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The Western Union Case and the Social Function of the International Money Transfer

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Abstract

The growing of the global migration phenomenon connects various socioeconomic issues with the need for money transfer services offered by companies such as Western Union. Both bank, exchange standards and the migration laws that are adopted in a different system in each country, influences the definition of the service model for the international transfers. This study is sought to examine whether the services provided by Western Union can be seen as a social function. Based on the analysis of the interviews, it was concluded that from the migrant point of view the social issues involved with the possibility of money transferring is a direct solution to improve the lives of their families, and thus diminish the poverty in many regions of the world. In relation to the company focus, the social function that their service facilitates, does not define or distinguish its market positioning.

Keywords: Western Union, case study, money transfer, migration, welfare

1. Introduction

Throughout most of human history, the land was considered the greatest measure of wealth of a man or nation, while during the middle ages the possession of gold and silver was the index of his power. From the beginning of the industrial revolution, this value became to be accounted by the access to labor. In time, the power of a nation is estimated by its global trade, where migratory movements represent mutual advantages, as they influence the production and distribution of wealth (Huberman, 1981).

From the last two decades of the twentieth century, there is a new historical conjuncture of transformations, in which the political legitimacy factors become secondary compared to the new economic order components. This redefinition of power started to unify the global markets, which led the physically fit to work population to also participate in the resumption of the progressive elimination of the world geographical boundaries (Saraiva, 2007). In his famous 1776 book called the *Wealth of Nations*, Adam Smith outlined the disposition of an economic behavior system, known today as capitalism, in which he predicted that the productivity increase does not necessarily extend its gains among the workers populations (Kotler, 1997).

In this sense, Fiori (2007) disagrees stating that this is an economic phenomenon produced by technological changes and the natural market expansion since [...] “the globalization is universal and inclusive, therefore is promoting for the first time a peaceful reduction of countries sovereignty” [...]. To Chad (2013) the globalization process creates conflicts due to the displacement not only of wealth, but also of people, making these issues to be directly related to global migration. This is a growing phenomenon in which the search for labor involves countries in many different levels of development. These migrant workers often send part of their earnings to family and friends through specialized international money transfers companies. Antunes (2008) adds that the developed nations are increasingly dependent on foreign labor and are benefited from these migration flows, because they need both the highly skilled workers as well as people willing to perform operational tasks. These migrants send annually back to their home countries more than the triple of the total world resources for humanitarian aid, which turned these remittances in the main external source of money in developing countries. This amount is also greater than the volume of foreign direct investment registered in many countries.

From this migration reality, companies specializing in meeting the growing need to transfer money around the world starting to emerge, such as Western Union, the first to operate in this market. The Western Union Company started its activities in 1851 in the United States as a provider of wire communication services and 20

years later introduced the first money transfer service. It is headquartered in Englewood, Colorado and employs approximately 8 thousand people (as of January 2012). The company recorded revenues of USD 5,491.400 million in 2011, an increase of 5.8% over the 2010 profit. The company is the global money transfer leader, with 17% of the market share in the cross-border remittances segment (Western Union, 2013).

Since 1997, the Western Union financial services for receiving and sending money internationally is available in Brazil, operating through a network of agents in about 485 thousand locations in over 200 countries and territories around the world. In 2012 Western Union received a license from the Central Bank of Brazil to operate as an exchange broker, but continues working through Bradesco and Banco do Brasil, as well as other authorized financial agents. Is through the now called Western Union Bank of Brazil SA, that the company also started to provide a complete portfolio of its products and services in the Brazilian market, including national money transfer services (Bank of Brazil, 2013).

This article intends to investigate the operation of the money transferring process mainly through Western Union, and if this company relates its services as a social benefit. The article is divided into four periods: a) the theoretical foundation that positions the phenomenon of international transfers; b) the methodology, which explains how the data was collected and analyzed; c) the data analysis and comments of the main findings; d) the final conclusion.

