written English interaction (CEFRL 2001: 232 '*can evaluate different ideas and solutions to a problem, can synthesise information and arguments from a number of sources, can construct a chain of reasoned argument, can speculate about causes, sequences and hypothetical solutions*').

Further, as indicated in Figure 26 (see: Annex 3), in 2003 the majority of the entrepreneurship speciality evening department undergraduates reported on holding B1 proficiency level in written English interaction (CEFRL 2001:232 '*can write brief reports, can pass on routine factual information, can write personal letters describing experiences and events in detail, can take messages describing inquiries, can briefly give reasons and explanations for opinions*').

As indicated in Figure 27 (see: Annex 3), in 2004 the major part of the entrepreneurship speciality day department undergraduates reported on possessing B2 proficiency level in written English interaction. However, an increasing number of respondents reported on holding C2 level of written English proficiency (CEFRL 2001: 232 '*can give clear detailed descriptions of complex subjects, can develop an argument systematically, presenting relevant supporting detail*').

Finally, in 2004 62 entrepreneurship/banking/finance speciality day department undergraduates identified four factors that motivated their interest in EBF acquisition over a four-year language study course. Thus, within the process of the target language competence growth, the below mentioned factors have contributed to the development of the EBF learners' linguo-pragmatic performance, which is manifested in their mastery to produce banking/finance area- related texts (see: Figure 28, Annex 3):

- appropriate teaching approaches and authentic teaching materials,
- growing use of ESP/EBF in banking/finance area,

- the target language classroom atmosphere,
- the teacher's competence and professionalism.

As a result, the above mentioned EBF learners' self-assessment reports confirm that most of the students evaluate the acquired written EBF mastery as 'good'. The obtained results testify to this study author's belief that the written EBF mastery acquired by the target language learners corresponds to an intermediate-high intermediate level according to the criteria offered by CEFRL, the DIALANG scales (2001). In addition, the obtained information supports the study author's view that full consideration of the target language learners' immediate language learning needs and wants, the teacher/trainer's deep knowledge of the subject matter, supportive and encouraging language classroom atmosphere and appropriately selected linguo-pragmatic language learning/teaching materials are the contributory factors, which play an essential role in written EBF mastery acquisition and manifestation.

Research Results

The final chapter of the present study reviews the research problem and methodology, summarizes the research results and offers the research conclusions derived to confirm the research hypothesis addressed.

Research Problem and Methodology

As explained prior, the study reported here was approached from the qualitative research perspective. Following the principles of ethnographic tradition, this research was conducted to gain an empirical knowledge of the linguistic and pragmatic principles underlying written communication in English for Banking/Finance. Therefore, the study was viewed from two perspectives. On the one hand, it aimed at formulating *the core* linguo-pragmatic principles governing written communication for EBF. The object of the study being written communication in English for Banking/Finance, the inquiry attempted to analyse the authentic annual reports produced and published in the period from 2001 to 2002 by three independent players of the banking community: the Bank of Latvia, the Bank of England and the European Central Bank (300 pages, approximately 650 400 characters). On the other hand, the subject of the study being the non-native learners' competence of written English for Banking/Finance, the research aimed at

testifying to their abilities to apply the gained linguistic and pragmatic competences in establishing and maintaining written banking/finance communication. Therefore, this inquiry endeavoured to examine the target language learners' abilities to produce banking-subject related texts. For this reason, the study analysed the texts produced by 78 learners (106 pages, about 62400 characters). These texts were viewed as the learners' performance, which has resulted from their linguistic and pragmatic competences gained in the process of the academic studies at the Banking Institution of Higher Education within the period from 2000/2001 to 2003/2004. In addition, it would be relevant to note that within the overall research period from 1994/1995 to 2004/2005 700 research participants contributed to testing and supporting the hypothetical level assumption, being put forward:

“Linguo-pragmatic principles governing inter-bank/inter-institutional communication promote the development of the target language learners' communicative language competence if the principles are theoretically justified and if the obtained research results are implemented in the target language studies followed by immediate language use in a banking/finance setting”.

To confirm this hypothesis, the following research questions were posed:

Research Question 1: *How do the target language learners' immediate/delayed needs contribute to EBF acquisition and its conscious use in a professional context?*

Research Question 2: *To what extent can the target language learners' written English proficiency, being gained in EBF acquisition process at the tertiary level, testify to their abilities to produce business-content related texts complying with the requirements set by the professional field?*

In view of this, the current study attempted to view the above mentioned hypothetical level assumptions in the relationship to the prior research done. In other words, the findings obtained from the analysis of the selected linguistic theories of the late 20th century and those of the early 21st century served as theoretical basis to develop the theoretical framework for this inquiry. It, in its turn, enabled the author of this study to understand, identify, formulate and analyse the linguistic and pragmatic principles underlying written communication in EBF.

Providing that English for Banking/Finance is applied in the social context and considering the inductive nature and synthetic focus of this research, the author of this paper found it essential to base the theoretical framework of this inquiry on the discussion and analysis of the selected theories referring to both the functional language

in use and the communicative language competence. Therefore, an emphasis was placed on investigating the development of the target language learners' linguistic and pragmatic competences and on manifestation of the competences acquired in a relevant professional context.

To investigate the object of this study, the following stages were undertaken:

- First, via the analysis of the selected linguistic theories on functional language in use (e.g., the Prague School, the London School, the Common European Framework of Reference for Languages, Carter, Widdowson, May, Bachman, Bloom, Holzman, Hatim, Halliday, Lyons), the author of the study viewed the English language as a means of social interaction occurring in a meaningful context.
- Second, via the analysis of the selected theoretical studies of the communicative language competence (e.g., Hymes, Savignon, Canale and Swain, Kramsch, Munby, Bachman and Palmer, Brumfit, Silberstein, Wardhaugh, Hinkel, Kramina, Lakoff, Levinson, Cawley, Ross, Austin, Searle, Grice, Leech, Rose and Kasper, Thomas), the author of the research acknowledged the relationship existing between the linguistic systems and their communicative intentions in a particular context/discourse.
- Third, via the analysis of the selected theoretical studies underlying societal pragmatics (Putnam, Fillmore, Yule, Halliday and Hasan, Chalker, Ariel, Gumpez, Cook, Lewis, Stalnaker, Peccei, Allan, Dudley-Evans, Bhatia, Brown and Levinson, Sperber and Wilson, Pilbeam, Crystal), the author of this paper attempted to view English for Specific Purposes from micro-, macro-, meta-pragmatic perspectives.
- Fourth, having viewed the principles of text-linguistic and text-pragmatic analysis on the theoretical level (Sinclair and Coulthard, Abercomie, McCarthy, Cook, van Dijk, de Beaugrande and Dressler, Grabe and Kaplan, the Prague School, the London School), the author of this research *used* the obtained theoretical findings to examine and define the core linguo-pragmatic principles governing written communication in English for Banking/Finance.
- Fifth, the results gathered in examining and analysing the linguistic and pragmatic properties governing the annual report genre enabled the author of this research to formulate the concept *written communication in English for Banking/Finance*. As

a result, the conclusions driven contributed to discovering the nature of the object of this study, i.e., written communication in English for Banking/Finance.

On the other hand, these conclusions served as an *essential pre-requisite* to view the subject of this inquiry, i.e., the target language learners' competence of written English for Banking/Finance. The competence gained was manifested in the learners' mastery to produce texts meeting the requirements of Latvia banking/finance community.

Thus, to investigate the subject of this study, the following stages were undertaken:

- First, the research methodology was implemented to narrow and decrease the volume of the raw research data gathered in a ten- academic- year research period (1995/1996-2004/2005). Also, the research methodology was designed and administered in order to describe, interpret and analyse the research information obtained.
- Second, considering the established theoretical framework in reference to the communicative language competence, the author distinguished and formulated the basic linguistic and pragmatic competences, which are required to develop and promote the target language learners/users' written EBF mastery.
- Third, the author investigated the contributing factors such as the target needs, the target language learners' needs and wants, the banking community requirements, the importance of the language setting in the process of EBF acquisition, which generated and sustained the target language learners' interest and motivation in gaining competence of written EBF.
- Fourth, the author viewed the target language learners' abilities to produce banking subject-related texts via examining the reports and executive summaries produced by the learners at different stages of written ESP/EBF mastery development at the tertiary level. To assess the learners' performance, the author followed an innovative approach and analysed the works submitted from the text-linguistic and text-pragmatic perspectives. This analysis took an identical approach to the one adopted when the text-linguistic and text-pragmatic properties of the annual reports were viewed.
- Fifth, to validate the level of the target language learners' performance and to obtain the learners' self-evaluation of their written EBF mastery acquired within the study process at the tertiary level, the learners were offered to estimate their written EBF performance. For this purpose, they applied the language proficiency

level assessment criteria proposed by the *Common European Framework of Reference for Languages*, 2001.

Research Conclusions

As it has been noted before, the study reported here was approached from the qualitative research perspective. Following the principles of ethnographic tradition, this research was carried out to gain the empirical knowledge of:

- the linguistic and pragmatic principles underlying written communication in English for Banking/Finance,
- the implementation of the above mentioned principles in the target language studies in Latvia.

Therefore, the study was approached from two perspectives.

On the one hand, the object of the study being written communication in English for Banking/Finance, the inquiry attempted to analyse the authentic annual reports published by three European Central Banks: the Bank of Latvia, the Bank of England and the European Central Bank.

On the other hand, the subject of the study being the target language learners' competence of written communication in English for Banking/Finance, this inquiry endeavoured to examine the learners' competence being gained in the target language acquisition process and manifested to meet banking/finance community's requirements.

As a result, the conditions presented above allowed the author of this research to draw two integrated groups of conclusions.

The first group of conclusions refers to the object of this study.

Based on the Prague School's Functional Linguistics and The London School's Functional Linguistics theories concerning functional language use, the study has distinguished and defined the language functions of English for Banking/Finance and has specified the linguistic and pragmatic principles of written communication in English for Banking/Finance.

1. English for Banking/Finance being associated with a specified institutional setting and in-house norms and conventions of the language use is an authentic

materials-based functional variety of ESP. Exhibiting a particular linguistic choice, EBF is pragmatically-bound.

2. Written communication in EBF is a social manifestation of the English language. Being considered in the context of applied linguistics, EBF is viewed from the linguistic, pragmatic and sociolinguistic perspectives.
3. Written interaction/transaction in EBF fulfils its communicative purposes via three macro-functions of the language: the social representation function, the descriptive function, and the textual function.
4. **Written communication English for Banking/Finance is a banking/finance subject-bound language, which exhibiting the common-core linguistic properties of the English language, is used to reveal monetary matters related information via specific linguistic means, pragmatic functional principles, and discursive elements applied in the context of written interaction/transaction.**
5. Texts produced in English for banking/finance purposes represent:
 - the category of descriptive texts,
 - the type of informative texts.
6. Depending on the informative context, texts produced for banking/finance purposes are abundant in special lexicon:
 - the core banking/finance vocabulary is used to establish and maintain professional interaction/transaction,
 - the area-specific vocabulary is used to deal with a specified professional domain,
 - the professionalisms are used to ensure the precision of information.
7. Text content referring to banking/finance area is carefully planned, the linguistic and pragmatic norms of the language are strictly observed; the style is emotionally neutral, and narrative sentence structure prevails.
8. An economy of the linguistic means secures the precision and clarity of the factual information to be disseminated, thus, the distinctive text internal linguistic principles of written communication in EBF are:
 - the linguistic means ensuring the thematic development and information progression within text paragraphs:
 - *theme/rheme* alteration,
 - *textual reference* (anaphora, cataphora),

- *surface level structural forms* (opening adverbial clauses of reason, concession, time and condition, opening participial clauses, opening verbless clauses),
 - *proper nouns* and/or their abbreviations.
- the linguistic means ensuring clear and correct, concise and complete information flow between the text paragraphs, thus benefiting to the coherence of the overall text:
- *semantic inference*,
 - *paraphrase*,
 - *placement* of the *key information* at the beginning or at the end of the paragraph,
 - *syntactic parallelism*,
 - the *cohesive devices*: connectors of result, time, listing, adding and contrasting.
- the linguistic means ensuring the thematic progression and the information flow within text paragraphs, thus presenting the data in a distinct sequence of events:
- the *chronological* sequence,
 - the *effect-to-cause* sequence,
 - the *emphatic* sequence;
- the linguistic means linking separate paragraphs into a coherent text:
- the linkage of *topically related* paragraphs/ text segments,
 - the *linear chaining* of the given and the new information.
9. Texts produced for banking/finance community's needs focus on specified communicative event and on a clear communicative purpose:
- the communicative event: the relevant information is presented considering inter-institutionally accepted text organization conventions, where graphically displayed data support and enhance text perception and validity,
 - the communicative purpose: the relevant information is selected to inform the target readership about a financial performance/situation of an institution/enterprise.
10. Written communication in EBF is underlain by the distinctive text external pragmatic principles:

- two thematic parts (the compulsory part holding the idea-promotional information and analytic-economic description, and the optional part holding the financial and operational reviews),
- information distribution into chapters and sub-chapters,
- organization and display of information around the core banking/finance areas: banking environment, banking services and products, money markets, financial indicators,
- an appropriate selection of the linguistic means ensuring both a balance and control of information and an objective evidence, which results in achieving clarity, correctness, conciseness, completeness and relevance of the text;
- an appropriate choice and application of the pragmatic functional principles: the principle of relevance and the principle of politeness,
- an appropriate choice and application of the pragmatic norms: the cooperative principle.