2. Theoretical Reference

2.1 World Migration

Migration can be defined as the movement of people through a space related to economic, social, environmental, religious and political transformations. The motivations of individuals vary according to the development of each society, turning the migration in a historical and social phenomenon (Santos, 1997). These migrations compose a feature of the capitalism development. There has been a constant flow of international population and the recent history could not be well understood if this interaction between countries and their populations is not considered. The very identity of many of them, its formation as a nation was a product of the international movement of different people (Barreto, 2005). If a surplus working population is a necessary product of accumulation of the wealth development based on the capitalism, and it becomes the lever of capitalistic accumulation [...] it consist on a reserve labor army available, which belongs to capital in a so absolute matter, as if he had created at his own expense. This gives to its changing needs for valuing human material always ready to be explored, regardless the limits of the true population growth [...] It is not enough to capitalist production to have available workforce that is provided by the natural population growth. There is a need to have a freedom of action of an industrial army reserve independent of this natural barrier (Marx, 1984).

Since 2008 with the instability in the international scenario, the economic crisis hit the three main centers of the world development - United States, Europe and Japan. From that period on, these countries that were traditionally an attractive destiny for migrants, in some cases, have been monitoring the output of its citizens in search of a better living condition (Cruz, 2012). According to the World Organization for Migration, 214 million people now live outside their country of origin; this number corresponds to 3.1% of the world population. If they were grouped, the migrants would form the 5th most populous nation in the world. These movements in and out of the territories worldwide during the year 2012 exemplify the extremes. Qatar, announced in 2010 to be the chosen country to host the FIFA World Cup in 2022, leading the ranking for the greatest influx of immigrants in the Middle East. At the other extreme, regions threatened by internal tensions and civil wars, such as Jordan and Syria, saw their population decline steadily (Soares, 2012).

Between 2008 and 2012, more than 200 thousand foreigners received an authorization from the Brazilian government to work temporarily or permanently in the country. This fact provides evidence of the challenges that Brazilians must face in the future: the competition from well qualified foreigners. Over 40% of the top 500 U.S. companies ranking at the Fortune magazine were founded by immigrants or their decedents, including brands such as Apple, IBM, McDonald's and Disney. In Brazil, there are similar cases: Gerdau, Votorantim and WEG. Emerging countries have become more relevant on the global scenario, and the flow of Brazilians abroad is growing at a strong pace. A study done by Ernst & Young on global mobility of the labor force, shows that the number of projects that require the movement of people between countries is expected to grow over 20% in the next two years (Moreira, 2013).

With the record unemployment numbers, more than 1 million people left their home countries in search of work since the crisis began in 2008 in Europe, in what is being considered as the biggest exodus of the Old Continent in half a century. An example of this reality is Spain, which recorded 27% of unemployment among adults and 57% among young people in November of 2012. This way, thousands of Spaniards chose preferentially migrate

to Germany (where the unemployment rate in the same period was only 5%), Switzerland and Brazil (Chad, 2013).

2.2 Foreign Capital Flow

According to Luz (2008) “when an individual migrates to a country other than the one in which it was born he will bring its assets, rights and obligations to be integrated into the national economy”. One of these migrations effects is related to the displacement of capital between countries, making the foreign exchange market in one of the global financial products to have the biggest annual growth (Toussaint, 2002). This financial globalization is both an international opening of financial markets and its deepening, along with the multiplication of services designed to meet the evolving needs of not only companies but individuals. The economic globalization is no longer represented only by the expansion of trade in goods, but is also characterized by the growth of capital movements (Norel, 2004).

Governments and financial institutions have favored the removal of legal barriers to the international movement of capital, but the World Bank describes that its goal is “the development of the productive resources for its member countries, thus contributing to improve in their own territory the living standards and conditions for its workers [...] But the main capitalist powers do not evoke as part of their interest to the emancipation of the Third World population, thus fostering a process of social development equitably divided (Toussaint, 2002.) In this sense, the cross border money transfer tends to relate to migration trends, economic opportunity and overall levels of employment and unemployment across the globe.

The top four countries that had the largest money transfers in the world in 2011 were India, China, Mexico and the Philippines, which cumulatively received around USD 130 billion. Due to the challenging global economy, including low consumer confidence and high unemployment, the demand for capital transfers slowed compared with its historical growth rates. Regulatory changes are imposing additional costs and affect the way in which the money transfer companies can operate, thus changing the competitive scenario (Marketline, 2012).

2.3 Migratory Foreign Capital Flow

According to the migration and funds transfers report from the World Bank in 2010, remittance flows towards developing countries totaled about USD 440 billion worldwide. The study predicts a considerable increase in remittances by foreign workers to poor countries over the next two years. However, it is believed that the true amount of this money flow can be up to 50% higher, if is accounted the money taken by migrants themselves, friends or people nearby. Many countries are more aware of the role and potential of their expatriates. New technologies of banking systems, and the competition between international money transfer, are also tend to make services easier, safe and cheap (Bradley, 2010).

These remittances represent to Mexico and other Caribbean countries the main form of resources input in their economy, higher even in relation to the Foreign Direct Investment (FDI). The effectiveness of these transfers on the economic growth of the recipient countries in generating better income distribution is still uncertain. In general, the poverty reduction rate is on an average of 2.2%, which is not enough to effect a systematic reduction of poverty nationwide. However, when considering only the communities that receive the remittances, and not the whole country, it is noted that the receiving localities of 9 from the 11 countries analyzed, 50% or more of the population residing in such places would be below the poverty line if they could not count on this money transfer (Magalhães & Macchiavello Magalhaes, 2006). To Oliveira (2006) one of the biggest challenges for the world economy in the coming years is based on turning this “migration capital” in compatible integration and social stability, both in the country of origin as well as in the country of destination of these migrants.

3. Methodology

This article was developed through a descriptive and exploratory case study, in order to obtain information by means of multiple sources of evidence related to the Western Union, a company whose activity is based on the financial services sector of global money transfer. The main objective was to analyze the importance of the capital transfer around the world and the impact that this service generates to the populations, and how this company is related to this topic. These analysis criteria are sustained by a qualitative research model, compiled both through primary data generated from interviews as well as secondary and documental data. The main sources used for the theoretical grounding that originate the secondary data were made available from articles in newspapers, magazines, web pages, and books. According to Bell (1989), the gathering of information allows the investigation of various aspects in relation to the same phenomenon; the validity and conclusions of the study are met, in these conditions through various sources of evidence.

For Yin (2001) the more sources are used, the more it can ensure the different perspectives of the study,

obtaining important counterpoints and creating conditions for a triangulation of the data during its analysis. To Borgdan and Biklen (1994), the interview gets enough importance in the case study, because the researcher realizes how the subjects interpret their own experiences, since it is used to collect descriptive data, which allows freedom of observation from the aspects of the world in their own language.

The different types of interviews have been classified in different ways. Hamel (1993) considers the existence of three major kinds: structured, semi-structured and unstructured. They are divided into quantitative and qualitative (that also encompasses three classifications: conversational informal, guided and open). He also points out that this process tends to build a chain of evidence, which consist on setting the case study in such way that it can lead the reader to realize the evidence presentation that legitimize the study, from the research questions to its conclusions. The survey instrument used for the preparation of this article in particular, was done by the collection of primary data through structured conventional informal interviews, applied with a protocol system consisting of ten questions. These aforementioned interviews were transcribed in order to use their information in direct and indirect quotations in the body of this article. The interviews were held during the month of September 2013.

In order to understand how different actors perceive the function of the money transfer, we interviewed both users and offers. Also, we included some federal police officers, to capture the opinion of the State. The interviews followed a semi-structured format and took around thirty minutes each. Their compilations are presented in a summary form as follow in the Data Description.

4. Data Description

4.1 The Western Union

The Western Union has as its primary service sending and receiving money from consumer to consumer, allowing individuals to move resources around the world. Due to increasing competition and in order to sustain its leadership and enhance its profit, the company is been expanding its distribution network since 2008, and today is the only company in the sector present in all countries of the world (Western Union, 2013).