The second group of conclusions refers to the subject of this study: the target language learners' written EBF mastery development manifested in the texts created by them:

1. For interactional and transactional purposes, EBF language users involved in the related international activities referring to the area of banking/finance apply written mode of communication, which is based on the usage of three types of specialist vocabulary:
 - the core banking/finance vocabulary to establish and maintain professional communication,
 - the area-specific vocabulary to deal with a definite job profile,
 - the professionalisms to ensure precision of the information dealt with..
2. Back-office middle/junior level managerial posts require the manifestation of two modes of interaction: written and spoken. These employees are expected to demonstrate both written EBF accuracy and fluency.
3. Front-office clerical workers need the basic English language skills and a limited range of specialist vocabulary to manage occasional non-routine language situations.

4. At the initial stages of EBF acquisition, it is a goal-directed activity: adult learners acquire the language mainly for instrumental reasons to satisfy their needs for particular or immediate pragmatic purposes.
5. At more advanced stages of EBF acquisition, the language competence is gained to result in the language performance; thus EBF acquisition focus is shifted from EBF as a goal of learning to EBF as an essential means of external inter-institutional communication.
6. Adult target language learners' interest in the language competence acquisition is based on the emotional motives (e.g., encouraging learning/teaching atmosphere) the psychological motives (e.g., consideration of the occupational/professional needs) and the physical motives (e.g., balance between input and output, appropriately selected language acquisition materials).
7. Adult learners' language needs and wants reflect EBF/ESP communicative uses: the demand for spoken EBF/ESP fluency is the main non-native language users' need. However, the changing social situation, the professional setting and opportunities for further professional growth increase the learners' interest in and the need for written EBF performance which stems from the gained EBF competence.
8. Development of written EBF mastery should be initiated at the intermediate level of the foreign language proficiency acquisition. Besides the focus on gaining the linguistic competence, the target language learners are to be familiarised with the linguistic functional norms, the pragmatic principles and the text construction conventions complying with the standards set for writing in the target language used for professional purposes.
9. At the initial stage of written EBF development, the target language learners primarily need to concentrate both on the accuracy of writing and on the appropriate usage of specialist vocabulary, often, at the expense of observing the text construction principles and the linguistic norms of the target language.
10. After reaching certain standards of the language accuracy, EBF learners can consciously acquire the mastery of text construction principles: text division into paragraphs, theme-rheme text progression principles and the usage of transitional devices to achieve text coherence.
11. Possessing a high-intermediate level of the linguistic competence, the learners of EBF are able to produce clear, relevant, and precise and the intended readership-

oriented business or banking/ finance content-related texts, thus demonstrating their linguo-pragmatic competence.

12. Writing for banking/finance purposes implies producing advanced level professionally centred texts envisaged for use in social context and addressed to a knowledgeable and professionally experienced readership.

13. The target language learners' written EBF performance can be successfully developed and expanded providing that the advancement of written EBF skills implemented into three successive levels:

- at the surface level focusing on acquisition of the formal grammatical, structural, functional features of the English language and on the norms and lexical properties governing the genre to be produced (guided/-free approach),
- at the text organizational level focusing on text organization, thematic progression, information distribution, and information sequencing and text cohesion principles (paragraph-pattern approach),
- at the level of the social function of genre focusing on the communicative event and the communicative purpose of the document to be produced (social/genre approach).

14. The target language learners' competence of written English for Banking/Finance cannot be observed directly. It can be inferred from the target language learners/users' performance in the context in which it occurs.

15. The socio-pragmatic component of the communicative language competence strictly affects the linguistic behaviour between the representatives of different cultures, therefore the target language culture, its conventions have to be considered in the development of the target language competence.

Contribution of the Study

The empirical research conducted within a ten-academic year period focused on the study of two areas: on distinguishing the core linguistic and pragmatic properties governing written communication in English for Banking/Finance and on examining the factors determining the target language learners' competence of written EBF to produce banking/finance-subject related texts.

A profound study of a large body of literature on the nature of language in use, on applied linguistics' perspective on communicative language competence, on the pragmatic thematic areas and pragmatic functional principles was considered to provide a sound theoretical basis for the present study. Several theories were considered to explain the changing nature of English for Specific Purposes (ESP). Consequently, this study explored a functional variety of ESP: English for Banking/Finance. Resting on the prior research done in the area of ESP, this study provided its explanation for the notion *English for Banking/Finance*.

Further, the authentic documents, i.e., the annual reports of three European Central Banks, were analysed to examine the linguistic and pragmatic properties of written English for Banking/Finance. It enabled the author of this study to offer the definition of the concept *written communication in English for Banking/Finance* and to reveal its many-sided nature.

As a result, the conclusions of this research were driven considering both the relevant theoretical implications of the above mentioned period in linguistics and the empirical knowledge gained by the author within the process of the research conduct.

The study itself was approached from the qualitative perspective. The practical part of this inquiry relied chiefly on the methodology designed to explore:

- the linguistic and pragmatic principles of written communication in English for Banking/Finance,
- the factors determining the target language learners/users' written EBF mastery acquisition in Latvia context.

Belonging to the general type of qualitative study, the research reported here embodied both the qualitative perspective and some elements of quantitative perspective.

It should be noted that the methodology used in carrying out the study was designed to collect, systematize, describe, interpret and analyse the data gathered to confirm the hypothesis.

In sum, considering the research results analysed above and the research conclusions derived, the author of this study asserts:

“The theoretical justification of the linguo-pragmatic principles governing written inter-bank/inter-institutional communication, the obtained research results implemented in the target language studies undertaken in authentic context and followed by immediate target language use in a banking/finance setting promote the development of the target

language learners' communicative competence and its manifestation in the professional field.”

ABBREVIATIONS

BE- The Bank of England

BIHE-The Banking Institution of Higher Education

BL- The Bank of Latvia

CEFRL-Common European Framework of Reference for Languages

CBC-Commercial Banks and Companies

ISL-In-Service Learners

EBF-English for Banking/Finance

ESP-English for Specific Purposes

ECB-European Central Bank

FSP-Functional Sentence Perspective

JEE-Job-Experienced Employees

LEE- Low-Experience Employees

UB-Unibanka

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GLOSSARY

This glossary contains definitions of the terms as they are *used in the context of this study*.

ACCURACY: A teacher-dominated controlled/guided writing being closely related to syllabus.

ANAPHORA: A process where a word/phrase (anaphor) refers back to another word/phrase being earlier used in a text.

ANNUAL REPORT: An official piece of writing that carefully considers the country's monetary, financial and economic policy and is compiled by a group of people once a year.

ASSESSMENT: The measurement of the learner's ability to produce a text, or to succeed in communication; interviews, questionnaires, observation, etc. being one of the instruments of assessment.

BUSINESS LANGUAGE: Business language is 'language used for specific purpose of carrying out business interactions' (Rasmussen 1998).

CATAPHORA: The use of a word/phrase which refers forward to another word/phrase which will be used later in the text.

CHRONOLOGICAL SEQUENCE: A series of events arranged in a strict time sequence (first step, second step and so on).

CHRONOLOGICAL CONTEXT: The social situation characterized according to when something happened.

CLOSED-RESPONSE QUESTIONNAIRE: A questionnaire in which responses are chosen from a set of answers pre-selected by the researcher.

COHERENT: The quality of a text when the meanings of utterances or sentences are closely related to one another in a logical sequence.

COHESIVE: The quality of a text reached as a result of the correct use of grammatical and lexical relationships between its different elements.

COMMUNICATION: The exchange of information between two or more persons.

COMMUNICATIVE COMPETENCE: The ability ‘not only to apply the grammatical rules of a language in order to form grammatically correct sentences but also to know when and where to use these sentences and to whom’ (Richards 1992).

COMMUNICATIVE EVENT: A moment of communication which can be easily distinguished from other moments, i.e., ‘people are using language in an agreed way to get something done’ (Tribble 1996).

COMMUNICATIVE PURPOSE: The result that the writer hopes to achieve in producing a text (Tribble, 1996).

COMMON CORE MATERIAL: The material that uses carrier content either of general academic or general professional nature.

COMMUNITY: The group of people involved in a particular disciplinary or professional area, e.g., banking, finance.

COMPETENCE: In context of writing: not only the ability of writers to apply grammatically correct forms, but also the writers’ ability to select appropriate grammar, vocabulary and linguistic norms to achieve their communicative purposes.

CONTEXT: The broader social situation in which a linguistic item is used.

CORE VOCABULARY: The word-stock of general professional nature to establish professional communication, e.g., an average deficit, fiscal developments, public finances.

DELAYED NEEDS: The needs being of a particular importance for one's future.

DESCRIPTION: The genre that focuses on an account of factual events or phenomena.

DESCRIPTIVE REPORT: A category of reports which, being based on factual information, inform the reader of the events by describing them (types: annual reports, survey reports, informative reports).

DISCOURSE: Text and context together 'interacting in a way which is perceived as meaningful' (Cook 1992).

DOMAIN: An area where a group of speakers/writers use the language in socially or professionally-related communicative situations.

EFFECT-TO-CAUSE SEQUENCE: A paragraph that first defines a problem and then discusses its causes.

EMPHATIC SEQUENCE: A paragraph that provides detailed reasons to support a specific viewpoint; for emphasis, the reasons or examples are usually arranged in decreasing or increasing order of importance.

ENGLISH FOR BANKING/FINANCE (EBF): A language course or programme of instruction in which the content and aims of the course are fixed by the specific needs of a particular group of learners who intend to apply the language in banking, finance, economics context.

ENGLISH FOR SPECIFIC PURPOSES (ESP): An approach to language learning, which is based on learner need: an approach to language teaching 'in which all decisions as to content and method are based on the learner's reason for learning' (Hutchinson and Waters 1992).

ETHNOGRAPHY: A non-manipulative study of the cultural characteristics of a group in a real-world context rather than in laboratory settings, providing a socio-cultural interpretation of the research data.

FACTIVE VERB: A verb followed by a clause which the speaker/writer considers to express a fact.

FLUENCY: In context of writing: student-dominated free and situational writing, which is a meaning based and testifies to the writer's language and language norms and principles competence.

FUNCTIONAL LINGUISTICS: An approach to linguistics which is concerned with language as an instrument of social interaction rather than as a system that is viewed in isolation.

FUNCTIONAL SENTENCE PERSPECTIVE (FSP): A type of linguistic analysis associated with the Prague School, which describes how information is distributed in sentences. The FSF deals with the distribution of known (theme) information and the new (rheme) information in discourse.

GENRE: In context of written EBF: precise accounts of the characteristic linguistic formations, where the emphasis is on the conventions specific to particular kinds of writing within the banking/finance community.

GOAL: The result to which someone moves.

HETEROGENEOUS GROUP: A group of learners representing different disciplines, professions, or the group of learners possessing different levels of language knowledge.

HEURISTIC PERSPECTIVE: Research hypothesis generating process of conscious inquiry with the objective to discover or describe the pattern or relations under study.

HIGH DEGREE OF EXPLICITNESS: Collecting data involving the use of structured types of data collection, which determine in advance the specific focus of the data that will be sought, e.g., structured interviews, formal interviews.

HOLISTIC PRINCIPLE: Events judged in the context of their surroundings and in the context of their occurrence.

HYPOTHESIS: A formal statement about an expected relationship between two or more variables which are expected to be tested.

IMMEDIATE NEEDS: The needs which the learners have at a time of a course.

INDUCTIVISM: Reasoning which involves moving from particular facts to generalizations about them.

INFORMATIVE REPORT: A type of reports which belongs to the category of descriptive reports and which presents information in a factual way and does not aim at analysing data in detail.

INSTITUTIONAL CONTEXT: The social situation existing in a large establishment/organization that ensures a particular kind of work or has a particular purpose.

INSTITUTIONAL LANGUAGE: Institutional language 'mainly is in a written form, has a nominal style consisting of nominalization, use of noun strings, parallel syntactic structures and jargon' (Redish 1983)

INTERACTION: A term used primarily to refer to language exchanges between two or more individuals.

INTERVIEW: A directed conversation between a researcher and an individual or a group of individuals to gather information for research purposes, or for needs analysis purposes.

INFERENCE: The process of arriving at an idea or judgement on the basis of other knowledge or judgements.

JOB-EXPERIENCED LEARNERS: The learners having a single set of needs relating to their jobs.

LEARNERS' NEEDS: The demands to the relevant ESP course 'put forth either by a learner as a social being or by society in general'(Hull-Kramiņa 2002).

LEARNERS' NEEDS ANALYSIS: Investigation of subjectively felt needs as opposed to the objective needs established by target situation analysis.

LOCAL CONTEXT: The social situation connected with a particular area/place.

LOW DEGREE OF EXPLICITNESS: Data collection done by means of open and informal processes, such as notes, open informal interviews, for instance.

NEEDS ANALYSIS: The process of determining what learners of English are expected to be able to do either in their educational or professional situations.

OPEN-RESPONSE QUESTIONNAIRE: A questionnaire that requires the participants to provide short answers in their own words.

PARAPHRASE: An expression of the meaning of a word/phrase using other words/phrases in an attempt to make the meaning easier to understand.

PARAGRAPH: A group of sentences focused on one main organizing point.

POPULATION: Individuals which share common and/or observable characteristics.

PRAGMATICS: The study of language use in communication, particularly the study of relationships between sentences, the contexts and situations in which they are used.

PRINCIPLES; The general rules on which the process is based.

PROFICIENCY: An individual's skill in using a language for specific purpose.

PRE-EXPERIENCE LEARNERS: The learners not having the experience of the target situation at the time of their ESP/EBF course.

QUALITATIVE RESEARCH: Any research based on non-numerical data.

QUANTITATIVE RESEARCH: Investigative procedures used to describe a setting in numerical terms.

QUESTIONNAIRE: A written survey containing closed response and/or open-response items to be answered by individuals.

RANDOM SELECTION: Using a 'chance' selection method.

RECONTEXTUALIZATION: Transformation of the spoken interaction 'into written recording' (Cicourel 1986).

RECORD REVIEW: Commonly used procedure in qualitative research, which involves data elicited from documents and other materials.

REFERENCE: The relationship between a series of sentences to create a meaningful context.

RELIABILITY: The degree to which the results of a study are consistent.

REPRESENTATION LANGUAGE FUNCTION: The specific language patterns associated with 'the social value of the language, which contributes to the construction of a common reality for a social group' (Castellotti 2001)

RESEARCH: A systematic process of inquiry consisting of three elements: hypothesis, data and data interpretation.

SPECIALIST VOCABULARY: Here: *core banking/finance vocabulary* to establish professional interaction, *area-specific vocabulary* to specify a definite job profile related performance and *professionalisms* to enhance the data factuality used to initiate, maintain and manage banking/finance domain communication.

SURVEY METHOD: Procedures used to gather and describe the characteristics, attitudes, views and opinions of the learners or any other people who are important to a study.

SYNTACTIC PARALLELISM: A figure of speech of repetition for syntactically similar constructions of coordinated sentences or phrases.

SYNTHETIC/HOLISTIC PERSPECTIVE: An approach that considers the separate parts of a study as a coherent whole.

TARGET LANGUAGE: The language which a person is learning; in contrast to a first language or a mother tongue.

TARGET NEEDS: Necessities 'determined by the requirements set by the target situation '(Hutchinson and Waters 1992)

TARGET SITUATION ANALYSIS: The initial analysis providing information about the future situation: what learners are expected to do in English, what skills and the language proficiency they need.

TOPIC SENTENCE: The main point in the paragraph.

TRIANGULATION: A variety of techniques for viewing the same phenomena from multiple perspectives.

VALIDITY: The degree to which the results of a study can be interpreted, described and generalized.

ANNEX

Annex 1. Diachronic Perspective on Theoretical Contributions

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I. Diachronic Perspective on Language in Use

1.1. The Prague School's Functional Linguistics

Since the 1950s, the Prague School's linguists, such as Firbas J. and Vachek J. have been primarily concerned with the syntactic, semantic and stylistic analysis of the English language. They claimed that very often the theme/rheme division corresponds to the syntactic distinction between the subject and the predicate; theme usually precedes rheme; the English language uses the word order to mark the grammatical relationship between subject and object.

On a theoretical level, the Prague School was concerned with 'the way that a language provides a speaker with a range of speech-styles appropriate to different social settings' (Sampson, 1980:127).

Therefore, the aspect of the Prague School's study, which resulted in one of the most influential and comprehensive linguistic developments of the twentieth century, was the Prague School's 'readiness to acknowledge that a given language might include a range of alternative 'systems', 'registers' or 'styles' (ibid:126).

In addition, it should be noted that the Prague School is well-known for another contribution to linguistics. It is the Functional Sentence Perspective (FSP), the term (coined by Matthesius in 1929), which is used to analyse a sentence in reference to its communicative function. The study, having been headed by Firbas, in the mid-seventies (1975), focused on examining the FSP principles underlying the arrangement of the sentence elements within its linguistic, situational and cultural context 'determining the function of the sentence within the paragraph and the text' (Firbas, 1992:30-34).

Thus, according to the functional theory of language, language performs a multiplicity of functions. Therefore, to provide a conceptual framework of language functions, the present inquiry attempts to see the language functions in the social context of their application.

From a historical perspective, the notion of the functional way of language emerged at the beginning of the 1930s. Karl Buhler, a distinguished German psychologist of that time, proposed a functional triangle of language and elaborated a three-way distinction between language functions, namely,

- the expression or manifestation function (that of revealing temporary or permanent characteristics of the speaker),
- the speech appeal function (that of influencing the hearer),
- the representation function (that of stating facts and informing about facts, (Buhler,1934: 28).

Roman Jakobson, one of the most influential associates of the Prague School, claimed that the Buhlerian model supports the notion of the importance of the language user in the whole communicative process (Jakobson, 1960:350-377). However, as noted by Lyons, it was the Prague School that manifested the idea of the structure of natural languages being ‘determined by several interdependent semiotic functions-expressive, social and descriptive’ (Lyons, 1981:227).

1.2. The London School’s Functional Linguistics

Defining the role of context in a meaningful communication, Halliday presented an argument that language, within the context of culture, is ‘a form of behaviour potential’ (Halliday, 1973: 48), while context of situation is ‘the environment of any particular selection that is made from the total set of options accounted for in the context of culture’(Halliday, 1973: 71).

As a result, Halliday (1975) advanced a theory of language drawing on ‘meaning potential’. In his work ‘Learning How to Mean’, Halliday focused on ‘an account of how the capacity to use and understand the meaning potential develops in children’ (Richards, 1991: 44).

In contrast to Halliday’s concept of ‘meaning potential’, Chomsky (1957) had already developed another theory where he referred to idealisation of actually occurring acts of language. Chomsky asserted ‘from now I will consider a language to be a set of sentences, each finite in length and constructed out of a finite set of elements’ (Chomsky, 1957: 13). This Chomsky’s definition stressing the significance of a sentence structure rather than a sentence function related to his fundamental distinction between competence and performance.

As noted by Haris (1983), in “Aspects of the Theory of Syntax”, Chomsky (1965) postulated a dichotomy between general linguistic ability and individual language application, which, in its turn, referred to F.de Saussure’s distinction made between *langue* versus *parole*. In view of this, Chomsky wrote ‘we thus make a distinction between competence (the speaker-hearer’s knowledge of his language) and performance (the actual use of language in concrete situations, Chomsky, 1965: 4). With regard to this Chomsky’s distinction, there are known three main responses voiced (Lyons, 1972; Halliday, 1970; Hymes, 1972).

Lyons, in his study ‘Human Language’ (1972), provided the support to Chomsky’s distinction asserting that ‘it is a useful basis for consideration of the grammar of the language which must necessarily be idealised to concentrate on studies of competence (Lyons, 1972: 56-61).

However, it was Halliday who strongly opposed to the usefulness of Chomsky’s dichotomy referring to as ‘unnecessary and misleading’ (Halliday, 1970:145). In addition, it was Halliday who contributed to advancing a scientific theory of the functions of language, which, according to Brumfit and Johnson (1979), Savignon (1983), supported Hyme’s constructive views on the concept of communicative competence.

From a historical perspective, Halliday’s functional account of language complemented Hyme’s theory of communicative competence. As noted by Halliday, ‘through the study of language in use are all the functions of language, all components of meaning brought into focus’ (Halliday, 1970: 145).

II. Diachronic Perspective on Communicative Language Competence

With regard to an earlier research done, the communicative acts underlying the language user’s ability to use language for different purposes were in focus in the middle of the twentieth century.

However, at the beginning of the 1970s, there existed a variety of views on the nature of communicative language competence.

Thus, Widdowson’s “Teaching Language as Communication” (1978) gained popularity among the proponents of communicative language teaching. It was a study which supported the standpoint of the relationship existing between

linguistic systems, their communicative meanings, and values in a certain text or discourse. Bachmann (1995) noted that 'Widdowson's distinction between language usage and use provided the basis for understanding the principles of relationship existing between the organizational and illocutionary aspects of language competence' (Bachmann, 1995:109).

As observed by Hymes (1972), Savignon (1972), Munby (1978), the language user's ability to use language communicatively involves two components, namely,

- knowledge or competence of the language,
- capability for applying this competence in a relevant context.

In those circumstances, Hymes (1972) had discovered that 'the performance of a person is not identical with a behavioural record; it takes into account the interaction between competence (knowledge, ability for use), the competence of others, and the cybernetic and emergent properties of events themselves'(Hymes, 1972:283). In other words, Hymes distinctly recognized the importance of socio-cultural factors in speech situation, thus, developing the notion of sociolinguistic appropriateness in a communicative language use.

2.1. Linguistic Competence

The term 'linguistic competence' has been originally defined by Chomsky (1965) in his in-depth work "Aspects of the Theory of Syntax". According to Celce-Murcia (2001), in his seminal work, Chomsky, postulated a dichotomy between the general linguistic ability and the individual language use-the theory being related to F. de Saussure's distinction 'langue vs parole' (Celce-Murcia, 2001).

As referred to Chomsky (1965), competence is that knowledge about the native language which is required by 'an ideal speaker/listener of homogenous speech community' (Chomsky, 1965:3). Paraphrasing Chomsky's statement, Newmeyer (1990) noted that 'competence is understood as a dynamic concept, as a mechanism that will generate endlessly (Newmeyer, 1990:161).

Consequently, it becomes obvious that Chomsky in his study did not view language primarily as a means concerned with meeting the communicative needs of language users. Conversely, it was an approach followed to favour the language structure rather than the language function.

Moreover, in “Syntactic Structures” (1957), Chomsky proposed the idea that language is represented as ‘a speaker’s mental grammar, a set of grammatical rules used to generate grammatical sentences’. Thus, the scientific interests of generative linguists in the early sixties centred mainly on ‘rule governed behaviour and on the grammatical structure of sentences and did not include the concerns for the appropriate use of language’ (Decarrio, 2001:286).

In spite of the existing theories, Hymes (1972) not rejecting Chomsky’s model, extended it and placed a particular emphasis on the sociolinguistic and pragmatic factors referring to an effective use of language. Above all, reflecting on the notion of communicative competence, Hymes focused on the appropriate language use in particular social contexts. In his article, “On Communicative Competence”, Hymes asserted that ‘the goal of a broad theory of competence can be said [...] to show the ways in which the systematically possible, the feasible and the appropriate are linked to produce and interpret actually occurring cultural behaviour’ (Hymes, 1971:286).

Supporting Hyme’s views on communicative competence, Lakoff (1987), Langacaker (1987) stated that the primary function of the language is to convey meaning, because ‘formal features are useful to the extent that they convey semantic or pragmatic (including discourse) distinctions’ (Langacaker, 1987:54).

Thus, according to the scholars, both semantics and pragmatics play a role in linguistic meaning.

Another scholar being well-known for his ideas of communicative nature of language of theory is Henry Widdowson. In Widdowson’s view, there exists the relationship between the linguistic systems and their communicative intentions in a particular text and discourse. In “Teaching Language as Communication” (1978), he voiced the idea ‘on communicative acts underlying the ability to use language for different purposes’ (Widdowson, 1978:31).

2.2. Historical Survey of Origins of Pragmatics

Pragmatics as a sub-discipline of linguistics developed from heterogeneous philosophical, linguistic and sociological traditions at the beginning of the 1970s. It studies the use of language in application, in particular, in relevance to natural language manifestation and its use in a meaningful context.

By way of contrast, the term 'pragmatics' has been known since the late 1930s as it appeared in Charles Moris' study "Foundations of the Theory of Signs" (1938).

Charles Moris, the linguist subscribing to the theory of linguistic and non-linguistic signs and signing processes to which the study of natural languages is the central domain, i.e., semiotics, distinguished the following areas of research:

- syntax- the relationship between different signs,
- semantics- the relationship between the sign and the sign meaning,
- pragmatics- the relationship between the sign and the sign use.

Jucker (1998) marked that 'Morris introduced the triad of syntax, semantics and pragmatics as the areas, respectively, of grammaticality (the syntactic criterion), interpretability (the semantic criterion), and the appropriateness or felicity of utterances (the pragmatic criterion)' (Jucker, 1998:3).

Moris, in his turn, viewed pragmatics as 'the study of the relation of signs to interpreters (Moris, 1938:6), presumably by 'signs' referring to the 'message' of communication, and by 'interpreters' relating to 'a language user'.

Thus, it can be admitted that pragmatics being a sub-discipline of linguistics is a recent branch to emerge; however, the basic study of pragmatics, undertaking an analysis of the relationship between language and its real-world or 'the world of users' within a meaningful setting, i.e., 'context', had already been advocated by anthropologically-inspired language study theories and hypothesis advanced, for example, by Malinowski and Firth, and by sociologically-inspired study theories evolved, for instance, from the research carried out by Fishman, Halliday, Hymes.

In view of this, examining the linguistic ideas proposed by Professor of anthropology at the London School of Economics (known as the London School) B. Malinowski (1884-1942), it becomes obvious that already in 1923 the linguist clarified his idea of 'meaning' by referring it to the notion of 'context of situation' and claimed that 'the references become comprehensible only in the context' (Sampson, 1980:225).

Similarly, J.R.Firth (1890-1960) took an approach to interpret the notion 'function in context' in his work "Papers in Linguistics 1934-1951" (1968).

Firth's reflections on 'meaning' seem to be best viewed in terms of 'function' in 'context' as they were supported by the idea that the relationship between the function of an utterance and its context 'includes participants in speech events, the action taking place and other relevant features of the situation and the effects of the verbal action'(Firth, 1968:92).