The transaction portfolio consumer-to-consumer is much diversified geographically. In 2011 the company held 226 million transactions worldwide, the U.S. accounts for only 28.6% of total revenues, compared to 71.4% of revenues generated on the international markets. Europe, Middle East, Africa and South Asia region (EMEASA) in its consumer-to-consumer segment represented 43% of the company revenue in total (Marketline, 2012). According to an independent study conducted by Western Union, about 140 million small businesses worldwide are deprived of banking services, thus generating a demand for alternative channels of money transfer. In November 2011, Western Union acquired Travelex Global Business Payments in order to implement the expansion of the business-to-business transactions type. With the acquisition, the payments division for international business customers expanded its services to over 35 thousand clients a year in 14 countries. The global market of payments for the small and medium enterprises (SMEs) represented revenues of USD 24 billion in 2012 (Western Union, 2013).

Western Union has also invested in the use of electronic channels for money transactions, such as online money transfer services, through ATMs machines and with mobile phones. These services combined accounted for 3% of the company revenue in 2011. The net profit margin of the Western Union was about 28% in 2011. Given these profit margins, the market has attracted the interest of new technology companies. One of the best known is Xoom, a company based in San Francisco California, United States. Their rate is fixed at USD 6.00 per transaction online. Other new companies with significant online market share are Currency Fair and M-Via (Marketline, 2012).

4.2 The Western Union Case Study

In order to collect the largest possible number of primary data, nine interviews were conducted during the month of September 2013, both electronically (email and Skype) by phone and in person, totaling over 10 hours of investigative exploration. Among the interviewed participants for the sample, are customers of the international money transfer systems, as well as Western Union employees and other professionals from various fields who are connected in different ways to the processes involved in the money transfer across the globe.

In this sense, it is appropriate to relate the interviewed as follow: one (1) client of the international money transfer system from Brazil to Haiti, two (2) clients of the money transfer services from the United States to Brazil, one (1) management level employee of the Western Union outpost at the Banco do Brasil in the state of Santa Catarina, one (1) superintendent of the Regional Federal Police Office of the Santa Catarina state, one (1) store manager of an money exchange company in a city on the Itajaí Valley, one (1) attorney specialized in

immigration law of the United States, one (1) Bank of America customer service manager in the United States, as well as one (1) Western Union employee in the United States. The interviews conducted in English were transcribed in full.

With the view to make it possible to maintain the impartiality and sincerity of the interviewed, it was offered to those the confidentiality of their identities, this was the option adopted by the large majority. For these cases, some real names have been changed or abbreviated, as well as how and where the interviews were actually conducted, in order to avoid situations of conflict or discomfort to the interviewed. The responses allowed verifying, in a direct and indirect way their involvement and feedback about the social role that the Western Union services offers. The description of the relationships and information obtained during the interviews are minutely detailed as follow.

Due to the increasing global migration process, Brazil has experienced a greater flow of foreigners. Among these many migrants coming to the country with the hope of a better life is Ronue, a 26 year old Haitian who lives for about two years in Itaja í Santa Catarina. He is from the city of Les Cayes, located in the South where he was a math high school teacher. As a result of the 2010 earthquake, many schools were closed due to lack of government funding. Ronue lost his job and began the search for a new opportunity. It was then that he learned about the agreement between Brazil and Haiti, which began offering refugee visas to all those who wanted to work, had a high school degree and could pay for their own travel expenses.

Ronue's grandmother then offered him help, selling her own house for USD 3,000.00 enough only for the plane tickets and needed documents. After a few days in the city of Brasileia in state of Acre, the main entry route of Haitians in the country, he was selected along with a large group by a recruiter of a construction company from São Paulo to work at one of their construction sites in the state of Santa Catarina. More recently, Ronue realized that in a port city he could use his math skills to get a job in the shipbuilding industry, and switched his bricklayer work for the structural calculations of ships, starting as a student in a technical course at the University Vale do Itaja í UNIVALI. Since he received his first paycheck, Ronue have been sending money every month to his family in Haiti. When asked about how he was doing these transfers, he said with some accent, *"now I do it through Western Union, because I have the documents, before it was much more difficult and risky."* A question arises with this statement, what are these documents that Ronue is referring to?