Considering the theoretical framework and principles in regard to the notion of 'context' set by the Firthian linguists, the successor of Firth, Professor M.Halliday made a remarkable distinction between language and 'context of culture', and language and 'context of situation' (Halliday, 1973:48-71) stating that within the context of culture language is characterized 'as a form of behaviour potential; an open ended set of options in behaviour available to the individual'(Halliday, 1973:48), while language in context of situation is seen as 'the environment of any particular selection that is made[...] in context of culture'(Halliday, 1973:71).

Fundamentally, Halliday's research on the above linguistic behaviour alongside with Hyme's view being held on 'the native theory and systems of speaking' (voiced in his study "Language in Culture and Society", 1964) advanced the model which supported the individuals' abilities not only to apply the grammar rules of a language to form grammatically correct structures but also to know when, where and how to use the sentences. Apparently, speaking in this model was seen as the action of transmitting symbols (i.e. interaction), and interaction, on the other hand, was viewed as a meaningful communicative behaviour governing the relevance of the issue considered. As Rivers (1987) had admitted' communication derives essentially from interaction '(Rivers, 1987: xiii).

By and large, the model of individuals' abilities to communicate with one another appropriately in changing situations and conditions is the fundamental concept of communicative competence, which in its turn, is the core idea underlying a pragma-linguistic model of linguistic communication.

Thus, it is to be admitted that Hyme's (1971) theory of communicative competence envisaged the interaction of grammatical, psycholinguistic, sociolinguistic and probabilistic language components.

To expand the theoretical study of the historical origins of pragmatics as a sub-division of linguistics, four sources, which underlie the developments of pragmatics, are to be outlined.

Referring to the first source, it had arisen from the counter-position taken by G.Lakoff, J.McCawley, J.Ross, the linguists representing generative semantics, in response to the well-known Chomskyan criterion of 'well-formedness' as the standard by which to judge a linguistic production. Counter-perspectives were offered to oppose to Chomsky's conception of semantics presented in his 'standard theory' which appeared in the second phase of transformational grammar and was documented in 'Aspects of the Theory of Syntax' (1965), where Chomsky argued that 'the basis of syntax is the deep structure which is formed by a context-free phrase structures and lexical rules' (Bussmann, 1996:491).

To paraphrase this linguistic model: a syntactic well-formedness means that a language consists of a set of correctly-formed sentences, which 'belong' to the language.

George Lakoff, in his article 'Presuppositions and relative well-formedness'(1971), for the first time publicly and strongly opposed to the Chomskyan criterion of 'well-formedness' of structures and claimed that 'well-formedness' or 'correctness' of the language are highly relativistic notions, and the structures are to be analysed considering their functions (Lakoff, 1971:329-340).

Accordingly, an alternative framework, having been proposed in the late sixties, such as Lakoff's 'generative semantics' evoked 'something like a pragmatic approach' (Mey, 1998:19).

Even more, the early seventies evidenced 'collapse of the pan-syntactism of Chomsky and his fellowship theories and hypothesis' (ibid); according to the Kuhn (1964), there was observed 'a paradigm shift'-the shift from the paradigm of theoretical grammar (syntax, in particular) to the paradigm of language user' (Kuhn, 1964:87).

Levinson, in his comprehensive work "Pragmatics" (1983), evidenced this conduct of linguistic interest into a language use as follows:

"It is possible, in response [...] to a context-independent notion of linguistic competence to retreat: the rules can be left unconstrained and allowed to generate unacceptable sentences, and a performance theory of pragmatics assigned the job of filtering out the acceptable sentences' (Levinson, 1983:36).

Thus, from the vantage point of history, we can observe how the old paradigm came under attack, and, along with theoretical research, 'a new model: pragmatics was in the making' (Mey, 1998:19).

It seems safe to consider that in the early 1970s appeared 'the emergent interest in the problems of speech acts; the growing awareness of context as a decisive factor; a heightened interest in a 'user point of view' '(Mey, 1998:722)

Consequently, it should be evident (in accordance with was stated above) that a shift from the paradigm of theoretical grammar to that of the language user was put into effect.

To link back to the first source of pragmatics, it seems safe to claim that the so-called 'anti-syntactic' tendency-a reaction to the 'syntacticism' of the Chomskyan school of linguistics gave a rise to another view (Hymes, 1972) which voiced the idea that 'there are competences which go beyond the domain discussed by Chomsky (1965), and we have to take into account appropriateness of language use (Hymes 1972). Despite the American linguists George Lakoff, John Robert Ross were the first scholars who strongly expressed their discontent with Chomsky's abstract model of grammar, their theories, in fact not being pragmatically oriented, were popular in America and were not explored in Europe in the late 1960s. However, the above mentioned linguists influenced the further development of pragmatically-oriented theories and concepts and contributed significantly to revisiting the original version of the competence-performance relationship (Chomsky1965), which proposed the knowledge base seen as 'abstract, rule-governed, organized, and pervasive in its efforts'(Skehan, 2001:91).

Relating to the second source of pragmatics, it was considered to be the so-called 'social critical tendency'-the school having originated in the UK, in Germany, and in Scandinavia advocating the idea that languages can not be researched only on a theoretical level; research on languages is expected to meet the requirements of the society. The early pragmaticians Basil Bernstein in England, Dieter Wunderlich in Germany voiced the need for a socially useful science of language, and their research interest was focused on the effects language makes on people's lives, in situations of unequal societal status or power, in particular.

Moving on to the third source of pragmatics, it has to be admitted that there were philosophers in England who had conducted fundamental research on the relationships existing between logic and language. This school was referred to as

'ordinary language philosophers', and Ludwig Wittgenstein, Rudolf Carnap, John Austin, Austin's student and follower John Searle, Paul Grice have been acknowledged as the most prominent representatives of the school. Having originated in the British critical tradition of language research, the school representing 'the philosophical tradition' supported the notion that language is a matter of logic, logic being prior to language.

The 'ordinary language philosophers' held a view 'that a correct use of language presupposes the use of logic' (Mey, 1998:23).

Thus, Wittgenstein, in his work "Philosophical Investigations" (1953), focused on the theory of 'meaning as use' (known as 'theory of use') and claimed that the meaning of a linguistic expression equals to its function or use within a known context. As noted by Wittgenstein, 'the meaning of a word is its use in the language' (Wittgenstein, 1963:20).

Apparently, Wittgenstein's research on the psychological and mental aspects of the concept of meaning and of its referential relation to reality serves as the foundation for a pragmatic understanding of the notion of meaning.

In those circumstances, influenced by Wittgenstein's theory of meaning as use, Austin (1962) and, later, Searle (1969) developed a systematic account of what people do when they speak.

Austin's work "How to do Things with Words" (1962), a classical work written in the early pragmatic traditions, had an enormous influence on the further developments of pragmatics.

As noted by Austin (1962), not individual words or even sentences but rather particular speech acts that are delivered by means of uttering words and sentences, known as illocutionary acts, are considered to be the basic elements of human communication.

Searle (1969), in his turn, distinguished among

- utterance acts, i.e., an utterance of linguistic elements in a particular grammatical order;
- propositional acts, i.e., an utterance expressed through reference and prediction;
- illocutionary acts, i.e., the communicative function of the speech acts.

At the same time, he asserted that other means, such as intonation, accent, sentence mood, verb mood, adverbs, can serve as illocutionary indicators to fulfil the

communicative function of the speech acts. Besides, Searle had advocated the 'principle of expressibility', which basically underlies 'the pragmatic analysis of speech acts to be equated with the semantic analysis of expressions' (Searle, 1969:29).

Thus, it seems safe to say that in the early 1970s, pragmatics was identified with the speech act theory, however, presently in language teaching and syllabus design, speech acts are mostly referred to as 'functions' or 'language functions'.

The philosopher Paul Grice, taking into account Kant's four logical functions of reason, postulated four maxims of conversation, known as 'cooperative principles', i.e., unwritten rules of conversation influencing the form of conversational exchanges.

Considering the fourth source of pragmatics, research proves that it was ethno-methodology-the study concerned with how people interact socially, or to put it differently- the emphasis in this tradition had always been on communication rather on grammar; the ethno-methodological tradition had been interested in how people get their information across more than in the ways in which the sentences were constructed or whether the utterances were logically consistent and grammatically correct.

One field of empirical research having developed from ethno-methodology has been conversational analysis (H.Sacks, E.Schegloff, G.Jefferson 1974; 1978), the domain becoming the most influential on the study of discourse analysis, which analyse natural conversation and reveal the linguistic characteristics and its usage in ordinary conversation.

As conversational analysis envisages the research on turn-taking, adjacency pair, the role and impact of conversational maxims, conditional relevance, it contributes to examining the relationship between natural language expressions and their uses in meaningful situations, that is, it benefits to the study of pragmatics.

III. Diachronic Perspective on Pragmatic Operators, Acts and Thematic Areas of Interaction

3.1. Pragmatic Operators and Acts

3.1.1. Indexicals and Referentials

In “Sprachtheorie” (1934), Buchler presented his famous functional triangle of structure, i.e., the person-space-time (Ausdruck, Darstellung, Appel), which, according to him, revealed the characteristics of language and could be realised with the help of various deictic means. Buchler envisaged that these means were as follows:

- means of gesture or the demonstrative and personal pronouns,
- the contextual use of deictic particles, applied in the context of speech via reference(anaphora),
- the so-called ‘deixis of the fantasm’ used in the domain of memory and fantasy.

The Russian-American linguist Roman Jakobson , in the 1960s, developed the above mentioned Buchlerian model by adding three more functions of the language, namely, code, channel and poetic quality.

Putnam (1975) argued that natural languages possess a deictic component, which can be defined as ‘a characteristic function of linguistic expression that relate to the personal, spatial and temporal aspect of utterances depending on the given utterances’(Putnam, 1975:131).

Reflecting on the study of deixis carried out by Lyons (1977), it could be outlined that Lyons considered deixis to be a central linguistic concept. He claimed that among many different kinds of deictic expressions the personal pronouns (I, you etc.), adverbial expressions (there, here etc.) and the demonstrative pronouns (this, that, etc.) refer to the personal, spatial or temporal aspect of any utterance act and therefore depend on the context of the speech situation (Lyons, 1977:106).

It should be admitted that the term 'deictic expression' was adopted by C.S.Pierce (1955) from the area of formal logic, the field which mainly focuses on the study of logical connections of propositions, on the internal structure of prepositions and on the theory of concluding. According to formal logic, the concept of proving is fundamental to all theoretical and empirical sciences as it provides a method for arriving at valid conclusions. In addition, current pragmatics has exhibited a renewed and keen interest in Buchler's (1934) statements and views on the so-called 'indexical field', which at present is known as 'indexical expression'.

3.1.2. Notion of Context

From the 1960s onwards, there was observed a shift from Firthian 'context of situation' towards the linguistic and situational models, which reflected on 'conditions of use'. Thus, for instance, Austin's and Searle's Speech Act Theory developed a systematic account of what people do with words (cf. the title of Austin's lectures "What people do with words"), and the theory viewed speaking as an act which is performed under 'contextual conditions' (Searle, 1969).

Alternatively, sociolinguistics defined its scientific interest in investigating the relation of social meaning of the language system and the language use in social context.

Furthermore, discourse analysis, a new cross-disciplinary area of linguistic analysis since the early 1970s, studied of how sentences in spoken/written language form larger meaningful units, and how sentences function in meaningful contexts. Although the main focus of discourse analysis is brought on language, it also considers the context of communication.

'Textual grammar' (Halliday and Hasan, 1976) voiced its considerable scientific interest into studying various aspects of the relationship existing between sentences, namely, cohesion and coherence. In addition, Halliday and Hasan's "Cohesion in English" (1976) focused not only on a variety of relationship existing among sentences, but also displayed a research interest in a text itself- the text being an object of contextual relations.

3.1.3. Notion of Presupposition

It should be noted that the term ‘presupposition’ borrowed from the analytical philosophy of language (Strawson, 1950; Frege, 1967) has been in the linguistic focus since the early 1970s. The above mentioned authors recognized and stressed the connection between semantic and pragmatic presuppositions.

According to Levinson (1983: 181-185), the semantic presuppositions, depend on the linguistic elements, for instance, factive verbs *to know, regret* etc., change-of-state verbs *to stop, come, go, arrive* etc. The pragmatic presuppositions, in their turn, are not directly linked to the lexicon or to the syntax. Conversely, they are triggered by the utterance and speech act.

As a result, pragmatic presuppositions do not imply, for instance, imperative sentences, but they imply orders; they do not concern declarative sentences, they concern assertions and alike.

Assuming that pragmatic presuppositions are related to semantic presuppositions, the former are linked to conversational implicature as well (Grice, 1975). On condition that ‘pragmatic presuppositions concern beliefs constituting the background of communication’ (Caffi, 1998a:753) and are more closely linked to what is actually said, the Gricean concept of implicature is ‘oriented towards the knowledge yet built’ (Caffi, *ibidem*).

Paraphrasing Grice, conversational implicature strictly depends on the actual and factual context and concerns ‘a knowledge which will be shared if the addressee goes through the correct inferences’ (Caffi, *ibidem*).

In sum, the concept of presupposition, introduced by Strawson (1950), Frege (1967), revisited by Stalnaker (1970), and renamed ‘pragmatic presupposition’ is considered by the scholar to be one of the major factors contributing to the context (Stalnaker, 1970: 281); however, the term itself has been used partly synonymously with the corresponding linguistic concepts, namely, ‘quasi-implication’ (Bellet, 1969), ‘covert categories’ (Fillmore, 1969), ‘subordination’ (McCawley, 1968).

Reis (1977) asserting that the following linguistic indicators ‘result in the same presuppositions in all conceivable contexts’ outlined the linguistic features which characterize presuppositions in a meaningful context, such as

- definite noun phrases and factive predicates,
- quantifications, conjunctions, particles,
- the theme-rheme division of sentences.

Furthermore, for a pragmatic analysis of pragmatic presuppositions, Caffi (1998a) focused on three parameters, namely,

- a sequential-textual dimension , where pre-suppositional phenomena can be explained only by viewing them via a meaningful context;
- an anthropological-cultural-social dimension, where pre-suppositional phenomena can be explained within the context of a given cultural and social group, at the same time functioning as a means of either building up the shared knowledge of cross/inter-cultural expectations, beliefs, or reinforcing them; for instance, the knowledge of argumentation, complaining, thanking, addressing, complementing and alike bears a very strong social effect to communicate cross-culturally in business, banking, commerce, etc context;
- psychological dimension, where interlocutors tend to opt for those topics/themes, which are or can be shared to produce clear utterances being familiar to each addressee involved in communication.

To put it differently, interlocutors enact the maximum of knowledge between them and the addressee to avoid contextual misunderstanding.

3.1.4. Speech Act

In the early 1970s pragmatics became almost identified with the speech act theory, the latter being developed by one of the most outstanding representatives of ‘ordinary language philosophers’(the school governed by the linguistic theory of analytical philosophy represented by Ryle, Wittgenstein, Strawson, Austin, Searle, Grice and others) J.L.Austin (1962), and expanded by J.R.Searle (1969).

Interest in speech act was revealed in the philosopher Austin’s lectures, which he delivered at Harvard University in 1955 and later published under the title “How to Do Things with Words” in 1962 (revised in1975).

According to Austin, not individual words or sentences constitute the basic elements of human communication, but those are rather particular speech acts that are performed while uttering words and sentences. Austin called them 'illocutionary acts' and asserted that they are performed via the communicative force of an utterance and are meant for a specific communicative purpose, for instance, a statement, an offer, a request or alike.

In the speech act theory, utterances display two kinds of meaning, namely,

- a propositional meaning, referred to as locutionary meaning, which implies the basic literal meaning of the utterance being conveyed by particular words or sentence structures;
- an illocutionary meaning, referred to as illocutionary force, which implies the effect the utterance or the written text puts on the listener or the reader.

As noted by Austin (1962; 1975), a speech act evidently is a sentence or an utterance which has both propositional meaning and illocutionary force.

Moreover, intonation, punctuation, interrogative pronouns, interrogative adverbs, modal auxiliary and indicators of verb mood, word and causal order, modal particles function as illocutionary force indicating devices.

It is noteworthy that Austin's assertion 'speaking can be analysed as an action' (Austin, 1962:2) has made a significant contribution to further developments of pragmatics. 'His basic analytic framework has stimulated an enormous amount of thinking and researching about a previously neglected but very important area of interpersonal meaning' (Peccei, 2001:49).

The philosopher Searle's (1975) contribution to the further expansion of speech act theory was his proposal to categorize speech acts into general groups, the categorization being based on the relationships between 'the words' and 'the world' and 'on who is responsible for making that relationship work' (Peccei, 2001:51).

Consequently, Searle's well-known input into the speech act theory was the introduction of a five-part classification range of speech acts, such as, commissives, representatives (called assertives in Searle 1979), directives expressives and declarations (1975:369). As Searle observed, commissives commit the speaker to some action in the future, such as a promise (e.g., *If you speak, I will listen*), or a threat. Representatives/assertives reveal the truth-value of the

statement (e.g., *It is the annual report on profit-growth*), they describe states or events, and in business English, for example, contribute to drawing up a report, a claim. Directives are attempts to make the listener/the reader act via expressing a suggestion, a request or a command (e.g., *Why don't you open a deposit account with our bank. You are kindly requested to open a deposit account with our bank*). Expressives display the speaker's/writer's attitude, feelings towards a certain state of affairs being specified in the propositional content via expressing congratulations, thanks, apologies, complaints (e.g., *Please accept our sincere congratulations on launching of the new project. I congratulate you and wish you all the best*). Declaratives are speech acts which change the state of affairs in the setting under discussion (e.g., *Hereby we declare the launching of the new project. The commission is about to declare its decision*). Allan (1998) has reacted on Searle's classification of speech acts and admitted that 'Searle recognizes no psychological state for declarations' (Allan, 1998:923). Apart from Searle's speech act classification, a number of selected theories reflect on Austin's (1962), Vendler's (1972), Bach and Harnish's (1979), Allan's (1986) classifications of speech act illocutionary types.

3. 2. Thematic Areas of Interaction

3.2.1. Notion of Discourse

It was Harris (1952) who introduced the term 'discourse' as a general concept and discussed it broadly in his contribution "Discourse Analysis". Harris's definition of discourse referred to a connected speech or writing occurring 'at levels greater than the single sentence' (Harris, 1952:16); however, the scholar's research interest addressed only the formal structural properties of connected speech or writing.

As a result, many discourse analysts revisited Harris's notion of discourse, for example, Mitchell (1957) discussed the relationship between speech and the situation of utterance, Hymes (1964) emphasised the social orientation of spoken language, Sinclair and Coulthard (1975) focused on the model of spoken discourse, Sacks et al (1974) studied turn-taking in speech.

In view of this, the concept of discourse was expanded considering not only 'purely linguistic or systematic properties of the language (McHoul, 1994:940) but

also reflecting on naturally occurring manifestations of the language, for instance, naturalistic talk, actual texts, or, according to McHoul (1994), taking into account 'the local-contextual features of the language and the social functions of them' (ibidem).

In this perspective, the shift from the linguistic competence (language system) and the 'langue' was entailed towards the performance (actually occurring speech events) and 'parole'.

3. 2. 2. Business Language Discourse

To examine Business English in terms of the language use, it should be viewed in the perspective of its historical developments.

At the outset, in the beginning of the 1970s, Business English was focused on mastering business-related terminology, for example, "British Banking" by J.Firth and P.Stevens (1971), and acquisition of specialist vocabulary was envisaged to be the distinguishing factor of Business English of that time. The target specialist terminology was presented in a written text or dialogue and was aimed at the language learners/users possessing at least an intermediate General English language proficiency level. Business English text books did not envisage the language application in real life contexts and situations, e.g., in meetings, in presentations, in negotiations, etc.

However, more influential and extensive impact on the developments of Business English was made by introducing the BBC/OUP video series accompanied by the course book. For instance, "English for Business" (1972), aimed at placing emphasis on increasing learners' communication skills in a business context.

Furthermore, from the 1980s, on the one hand, Business English textbooks started to concentrate more substantially on the functional areas of the language, e.g., speech acts of argumentation, requesting, recommending, complaining, etc., on the other hand, emphasis was laid on the need to apply the language proficiently in meaningful business contexts, such as business communication, business correspondence, for instance.

The late 1980s envisaged Business English diversification meant for low-experience/pre-experience and job-experienced target language learners, for instance, “Business Objectives” by Hollet (1991).

As a result, Business English textbooks started to aim at developing spoken English skills around the key communication areas, such as telephoning, presenting facts and figures and alike.

3.2.3. Text Linguistics and Text Pragmatics

It seems safe to admit that the distinction between discourse as an active speech production and text as a relatively bounded, generally framed discourse was made by the British social anthropologist Bronislaw Malinowski (1884-1942) in his ethnographic theory of language, where he disseminated the idea that ‘text itself is a constituent of the context of situation’ (Malinowski, 1935, 1961:31).

Furthermore, Malinowski’s concept of ‘context situation’ was further expanded by the British structuralist Firth (1957) who envisaged the role of a communicator’s participation in verbal situations. Besides, evident developments of ‘context situation’ have strongly influenced the rapidly expanding framework of register analysis (Halliday, McIntosh and Stevens 1964; Catford 1965; Robinson, 1980), and ‘from the perspective of applied linguistics, the register theory has been one of the most important proposals made within functional linguistics’ (Hatim, 1997:21).

In text linguistics, the unit of description is the ‘text’, which deals with the internal conditions for textuality, such as ‘cohesion, coherence and composition’ (van Dijk, 1977; 1980). In discourse analysis, the unit of description is communication or ‘communicative occurrences, such as speech acts and conversational principles’ (Coulthard, 1977). Therefore, the concept ‘text’ in text pragmatics is defined as ‘a communicative event in which the communicator transfers to the audience, by means of language, some propositional content’ (Togoby, 1998: 1008).

Consequently, text pragmatics rests on the principles and functions characteristic of written or spoken texts produced for the purpose of communication.

Buchler (1934), Jakobson (1960), Halliday (1970), Hymes (1972), Brown and Yule (1983) have observed that the text can perform a variety of functions, for instance,

- the expressive and emotive function to reveal the communicator's intentions and attitudes,
- the descriptive, representative, referential, ideational, assertive function to reflect the communicator's statements about something,
- the information structuring function to provide information for the audience in sequence,
- the regulative, interpersonal, directive and commissive interactional function to represent the regulation of the social relations,
- the communicative or textual function to reveal the use of the language system.

In this view, de Beaugrande and Dressler (1981) claimed that text pragmatics deals with

- the communicator's intention to produce a text,
- the comprehensibility, informativeness and relevance of the utterance in relation to the audience,
- the coherence and cohesion of the parts of the text,
- the social relations and the institutional rules existing between the interlocutor and the audience,
- the audience's background, the language and cultural environment.

IV. Diachronic Perspective on English for Specific Purposes

In the initial stage, the study of ESP register was mainly associated with remarkable contributions made by Barber (1962), Halliday, McIntosh and Stevens (1964), Ewer and Latorre (1969) and Swales (1971). Their theories were based on the assumption that the formal features of the ESP register exhibit the common tendency 'to favour particular forms such as the present simple tense, the passive voice and the nominal compounds' (Hutchinson, 1992: 10).

Ewer and Latorre (1969) having analysed the distinctive features of scientific English admitted that 'this basic language is made up of sentence patterns, structural (functional) words and non-structural vocabulary, which are common to all scientific disciplines' (Ewer and Latorre, 1969: IX).

In view of this, the first phase of ESP development, according to Ewer and Huges-Daves (1971) attempted to identify the key features of the scientific English register, namely,

- the infinitive as a substitute for longer phrases,
- words similar in form but with different meanings for the same function,
- most prefixes and suffixes,
- most structural and qualifying words and phrases,
- compound nouns,
- passives and conditionals,
- cause and result constructions,
- the usage of the past participle construction (Ewer and Huges-Daves, 1971: 65-70).

In the subsequent years, since the 1970s, research interest shifted attention from ESP register analysis to the study of the scientific texts discourse.

Grabe and Kaplan (1996) have noted that 'the application of patterns of arrangement in the discourse became a major research focus' (Grabe and Kaplan, 1996: 159). As a result, the research on ESP started with discourse analysis in the late 1970s still continues; yet, with genre analysis and text analysis in focus (for instance, Bhatia, 1993; Halliday and Martin, 1993; Swales, 1981, 1991; Dudley-Evans, 1989; Hoey 1983, 1994).

Thus, the research of the late 1970s extensively developed the approach of relating language form to language use with the focus on appropriately selected ESP teaching materials.

As a result, the core ESP research interest in the late 1970s was aimed at

- identifying the organizational patterns of scientific and technical texts,
- specifying the linguistic means by which these patterns are established in forming paragraphs and whole texts, or the so-called 'discourses' (Lacstrom et al., 1973; Trimble, 1985),

- emphasizing the primacy of language usage over the primacy of language form (Allen and Widdowson, 1974; Widdowson, 1978).

In consequence, the findings of the research into the discourse of subject-specific texts (for instance, Hoey, 1979), and the analysis of text structure and organization (for instance, Jordan, 1997), identified the field of discourse analysis:

- the communicative contexts that affect language use,
- the relation between the discourse, the speakers and the listeners,
- the choice of the verb tenses or other grammatical features affecting the structure of discourse,
- the relationship between utterances: aspect of cohesion, the discourse markers, cohesive devices.(Jordan, 1997: 229).

• A rapid advancement in ESP research was observed in the late 1980s. Besides the focus on the register and discourse analysis, an emphasis was laid ‘on the purposes for which learners need a language, which prompted the development of approaches to needs analysis’ (Richards, 2001: 32). Consequently, ‘learners’ reasons for learning [...] to function adequately in a target situation’ (Hutchinson and Waters, 1992: 12) were identified in terms of performance, that is, ‘what the learners will be able to do with the language at the end of the course’(Richards, 2001:33). This process in ESP research developments is known as ‘needs analysis’ (Hutchinson and Waters, 1987), or as ‘target situation analysis’ (Chamber, 1980).

The most rational explanation of the target situation analysis, which offered a systematic approach to needs analysis in an ESP course design, was presented in Munby’s (1978) model having been consolidated by Schutz and Derving(1981). It reflected the kind of information needed to set a framework for the learners’ communicative needs.

In fact, the new tendencies in the ESP developments continued through the 1980s and the early 1990s.They demonstrated interest not only in the language itself, but also in the analysis of the study skills, which underlie the language use-pedagogy of ESP (for instance, Grellet, 1981; Nuttall, 1982; Alderson and Urquhart, 1984).