According to Eli, superintendent of the Federal Police Regional Office in Santa Catarina, *"for each country and therefore its citizens is reserved an administrative treatment regarding their entry and stay in Brazil. For Haiti, is necessary to apply for a refugee visa at the Brazilian consulate. Once the migrant enters in Brazil, this person needs to present itself to the Federal Police to register its visa in our foreign control federal system. This procedure is required to perform any renewal process, once that their visa is valid for only 6 months. This update needs to be done periodically until their residence permit is issued, this procedure usually takes on average about 2 years, based on the protocols recorded in Itaja í Another document that is automatically generated from this process is the Foreigner National Register (RNE), similar to General Registry (RG), with which it is possible to have issued the Registry of Physical Persons (CPF)"* he explained.

"According to Brazilian law, all foreign exchange transactions carried out in the country must be registered and can only be performed by an accredited financial institution insured by the Central Bank or its agents" says Mauro, exchange sector manager at the Banco do Brasil agency of a city of Santa Catarina. Since 2007, Banco do Brasil offers the services of sending and receiving money via Western Union. He complements by saying that *"to have currencies sent abroad, you must need to have an current account at Banco do Brasil, prove account activity for a period of at least 3 months, provide the RNE and CPF numbers and the passport with a permanent visa."* Mauro also explains that this regulation is required by the Central Bank in the terms of the National Financial System Registry (CCS). *"Those who do not have the permanent visa in their passport cannot send money abroad, they can only open a bank account. As for receiving money from other countries, is not necessary to be an account holder at the bank, the only document required for the money looting is the passport with or without a visa. In both cases, it is not necessary to prove the origin of money in transfers that are not exceeding USD 3,000.00 per transaction"* completes.

Mauro describes step by step of how the process of sending money overseas actually occurs, indicating that this model is followed by all banks operating through Western Union within the national territory. *"The applicant must come to the bank agency armed with their passport with a residence permit visa, their account number, country of destination of the money, value to be sent and the recipient's full name. After the transaction is performed a Payment Order called OrPag is generated by the Western Union system, which then creates a check number or MTCN, that is given to the client as a receipt of the transaction. The MTCN number, as well as the*

recipient's passport for identification is required for the released of the money by the receiving bank. The service charges are calculated according to the value to be sent and the dollar exchange rate, since the transaction involves currency conversion."

Mauro believes that because of this, the service fees varies greatly but typically the higher that the value to be sent is, the lower the percentage rate charged. For example, considering the Dollar exchange rate to be of USD 2.26 for an money transfer of BRL 500,00 that will be a cost of BRL 41,00 (about 8.2% of the amount sent), a money transfer of BRL 1.000,00 would cost BRL 48.00 (about 4.8%), to send BRL 3.000,00 the charge is of BRL 71,00 (approximately 2.37%). Despite the consider high cost for many, Mauro assures that *"the majority of foreigners but also most Brazilians that are seeking this type service, show clear preference for Western Union and the Banco do Brasil to effect these transactions. Some of them come here because they trust the bank itself, others because they already knew Western Union in their countries."*

Mauro also reveals that the social profile of its clients is mostly lower middle, and says to believe that the international money transfer services help many families around the world adding that *"here in the region, they are people who look for us to send money to very poor countries, and there are also those who come to receive help from relatives that are working in other countries primarily the United States, England and Germany. For most people who use this service regularly, the money seems to be essential to their survival."* Thus he states his opinion about the social function of these transfers: *"I believe that the engagement of the company in this direction is due to the fact that it is the only one in this market to be present in most countries, giving access to a service to those who would otherwise not have it. Despite never seen any company marketing promoting this matter, I think that this activity generates social inclusion and hope to many people. I cannot tell if this type of service generates an increase of migration flow worldwide, but I believe that people first look for a better life, and then think of a way to help their families"* completes Mauro.