Principles of Information Sequencing in Annual Reports

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II. Effect-to-Cause Sequence

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ANNEX 2

1. CHRONOLOGICAL SEQUENCE

1.1.

made concerning the need to improve the legal framework for the payment system in Latvia. The experts from the IMF and the WB expressed positive evaluation on the operation of the SAMS and the EKS, recognizing their conformity with the Core Principles for Systemically Important Payment Systems. Likewise, the assessors acknowledged that the Bank of Latvia followed international practices in promoting the smooth operation of the payment systems, and expressed their positive evaluation thereon. The need of formulating and publishing the Bank of Latvia's principles for payment systems oversight was also pointed out. This was done in September 2001 by adopting the Bank of Latvia's payment system policy.

- In the reporting year, the total value of payments processed by the SAMS increased by 72.6% (to 26.3 billion lats), owing to banks' activity in the money market and transactions with the Bank of Latvia. The total volume of payments handled by the SAMS also continued to grow: the volume of payments was 11.1% higher than in 2000, reaching about 85.2 thousand. In 2001, the average value of a payment processed by the SAMS was 308.3 thousand lats.
- In Latvia, the number of individuals and small enterprises using cashless payment instruments to make settlement increased, and consequently, the volume of customer payments effected by banks rose in the reporting year. Hence, in 2001 the value of payments processed by the EKS was 8.7% higher than in the previous year, amounting to 7.3 billion lats. At the same time, the volume of payments grew by 16.0% (to 14.5 million).

CHRONOLOGICAL
SEQUENCE

INFORMATION SYSTEMS

- In 2001, a number of information systems in use were replaced (information systems for tenders of the secondary market of government securities, reverse repurchase agreements and currency swaps), ensuring a considerably higher level of automation and security. The Bank plans to continue this process and replace the securities settlement system. The analysis of risks inherent in all Bank of Latvia's information systems was conducted with the aim of detecting potential risks, assess their probable influence on the Bank of Latvia's operational activities and prevent the occurrence of such risks.

The introduction of the Bank's integrated information system *Globus* was continued in the reporting year. The new system will ensure a uniform registration of the Bank of Latvia's financial transactions, significantly reducing the inherent risks.

In the reporting year, the introduction of a system for the management of electronic documents was started with the aim of creating a uniform database comprising all Bank of Latvia's regulations and regulatory requirements. The system will also allow the participants of meetings of the Bank's Board of Governors and Executive Board to benefit from modern information technologies.

INFORMATION TO THE PUBLIC

In the reporting year, communication with the general public was built on the Bank's publications and information disseminated via the press, Internet, television and radio.

In 2001, the Bank of Latvia published its annual report for 2000 to reflect its activity and financial results for that year. The Bank of Latvia issued *Monetary Bulletin* and *Monetary Review* to inform about the dynamics of monetary and economic indicators. In 2001, the Bank started to publish the monthly *Latvia's Balance of Payments (Principal Items)* to report the GDP, the current account, the

Personnel and Community Activities

1.2.

STAFFING

The table on page 42 shows the average number of people employed during the year by the Bank and its subsidiaries, including the Governors and Executive Directors, and their aggregate remuneration.

Staff numbers

At the end of February 2002 the Bank employed 2,024 full-time staff and 183 part-time staff. Chart 1 on page 42 shows how the composition of the Bank's staff changed between 2001 and 2002. As in the previous year, staff numbers fell in the Registrar's Department at Gloucester, at the Printing Works at Debden, in the Banking & Market Services area and within some of the Bank's central support functions. There were small increases in the numbers of staff working in the policy divisions of the Bank.

The fall in staff numbers last year continued the well-established trend illustrated in Chart 2 on page 42. The decline in staff numbers – as a result of reducing routine processing jobs, by changing processes and by using IT more intensively – is expected to continue.

Recruitment

In total (and across all categories), the Bank recruited 211 staff. This included 27 staff to work in IT. In line with a number of other employers, the Bank has launched a dedicated recruitment web site. This facilitates the initial screening of candidates and allows the electronic submission of application forms. In fact, all the candidates for graduate entrant positions in the 2002 round submitted applications through the internet. Although more than 60% of clerical applicants applied on-line, paper applications continue to be accepted at this level of entry.

The Bank recruited 59 clerical staff, mainly to the operational areas of the Bank. Of these, 36 joined at the clerical entrant level (21 GCSE, 15 A-level), 4 as secretaries and 19 as experienced hires. This was slightly fewer than in the previous year (2000/01: 66 clerical recruits, of which 44 were at entrant level).

In terms of graduate recruitment, the Bank's demand for high-quality candidates increased further, and at least until the middle of the year the market remained very competitive. 46 new graduates joined during the year; 42 joined the banking staff (2000/01: 37) and 4 joined the IT ranks. Major efforts have been made to raise the Bank's profile in the market and to attract the best candidates. A highlight of the year was winning the Best Graduate Recruitment Web site award from the Association of Graduate Recruiters.

The demand for experienced specialist staff remained high. In response to a number of external recruitment campaigns, 34 mid-career staff were recruited (2000/01: 33). The majority were economists for the Financial Stability and Monetary Analysis areas of the Bank. Other areas (including Audit, Banking & Market Services, Management Services Division and Secretary's Department) recruited professionally qualified and/or experienced specialists to fill specific vacancies.

Training and development

Following last year's review of the Bank's competency framework, an on-line appraisal system based on the new competencies has been introduced. The appraisal system enables managers to access information about their team as well as information about the development solutions available to support staff in improving their performance. The system encourages managers to think about performance in a more defined manner, and encourages the delivery of clearer messages about performance and development. The system also provides useful information about assessment completion rates, as well as about individual and organisational strengths and development needs.

The Bank introduced a Learning Resources web site, accessible by all staff, which can be searched using either key words or competencies. The search results will point the user to a range of learning resources that have been selected to match the needs of those who might want to use them. The resources include books, videos, tapes, courses and CDs, and will also allow the user to undertake e-learning packages at their desk.

Given the high volume of euro coins frontloaded to banks and other professional target groups with a face value of €12.4 billion, the number of euro coins in circulation increased by only 2.6% during the first two weeks of the changeover period. As with the euro banknotes, the number of euro coins in circulation reached its peak on 15 January 2002, with 38.6 billion coins worth €12.6 billion (excluding stocks held by the NCBs). As of mid-January 2002, the number of euro coins in circulation started to decrease slightly and, at the end of the dual circulation period, there were 35.8 billion euro coins in circulation. The value of euro coins in circulation dropped by 8.2% between mid-January and end-February to €11.5 billion.

1.3 Developments in the amount of euro banknotes and coins in circulation during the rest of 2002

The slight decrease in the number of euro banknotes in circulation lasted until April 2002, when a low of 7.2 billion was reached. The number of euro banknotes in circulation had risen moderately by 13.8% to 8.2 billion by the end of 2002. The value of euro banknotes in circulation continued to increase, rising by 45.3% between March and December 2002 to €359 billion. This development can mainly be attributed to the strong demand for the high-value banknotes, in particular the €500 and the €200. Adding

the remaining legacy banknotes not yet redeemed at the end of 2002, total banknotes in circulation amounted to 98% of the total value of national banknotes in circulation at end-2000.

Similar to the trend observed for euro banknotes, the number of euro coins in circulation decreased slightly until April 2002, when it reached a low of 34.7 billion with a face value of €11 billion. Thereafter, the number of euro coins in circulation increased moderately to 40.0 billion worth €12.4 billion as at the end of December.

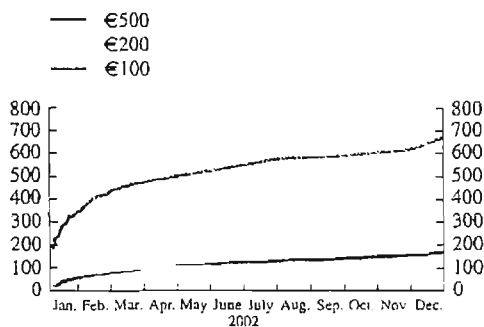
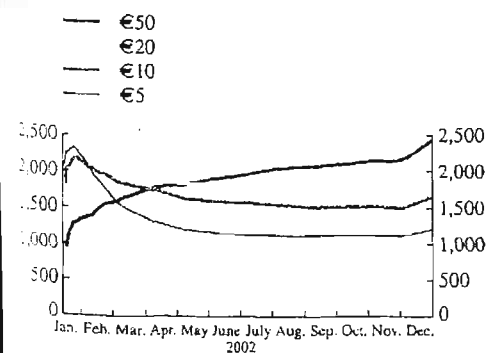
1.4 Withdrawal of the legacy currencies

The circulation of legacy banknotes remained relatively normal until the middle of 2001, when the approaching cash changeover triggered a significant flowback of these banknotes, which accelerated sharply from the beginning of the frontloading period in September 2001. A significant proportion of these were in larger denominations. In value terms, national banknotes in circulation dropped by 29% from €380 billion to €270 billion during 2001. In volume terms, the number of legacy banknotes in circulation decreased from 11.7 billion to 9.6 billion in the same period. In the first two months of 2002, a total of 6.7 billion national banknotes, i.e. 70% of the number of legacy banknotes circulating at end-2001, were withdrawn from circulation. During this period, between 4%

Chart 33

Euro banknotes in circulation in 2002

(millions)



THE NATIONAL ECONOMY AND THE BANK OF LATVIA'S MONETARY POLICY

2.1.

: Description

In 2001, the pace of global economic growth slowed. Economic slowdown was observed simultaneously in a number of developed economies, and among them, the United States, Japan and Germany. Such trend was visible already at the end of 2000, but in 2001 the overall situation was further aggravated and demand on the global market was impaired by the aftermath of the terrorist attacks of September 11 on the United States. As a result, international trade was weakened. In 2001, world GDP growth was about 2.4% (4.7% in 2000).

PROBLEM

CAUSE

Given unbalanced growth across the national economy, the US economy started to slow down in March 2001. The most pronounced difficulties were in the sector of information technologies, which experienced a significant downturn in investment that was associated with a sharp fall in share prices. With inventory stock growing, output narrowed, pushing up unemployment and affecting private consumption. Expansionary monetary policy (during the year, the Federal Reserve System lowered its target for the federal funds rate to the low of forty years, from 6.5% to 1.75%) and a considerable fiscal stimulus sustained economic growth in the first half of the year. GDP decreased by 1.3% in the third quarter, while rising by 1.7% in the fourth quarter. As a result, GDP growth was only about 1.2% in the United States in 2001 (4.1% in 2000).

The Japanese economy continued to weaken. The Japanese GDP was by about 0.5% lower in 2001 than in 2000. Structural problems in the financial sector, the country's unfavourable fiscal position and deflation were the main factors hindering the recovery process in Japan.

PROBLEM

CAUSE

The economies of the euro area also were affected by the global economic slowdown, and in 2001, GDP growth was about 1.5% (3.4% in 2000). The negative effects that the slowdown in the German and the Finnish economies had on growth in the euro area were partly offset by stable GDP growth in France, Spain and Italy, and the high GDP growth reported by Luxembourg and Ireland (6.7% and 5.6%, respectively). The Greek economy grew because of investment inflow after the country joined the Economic and Monetary Union in 2001. As international trade weakened somewhat, the growth rate of exports and investment fell in the euro area. In the euro area, as in other regions, private consumption was adversely influenced by the September 11 events in the United States. During the year, the labour market and the fiscal sector weakened. Influenced by growing food prices, inflation peaked in the euro area in May, while decreasing in the latter half of 2001 (to 2.1% in December), owing to a fall in world oil prices.

The economies of EU accession countries stabilized in 2001; however, economic growth was slightly slower than in the previous year, owing to extensive trade ties of the economies of Central and Eastern Europe with the developed economies where economic growth slowed. Lithuania and Estonia reported considerable continued economic growth (annual GDP growth of 5.9% and about 5.4% respectively). In both countries, export and output growth even accelerated at the end of 2001. In the rest of the economies of Central and Eastern Europe, GDP growth was about 3%.

PROBLEM

CAUSE

The external economic environment was positively influenced by the Russian economy, which reported stable growth despite the downward trend in oil prices. The country had trade surplus and succeeded in ensuring surplus in the government budget. Average annual inflation slightly rose above its 2000 level, while in the last months of the year, it fell to 18.6%. The average annual growth of GDP and the value added of the manufacturing sector was about 5%. In view of the positive

the Ground Floor of the Threadneedle Street building, due to finish in early 2003. IT investment continues at a slightly higher rate than in the previous year's budget. A summary of the Bank's budget for the current year is given in the table on page 37.

Actual spending in 2001/02

- Despite higher than budgeted legal fees, actual spending in 2001/02 was below budget. The main areas of underspend were at the Printing Works, reflecting a reduced note order, in Monetary Analysis (where increases in staff numbers took longer to achieve than planned) and in Personnel Division.