Working for about 5 years as a store manager of a currency exchange franchise, Rafael, 35 years old, identifies many of these cases explaining that *"as most organizations that operate with money exchange, we offer a range of services such as the purchase or exchange of currencies in cash, exchange of checks issued abroad in to domestic currency, international remittances, and also the international prepaid card (commonly known as VTM - Visa Travel Money) through which you can make withdrawals abroad at ATMs and also make purchases at any location that accepts Visa or Master Card. The money is available on this card within 24 hours through a deposit made in any of our locations, or by a bank deposit into to the franchisee's account. This card is valid for 3 years with costs of 3.5% to 5.5% conversion rate (the percentage is calculated in USD) plus an ATM withdrawal fee of USD 2.50 per transaction."*

Ronue reports how his financial aid has been crucial to his family. *"For about one year, I have been sending BRL 500,00 every month. The local currency in Haiti is the Gourde (HTG). On average BRL 1.00 is worth about HTG 19.70. This amount is enough for my family, who are of 6 people to live. Without this money they would starve, because with what they earn today they can only pay the rent. The rest of what I gain, I use to keep me and my wife here, and any little spare we safe to first bring my children and then my 3 brothers"*. When asked about his view on the social role of the Western Union services, Ronue says *"I think that if the company really wanted to have a social interaction, it would not require so many documents of those who need to help their families. Who perceives these social issues are those that use the system, not those who offer"*. Each country seems to offer a different reality for their migrants, and therefore, the Western Union services reflect this issue.

According to Leslie, a store manager that represents Western Union in the city of Lowell, Massachusetts for about 5 and a half years perceives a different reality *"the large number of migrants living in the city maintain the store one of the busiest in the region. Lowell is a historical city, where the American industrial evolution began, and so today there are here many industries and low skilled jobs, which ends up attracting people from around the world. Many Brazilians used to come here every week but many of them already went back to their country, now most of our customers continue to be Mexicans and Indians but mostly the immigrants from Portugal and Laos"*.

But for some, sending money abroad has other purposes, such as medical treatments, capital for new businesses and the acquisition of assets in their countries of origin. This is the case of Vanessa, a 34 year old Brazilian migrant who has lived in Switzerland for three years and now lives in the United States for over 10 years to where part of her family migrated. Apart of not having interest in returning to Brazil, for about seven years Vanessa sent money through Western Union to a person that was responsible for the finances of a construction company in which she acquired an apartment in her hometown of Belo Horizonte, Minas Gerais. *"I was illegal and always afraid that my immigration process did not work out and I end up being deported from the country,*

so I looked for a way to at least have a place to live in Brazil if that happened. When the deal was done, I still had no bank account in the United States and then I decided that the easiest and secure way to make payments would be through Western Union."

When she lived in Switzerland, the Western Union money transfer service was also used to help her family that was still in Brazil. She opines about the Western Union social role by saying *"I think this service offers the possibility for migrants to fulfill their main task when they decided to leave their countries, which is to have a better life and help their families. If I had not had that option, much of what I have achieved, even during the entire period that I was illegal, it would not have been possible. The only difference between Western Union and the other companies that make money transfer is that it is the best known one and does not require documents. But to me, this fact does not necessarily represent a social function, because they charge, and well, for their services"* reveals. For now over three years, Vanessa became a legal citizen and the apartment she have purchased in Brazil is rented through an real estate agent of which, as part of an agreement, send her the rent money every month by Western Union.

Although today Vanessa has a bank account, she says to still prefer to use the Western Union services to avoid paying taxes and bank fees. Let's explore the details on the bank sector current standards in the United States. *"Today to open an bank account in any state of the United States you must submit some basic documents such as the Social Security Number, proof of residence, and Driver's License. If you are not a driver, is also accepted the Identity Card or the American Passport"* summarizes Robert, customer service manager at the Bank of America branch in the city of Nashua, New Hampshire *"They are very few immigrants coming to the bank that possess these documents, some have copies and fake numbers. By the state law we should call the police, but we don't, we only refuse the application. Most of them are workers just like we are, but desperate.* When asked about the fees and bank charges Robert states that *"the costs for the international money transfer is based on the amount evolved, but it usually has a 5% charge based on the full amount. Regarding the taxes, any value received from abroad through a bank account must be demonstrated for the IRS (Income Revenue Service) at the income tax calculation for that year"* completes.

In this sense, it is relevant to identify the documents mentioned by Robert, as well as its use and the complexity involved to acquire them. Stephen is a lawyer specialized in migration law in the city of Cambridge, Massachusetts for 13 years. He explains that *"the Social Security Number is a very important document because it is used as a way of identification in both public and private agencies, as well as a document needed for any one that is part of the working force in America. The employer must enter the Social Security Number into a governmental website upon the hiring process, the system then verify if the number is real along with other important set of information of the candidate. Normally this document is only obtained through the procedures involved in the legalization process that originate the Green Card. Unfortunately, very few people have access to the legalization today, as most of the immigration laws were banned in the country since 2003, due to the various legal changes that took place after the attacks of September 11, 2001. The Driver's License, as well as the Identity Card can only be possessed by those who have the Social Security Number. To be eligible to an American passport, the immigrant must already have a Green Card, attest other specific requirements as well as open a process with the aim of a lawyer to become an American Citizen. An immigration process can take up to 10 years and its complexity and cost will depend on matters as the present immigration status, country of origin, criminal background, among other legal details"*.

For Thiago, a Brazilian migrant established in the United States, the difficulties faced by migrants involve other two main factors: luck and educational level. Thiago was born in Curitiba and as soon as he graduated in computer science, he went to America with the dream of becoming a successful programming engineer in the famous Silicon Valley (northern region of the state of California, United States) one of the most important technological centers in the world. Thiago says that *"since I started working I knew that to stay in America I would have to be legal, then with the help of the company that hired me, we used a loophole in the law that still existed. Then I searched for a migration lawyer and spent a lot of money, it took many years but I was lucky"*. Thiago has been responsible of paying for the expensive medical treatments that his mother is been undertaking in Brazil, stating that *"without that money she would probably be in a much worse medical condition."* Thiago also financially helped his father to open his own business, after the company he worked for many years closed its doors in 2007.

Regarding the social role of cash transfers companies, Thiago think that this service not only helps people and their families, but the city and entire regions in many countries, and this alone should influence the reduction of the charges, which does not occur. When asked about the profile of the public that usually use the same money transfer service that he now uses, Thiago expressed his opinion by saying that *"users of this system in general*

have a good education level, most of the ones I know have been living here for a long time, because they need have all the documents required, a bank account as well as access and knowledge of the basic functions of a computer."

In this sense, Leslie explains in more detail how Western Union operates in the United States. *"Basically any financial service provider can request to represent the Western Union in a particular region in exchange for profit sharing. All of the transaction exchange and control is done between the Department of Financial Institutions and Western Union Corporation. In recent years, the money transfer services have been diversified and are now over 10 different types from online payments to phone transfers. However the most popular way of sending money abroad still remains the one were the customer come to the store with cash and our system send it to a bank abroad, where the recipient does not need to have a bank account, only the MTCN (Money Transfer Code Number) to pick up the money at its destiny".* Regarding the money transfer fee charged by Western Union, Leslie says that *"it does depend of the amount, the country to where is to be send and the form of how the money will be transfer. If you are sending USD 500.00 to Brazil by the most common method for example, the charge will be of USD 8.00. If you are sending the same amount by phone (with an American issued credit or debit card) the fee is USD 20.00, if this transfer is done online the charge is USD 10.00"*.

When questioned about the documents that the company requires to its customers at the Western Union service location, Leslie details that: *"for the money transfer process to other countries the only document required by us is the passport (it can be any passport with our without a visa) so that we can verify that the name and its number is filled in correctly at the standard money transfer form along with other basic information such as address, amount to be sent and signature. For the recipient, the customer must inform the name of the receiver, bank, amount and the country. I don't how this process works in other countries, but here most of our customers don't have any other document beside their passport"*. Regarding her opinion about the Western Union social role, Leslie says that *"I personally don't know if Western Union operates in the market in this sense, since it only provides a money transfer service. If that brings benefits to people in some way, that is just a consequence of what it provides and not the main focus of the company"*. She completes affirming that *"although I hear every day many different stories of how the money is important for those who is receiving it somewhere in the world, I don't consider the Western Union operation to be different from any other company, where the objective is always the same: profit"*.