Costs of functions

The breakdown of expenditure shown in the table is based on the organisational structure of the Bank, which is the basis on which Court agrees the Bank's spending. These figures do not show the cost of each of the Bank's functions, as many areas of the Bank contribute to more than one of these. For example, note issue costs, which amount to some £49 million in 2002/03, arise partly at the Printing Works (note production) and partly in Financial Market Operations (distribution and overall policy). Similarly, the Bank's expenditures directly

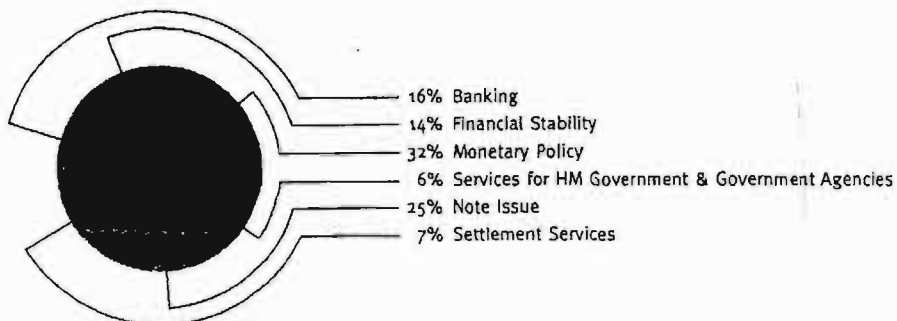
stemming from monetary policy analysis and its implementation include contributions from Financial Market Operations and from the Press Office and Information Services in Secretary's Department, as well as those recorded against Monetary Analysis and Statistics. The chart below shows the distribution of the Bank's budgeted costs for 2002/03 on a broad functional basis, with overheads fully allocated to functions.

Medium-term spending plans

- The medium-term expenditure plans continue to reflect improvements in the efficiency of processing and manufacturing activities and further progress in reducing overheads and other centrally-borne costs, while next year providing more resources for policy work. Over the next three years, though, this underlying reduction in overall spending may be masked by the costs of defending the BCCI case.

One of the consequences of the change in the Bank's responsibilities under the Bank of England Act 1998 was an expectation that the Bank would reduce its overhead costs by £20 million, consistent with the transfer of banking supervision to the FSA. The Bank is now more

Budgeted Costs of Functions 2002/03



interest rate on long-term loans to enterprises and a market interest rate with a comparable maturity has moved more or less in tandem with the spread between yields on long-term BBB-rated corporate bonds and government bonds with a comparable maturity. The latter spread can provide an indication of the degree of the prevailing corporate credit risk as viewed by corporate bond market participants. The chart above also suggests that credit risk concerns rose in 2002, as illustrated by the increase in the spread between the interest rate on loans to enterprises over one year and the two-year government bond yield.

The aforementioned determinants of bank lending rates all seem to have played some role in 2002. While bank lending rates in the euro area adjusted in 2002 to market interest rate developments, among other factors, it is clear that the speed and degree of pass-through has been affected by rising credit risk concerns in certain segments of the credit market.

3 Price developments

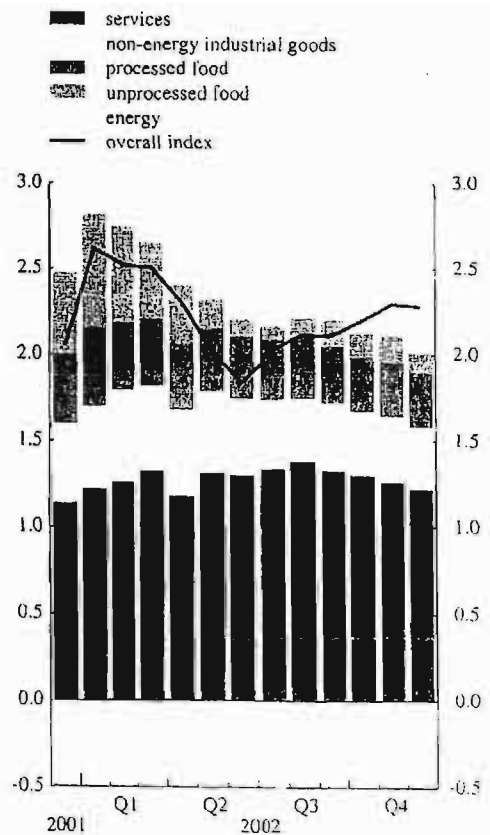
Average annual inflation in 2002 somewhat lower than in 2001

PROBLEM
CAUSE

The average annual HICP inflation rate in 2002 was 2.2%, which is 0.2 percentage point lower than in 2001 (see Table 6). Meanwhile, for the same period, the average increase in the HICP excluding unprocessed food and energy rose from 2.0% to 2.5%. Hence, the lower average rate of HICP inflation in 2002 is explained by lower annual increases in the more volatile unprocessed food and energy components. In January 2003, the year-on-year rates of change in the HICP and the HICP excluding unprocessed food and energy declined to 2.2% and 2.0% respectively, which is 0.1 and 0.2 percentage point lower than in December 2002.

In particular, unfavourable weather conditions exerted upward pressure on vegetable and fruit prices. By contrast, during the following

Chart 15
Contributions to euro area HICP inflation from sub-components
(annual percentage point contributions; monthly data)



Source: Eurostat.

Developments in headline inflation in 2002 mainly reflected short-term movements in unprocessed food and energy prices

PROBLEM
CAUSE

Overall HICP inflation in the euro area was rather erratic in 2002, mainly reflecting short-term movements in its more volatile components. After a sharp increase in January 2002, HICP inflation declined until June, when it started to increase again, reaching 2.3% in December 2002 (see Chart 15). The increase in inflation in January 2002 reflected a number of factors, such as higher unprocessed food and energy prices, base effects and increases in indirect taxation and administered prices.

ANNEX 2

3. EMPHATIC SEQUENCE

3.1.

3 Risk management framework of policy operations

The framework for managing the risks associated with the Eurosystem's policy operations has three main components, namely the risk control of collateral, the valuation principles and the credit risk assessment of collateral.

Risk control of collateral

Tier one and tier two assets are both subject to risk control measures. These are applied to the assets used as collateral in Eurosystem credit operations in order to protect the Eurosystem against the risk of financial loss if the collateral has to be realised owing to the default of a counterparty. By realising the collateral, the Eurosystem recovers the liquidity provided. It is in this situation that the Eurosystem incurs market and liquidity risks associated with the collateral. To control these risks, the Eurosystem continued to have initial margins, valuation haircuts, variation margins, limits in relation to issuers/debtors or guarantors, as well as additional guarantees, at its disposal in 2002, and made use of the first three of these tools over the period.

To obtain an adequate level of risk control, an evaluation, in line with best market practices, of parameters such as current and potential price developments and related price volatilities is performed. Value at Risk (VaR) measures are used to estimate the valuation haircuts needed to reflect the maximum loss of market value which, assuming historical conditions, could be generated by the collateral with a given level of statistical confidence over a given period of time. Additional measures used to calibrate the valuation haircuts include back testing and stress testing.

The Eurosystem applies the valuation haircuts according to asset type, residual maturity and coupon structure. The haircuts are applied by deducting a certain percentage from the market value of the asset. Initial margins are applied to the credit amount. Symmetric

margin calls, or variation margins, are made whenever the collateral does not match the collateral value requirements. Margin calls can be met either by supplying additional assets or by means of cash payments.

For tier one assets, three haircut groups were once again used in 2002: fixed rate, floating rate and inverse floating rate instruments. The valuation haircuts applied to tier two assets reflect the specific risks associated with these assets and are at least as stringent as the haircuts applied to tier one assets. Initial margins and margin calls are applied to tier two assets in a similar fashion as to tier one assets. Four different haircut groups exist for tier two assets, reflecting differences in their intrinsic characteristics and liquidity. In 2002 work was under way to incorporate liquidity risk in the valuation haircuts of tier one assets.

Valuation principles

The assets used as collateral are subject to a daily valuation and NCBs calculate the required value of underlying assets on a daily basis, taking into account the valuation principles required by the Eurosystem.

For marketable tier one and tier two assets, a single reference market is selected as the price source. This defines the most representative price on the reference market. This reference price source is used to value the collateral in a marked-to-market approach. If more than one price is quoted, the lowest of these prices is used. For non-marketable tier two assets or for those marketable assets which are not normally traded, so that marking to market is not possible, a mark-to-model strategy, based on present-value discounting of future cash flows, has been implemented. The discounting is based on an appropriate zero coupon curve, and differences in credit risk between issuers are explicitly taken into account through credit spreads. In 2002 work

This section describes the management of risks arising from the Bank of England's financial operations, including its use of derivatives. As indicated in previous Annual Reports, the Bank runs various types of financial risk, whether in managing its own capital; in its banking business; through its involvement in payment and settlement systems; in implementing monetary policy; or in acting as agent for HM Treasury in managing the UK's official reserves. These risks are monitored and managed in the context of the Bank's internal control framework, described on pages 51-52.

New Developments in 2001/02

Over the past year, there have been two significant changes to the profile of the Bank's balance sheet. First, as described in last year's Annual Report, the Bank took over the Government's 3-year Euro Note programme in January 2001. During the 2001 calendar year €2,000 million of notes were issued to the market; in January 2002 a new series of auctions under the programme was announced, and a further tranche of €1,000 million was issued. The €2,000 million programme was completed in April. The proceeds of these issues have been invested in accordance with credit and market risk limits agreed by the Assets and Liabilities Committee (ALCO). The second development concerns the Bank's own funds (comprising the Bank's capital and reserves plus the proceeds of Cash Ratio Deposits), which have previously been invested in gilt-edged securities and money market assets. Following discussions in ALCO and agreement by Court, the Bank began to diversify this portfolio, to include high-quality public debt securities other than gilts (predominantly issued by foreign governments and supranational institutions). Before implementation, new product procedures were conducted to ensure that financial risks and performance could be measured and monitored, and that operational issues had been satisfactorily addressed.

Three significant risk reduction measures were implemented in 2001/02. The first of these was the phased introduction, from April 2001, of the Note Circulation Scheme, which has almost entirely eliminated

the Bank's intra-day credit exposure to the institutions responsible for wholesale banknote distribution. Second, the introduction of Delivery versus Payment (DvP) in CREST in November 2001 substantially reduced the risks involved in the settlement of securities business in London financial markets, which included eliminating the intra-day exposures incurred by the Bank vis-a-vis other CREST settlement banks. Finally, the Bank has been able to reduce credit exposures in its foreign currency operations through the implementation of repo remargining and swap collateralisation.

The following notes describe the approaches the Bank takes to different types of risk.

Reputational Risk

To operate effectively, the Bank needs to maintain a high level of public confidence across the full range of its activities. Risks to the Bank's reputation may arise, for example, from shortcomings in its market operations, which might impair the effective implementation of policy decisions, or the services provided to customers, or lead to financial loss. Potential risks are identified and evaluated by line management (using, for example, the risk and controls matrix referred to on pages 51-52, which facilitates a systematic assessment of the various risks to which the Bank is exposed, of their potential impact, and of the controls in place to mitigate them). This enables line management to keep the control environment under review and to take whatever steps are needed to strengthen it. Risks are contained by procedures for the selection, training and development of staff, by defining their key responsibilities and objectives, by performance measurement for staff at all levels, and by a structured process for the management and oversight of the work of the Bank.

Financial Risk

- The main financial risks associated with the Bank's banking and market activities are credit, market and operational risks. They are largely incurred in the Financial Market Operations area in pursuit of the Bank's responsibilities for monetary and financial stability.

ANNEX 2

4. TOPICALLY RELATED PARAGRAPHS

4.1.

than three-quarters of the way to achieving the £20 million reduction in overheads. Headcount in overhead functions has fallen by 287 since 1997/98, an annual staff cost saving of £9 million. Building occupancy has fallen and this has reduced costs by a further £4.8 million annually. Other related savings amount to a further £2 million a year. The Bank has now sold two of the five buildings it occupied in London. The Bank expects the reductions in centrally-borne costs to be fully realised in 2003, when refurbishment of the Threadneedle Street building is complete and the remaining buildings in London can then be vacated. The chart below shows the trend in the Bank's expenditure over the past eight years and the expected path four years ahead.

The financial framework

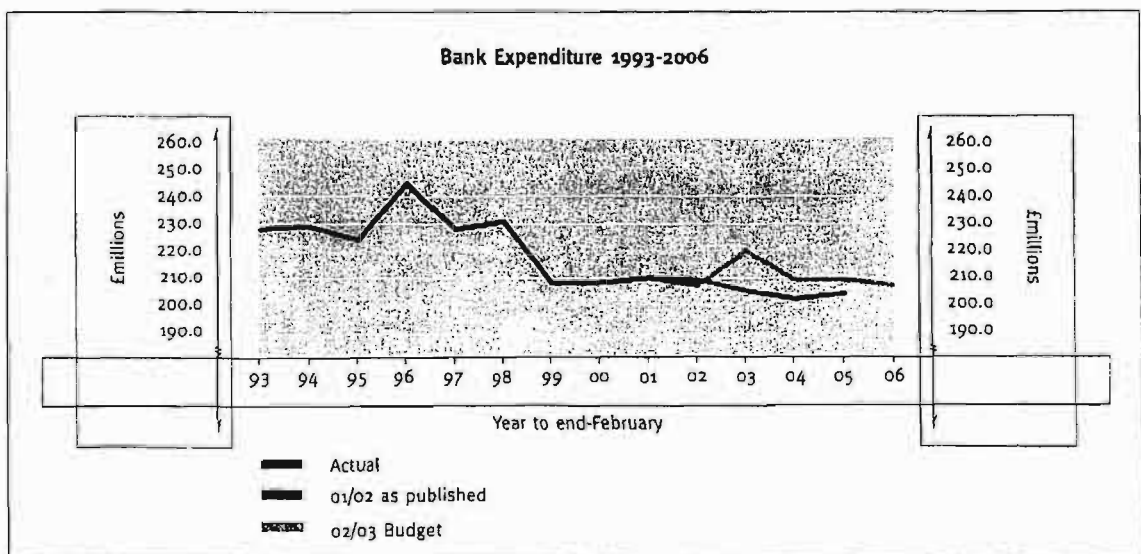
In planning its finances in the medium term, the Bank takes into account the return on its capital and reserves and the implications for Cash Ratio Deposits.