5. Final Considerations

This article revolved around the Western Union case, its correlation with the migration socioeconomic impacts in order to explore whether the interviewed of this study perceived this money transfer services as a social function. Were questioned on the subject users as well as services providers and others connected to the system. The respondents were mostly from different nationalities, which contributed greatly to the richness of data due to the various perspectives that their realities provided on the subject. In order to maintain the fidelity of their opinions, the passages were compiled in the language in which the interview took place.

According to most interviewed, migrant workers are the target public of the money transfer services, once they need a way in which allows them to transfer money to their countries of origin. In this sense, is been growing the demand for companies to operate in this market, such as Western Union that it is pointed out as a choice of 2 out of 3 system users responders. They pointed out the tradition of the brand, the large number of available physical service locations and the trust on the services, were the reasons for the choice. The issues related to the little demand for immigration documents, notably in the United States, were also highlighted as a positive differential.

Through the interviews, it was also possible to identify a profile regarding the social class of the majority of the services users provided by Western Union as medium low or low class workers, which is largely made up of young adults from developing or underdeveloped countries. In this sense, the wide range of services offered by the electronic transfer systems fails to meet many of these migrants, who mostly do not have the knowledge required for their use, as familiarity with other languages (such as English) and computing basics. This matter seems to relate the users preference to the services offered at the Western Union physical locations as some of the elements resulting from the social origin of most of the migrants; the low level of education.

Another element investigated through the interviews were the obstacles imposed by both the banking and exchange standards adopted by each country to companies that provide money transfer services, as well as the migration laws prevalent in the countries where these migrants work. Each country has specific migration laws that impact the lives of these migrants and also their families. This issue affects various aspects, not only the Western Union operation in every region of the world, but also enables the access to their services to a quite specific public. Generally these clients do not have the necessary migration documents to perform international

money transfers through other means, so they tend to seek the Western Union services, especially in the United States where the legislation for this type of service seems simple enough, not imposing more specific requirements mainly to migrants. Due to the financial differentiated policies in Brazil, the users of the system must meet a high requirements based on their adapted operation model, notably regarding to the presentation of immigration documents, exigency of a bank account and the need to use its services through a banking institution (most commonly) or with an authorized agent, that still have very few service locations available.

In this scenario, the opinion of the interviewed regarding the social role of the international money transfer service explored more aspects of the issue that it had been previously considered. In general, it was understood that the Western Union operation differs significantly depending on the country where the interviewed live and their particular realities, but the high fee cost to perform the transfers seemed to be common criticism among the respondents. Another important point concerns was the financial and migration laws adopted by each country, impacting the access to this service. These aspects were essential to determine that from the point of view of the migrant, the services offered by Western Union promote a social function, which for many is the only way to transfer money and thereby improve the living conditions of their families, cities and in some cases entire countries.

However, this is not the reality when the same question is asked to those more directly involved on the Western Union activities. They stated that the company did not interpret its operation as a mean for developing or even having any social role, but simply as a company that provides a needed service, for which the demand is growing every year and like any other organization is clearly aimed for profit. All these interviewed, as well as the system users perceive this social function through their day-to-day experiences, but this is an individual interpretation and does not seem to meet the inner vision of the company.

It thus was interpreted that Western Union does not recognize the social impact that causes to its customers worldwide, a competence which could be related to the application of means to further facilitate access to their services. The social function of the company could be easily disclosed as an important part to its market niche, what could induce this type of service to obtain a different legal treatment, thus decreasing the bureaucratization of its system.

Talking about money is frequently hard and uncomfortable for some people and in this research was not different. We knowledge this as one of the major limitations of the article, especially when interviewing the foreign workers, who took the research with some distrust. Also, our research is limited to a very small geographic area. Finally, we generalize a company and population by interviewing a very small number of people, that doesn't necessarily represents the common opinion. In order to improve this research, we would like to recommend a broader range of interviews. Also, data could get some quantitative approach to investigate for some hidden patterns. Finally, a cross-country research would be a great source of comparative analysis.

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