The Bank's objective in relation to its capital and reserves, agreed with Government, is to ensure a reasonable return, on an opportunity cost basis, on the Government's investment in the Bank. This is taken to be

related to the return on Government bonds. When this was originally set in 1998/99, the Bank agreed with the Government that it would plan its finances on the basis of a benchmark return of 7%, the return on gilts in mid-1997. Market yields have continued to be significantly lower than 7%, but in the near term, this has only a limited impact on the Bank's income. Court is therefore content, as last year, to retain the benchmark of 7% for the year ahead.

Cash Ratio Deposits

Cash Ratio Deposits (CRDs) are the interest-free balances that deposit-taking institutions place with the Bank to finance its unrecovered costs associated with its monetary policy and financial stability activities. The Bank of England Act provided the Government with powers to set the level of CRDs, after consultation with the Bank and others, and having regard to the financial needs of the Bank. In 1998, the Government subsequently set CRDs at a level intended to deliver income to the Bank of £79 million in a full year. This reflected the Bank's estimate of its prospective average unrecovered costs associated with its monetary policy and financial stability activities, but excluding any share of the £20 million overhead initially retained by the Bank.



remained relatively stable for most of 2002. In the last quarter of that year it depreciated, partly reflecting the uncertainty about the growth prospects in some of Japan's main export markets and because of market concerns about the resolution of the financial sector problems in Japan. This, in turn, contributed to a downward revision of the Japanese authorities' assessment of the domestic economic outlook. On 31 December, the euro stood at JPY 124.39, which was 4.1% stronger than at the beginning of the year and 14½% above its average level in 2001. On 28 February 2003, the euro was quoted at JPY 127.32, i.e. 7.8% stronger than the 2002 average.

In late 2001, the Swiss franc appreciated against all major currencies, including the euro, following the terrorist attacks in the United States on 11 September 2001. Throughout the first three quarters of 2002, the Swiss currency remained broadly stable relative to the euro, while it appreciated quite sharply vis-à-vis the US dollar. Towards the end of the year, the Swiss franc strengthened further against all major currencies in the face of renewed global risk aversion. At the end of 2002, the euro was quoted at CHF 1.45, 2.1% weaker than at the beginning of the year and 3.9% below its average level in 2001. On 28 February 2003, the euro stood at CHF 1.46, almost unchanged relative to its 2002 average.

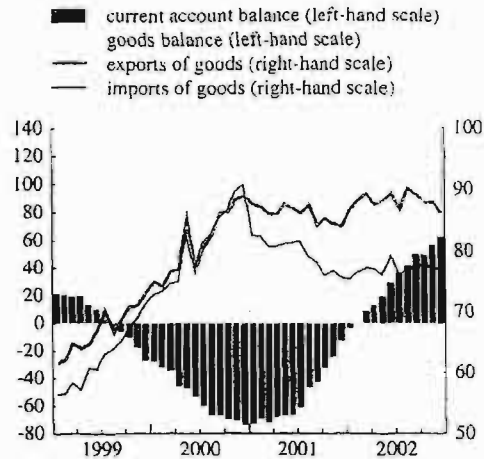
Current account moved into surplus in 2002

The current account of the euro area recorded a surplus of €62.1 billion in 2002, compared with a deficit of €13.8 billion in 2001 (all data refer to the Euro 12). A substantial increase in the goods surplus from €75.8 to €132.7 billion (see Chart 24) was the main factor behind this development. The income and current transfers deficits remained broadly unchanged. The rise in the goods surplus resulted mostly from a significant decline in the value of imports combined with a small increase in exports.

Chart 24

The euro area current account balance and trade in goods

(EUR billions; seasonally adjusted)



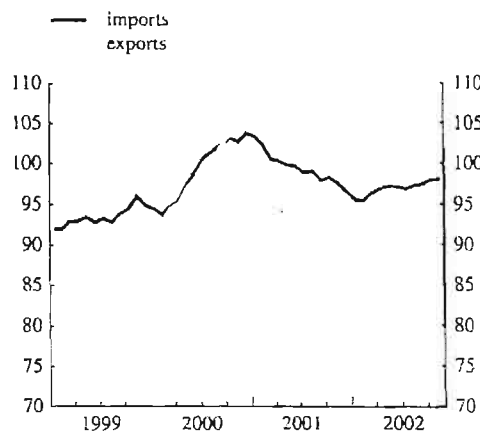
Source: ECB.
 Note: Data refer to the Euro 12. Balances are cumulated over 12 months. Exports and imports of goods are monthly values.

The fall in the value of goods imports in 2002 compared with a year earlier related to developments in both import volumes and prices (see Charts 25 and 26). First, import prices were lower in 2002 mainly because of the sizeable appreciation of the euro in the course of the year. Second, import volumes remained broadly flat and below

Chart 25

Extra-euro area trade volumes¹⁾

(index: 2000 = 100, seasonally adjusted, three-month moving average)



Sources: Eurostat and ECB calculations based on Eurostat data.
 1) Latest observations are for November 2002 and partly based on estimates.

Latvia. Likewise, the Bank discussed the possible ways of developing electronic money with a number of institutions interested in introducing this payment instrument. With regard to collection and analysis of information on payment system developments in Latvia, the Bank of Latvia cooperated with institutions that are operators of specialized retail payment systems and providers of payment services to customers.

With a view to facilitating the public understanding of the role of payment systems, the Bank of Latvia published *Oversight of the Payment System in Latvia*. The publication introduces the Bank of Latvia's policy for payment systems oversight, and examines the structure of the national payment system and the relevant risks.

In 2001 the Bank of Latvia, in cooperation with banks and operators of payment and securities settlement systems, prepared a report on payment and settlement systems in Latvia. The report is envisaged for enclosure in the ECB publication *Blue Book. Payment systems in countries that have applied for membership of the European Union*.

In the reporting year, the Bank of Latvia continued to ensure the operation of the SAMS and the EKS. The SAMS is the Bank of Latvia's real-time gross settlement system used for large-value and urgent payments, which are related to interbank market transactions and the Bank of Latvia's monetary operations. The EKS is a net settlement system used to process bulk retail electronic payments.

In 2001, the Bank of Latvia made a number of changes in the operation of payment systems, reflecting them in the amendments to the "Regulation for Interbank Settlements Effected by the Bank of Latvia".

In the Bank of Latvia's interbank payment systems, a transfer to the new S.W.I.F.T. standard (MT103) was begun to facilitate an automated processing of customer payments by standardizing, as far as possible, information necessary for processing incoming payments. Transition to the new standard will allow banks to enhance significantly the automation of the process of handling the incoming payments. This will reduce the time necessary for the execution of payments and costs for the processing of payments. In the SAMS, the processing of MT103 messages was started already in September 2001 (in the EKS, on February 1, 2002).

With a view to improving the compilation of the country's balance of payments, an obligatory requirement to show the domicile of the originator in customer payment messages submitted in the Bank of Latvia's interbank payment systems was introduced.

The Bank of Latvia has laid down the obligation of the beneficiary's bank to credit the full amount stated in the payment order to the beneficiary's account free of any deductions unless the originator has specified that charges, in full or in part, are to be borne by the beneficiary. This requirement conforms with EC Directive 97/5/EC on cross-border credit transfers.

To reduce risks, the Bank of Latvia has established limits on the value of a payment (in effect as of February 1, 2002): the EKS processes payments whose value does not exceed LVL 50 000. Payments whose value exceeds LVL 50 000 are to be sent to the SAMS.

In the reporting year, the assessment of the Latvian payment system was conducted within the framework of the Financial Sector Assessment Program of the IMF and the World Bank (WB). The country's payment system was recognized to be well developed and protected from potential financial risks. Several remarks were

ANNEX 2

5. LINEAR CHAINING

5.1.

finance ministers. Over the year, the Bank has continued to seek to deepen its relationship with the Eurosystem as well as with other European central banks.

MANAGING THE BANK'S HUMAN RESOURCES

- The Bank's objective for the year was **"through appropriate policies for recruitment, rewards, training and career development, to ensure that the Bank recruits, retains and develops staff with relevant skills and experience; and to build strong staff motivation and morale"**.

Last year 211 staff joined the Bank and 225 left. Most of the departures arose under the Bank's redundancy and severance arrangements, connected with changes in the banking, note printing and central services areas. The resignation rate in the policy and analytical areas was 6%, slightly lower than in the previous year. In the key market for new graduates the Bank recruited 46, 16 with Masters degrees in economics or finance. The Bank has continued to sponsor new graduates in their Masters year, either before entering the Bank or shortly afterwards. This autumn, 14 existing staff will be starting Masters degree courses, mostly in economics. 34 mid-career staff joined the Bank, most to work in the monetary analysis and financial stability areas, but some to provide specific skills in the banking and market operations areas and in central services.

By the end of the year the Bank was close to its budgeted strength, a considerable improvement on earlier years. This achievement partly reflects the effort going into recruitment, which involves management and staff from all parts of the Bank. Trends in the employment market, particularly among City firms, have also helped the Bank in its efforts to retain key staff; but this cannot be expected to persist indefinitely, and the Bank continues to use the flexibility in its pay and job banding systems to address retention issues and also to build cadres of experienced staff in the key business areas.

Major changes in the Bank's banking operations were implemented during the year and as part of this 97 staff were made redundant. As described in earlier reports, the changes in banking were part of a major business re-engineering, with substantial new investment in systems and the creation of new multiskilled teams.

The contracts of six staff who chose not to accept the Bank's new benefit arrangements were terminated in 2000/01, and a further member of staff's contract was terminated for the same reason in 2001/02. The Bank very much regretted that the staff involved felt unable to accept the new terms. All of those dismissed have entered claims in Employment Tribunals, which the Bank is contesting vigorously. In general the new benefits system has settled down well and is now in its third year of operation.

The rapid pace of change over the past few years has clearly been unsettling for some groups of staff, and the Bank has attempted to address this during the year. Improvements have been made in staff communications, most notably through the internal intranet site. Additional resources have been directed to training and career development. A further survey of staff attitudes is being undertaken and the results of this will be available to management and shared with staff during the coming year.

MANAGING THE BANK'S FINANCES

The Bank's financial framework is discussed in more detail on pages 37 to 40 of this Report. The objective for the year was: **"to maintain the Bank's overall spending within the agreed budget of £209.4 million for 2001/02 set by Court in the context of the medium-term framework for its finances which called for £20 million reduction in overhead costs over the five-year period to 2002/03"**.

distortions to competition is the reduction of state aid. Although the overall trend is towards a reduction in state aid, it still plays a significant role in certain sectors, such as rail and air transport. Regulatory reforms continued to be implemented in network industries, albeit to varying degrees across countries and industries. The effects of reforms in these previously sheltered sectors have become visible in price reductions in some of these sectors, notably telecommunications. This development continued in 2002, although at a slower pace.

To sum up, some progress in reducing structural rigidities in labour and product markets was observed in 2002. However, the approach adopted by many countries seems to have taken the form of partial steps rather than strengthened, comprehensive reform efforts. As it takes time for structural reforms to produce their full benefits, the slow and partial approach of most Member States to structural reform will make it increasingly difficult to achieve the strategic objectives set in the Lisbon agenda. Furthermore, a lack of determination to implement comprehensive reforms may also be a reason for the low level of confidence in a quick economic recovery. This makes greater efforts in the field of structural reform all the more important.

5 Fiscal developments

Deteriorating budget balances in 2002 mainly due to economic slowdown

For the second consecutive year, fiscal balances in the euro area deteriorated in 2002. The latest available data from Eurostat show an average deficit of 2.2% of GDP against 1.6% in 2001 (see Table 10). The marked deterioration, to an average level not seen since 1998, can mainly be attributed to the weakness in economic activity which affected budget results through automatic stabilisers, and to adverse revenue developments in some countries. Furthermore, significant statistical revisions of the 2001 deficit figures, expenditure overruns and tax changes had a negative impact on the 2002 fiscal balances in a number of countries. Nearly all countries failed to meet the budget balances targeted in the stability programmes that were submitted at the end of 2001. These targets were missed by a substantial 1.3% of GDP on average.

Fiscal developments were especially adverse in countries that already had significant fiscal imbalances in 2001. Germany recorded a deficit well above the 3% of GDP reference value in 2002. Excluding UMTS receipts, France registered a 3.2% deficit ratio, while the ratios in Italy and Portugal were not much lower. In October 2002 the ECOFIN Council

decided on the existence of an excessive deficit in Portugal in 2001, and in January 2003 decided on an excessive deficit in Germany in 2002. ECOFIN called for measures to end this situation and, also in January 2003, adopted an early warning recommendation for France. In total, nine countries recorded deficits in 2002, against six in the previous year. Only Belgium, Luxembourg and Finland achieved balanced budgets or surpluses.

The euro area ratio of government expenditure to GDP ceased to decline in 2002, for the first time since 1993. The ratio increased by nearly 0.5 percentage point, reflecting, inter alia, higher unemployment expenditure on account of the weak economic environment. Although some overspending was evident in specific categories such as healthcare, no generalised slippage from expenditure targets was discerned. Interest expenditure as a percentage of GDP declined only slightly in 2002. Slow tax revenue growth in 2002 could mainly be accounted for by the weakness in economic activity, since no major tax reforms were introduced. Other factors depressing tax revenue growth were the sizeable tax cuts implemented in previous years and negative effects related to profit and asset price developments.

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