

Impact of the consumption of venezuelans in the trade of the city of Cúcuta. case study under the demobilization of venezuelans

Impacto del consumo de los venezolanos en el comercio de la ciudad de Cúcuta. estudio de caso bajo la desmovilización de venezolanos

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ABSTRACT

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migration;
trade.

The context of consumers, who follow the market trends or situations of different countries, has changed in recent decades. However, border regions, as special zones, behave differently from the rest of any country. Colombia is no exception; therefore, the purpose of this research is to reveal the experiences of crucial informants through a case study of companies in Cúcuta using grounded theory as an interpretive research method. Through the applied instrument, managers revealed their current situation regarding the flowing presence of Venezuelans as customers. This flow produced positive effects on the pharmacy, grocery, and transportation sectors. On the contrary, the healthcare, currency exchange, and esthetics sectors were adversely affected, while there was no variation in the telecommunications and legal advice.

JEL: J; J14; E

RESUMEN

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Palabras clave:
teoría
fundada;
informante;
impacto;
migración;
comercio.

El contexto de los consumidores está cambiando en las últimas décadas, y estos se apegan a las tendencias del mercado o situaciones de las diferentes regiones de los países. Es de puntualizar que las regiones fronterizas son zonas especiales que se comportan de manera diferente al resto de los países y en Colombia no es la excepción. Es por ello que el propósito de esta investigación fue develar las experiencias de informantes clave a través de un estudio de caso basado en la teoría fundamentada como método de investigación interpretativo, dirigido a empresas en la ciudad de Cúcuta, donde sus gerentes a través del instrumento aplicado revelaron la situación que se está presentando con la presencia fluida de venezolanos como clientes de esos negocios. Esto resultó en efectos positivos en las áreas de farmacia, necesidades básicas y transporte; sin embargo, los sectores de salud, cambio de divisas y estética tuvieron efectos negativos, mientras que no hubo variación en los sectores de telecomunicaciones y servicios jurídicos.



INTRODUCTION

quality of life, in the face of this (OECD and UNDESA, 2013) points out:

Migration in Latin America

Migrations have historically originated the different societies and cultures known today. Therefore, migratory phenomena are not a new element in the world scenarios, but have been part of the development of civilizations (Roselló 2015). International migration is an ancient phenomenon, and voluntary mass migrations (excluding slaves and contract workers) began two hundred years ago. This phenomenon of migration remains and will continue as factors in different regions change their internal factors such as the economy, as well as those that affect their well-being and that have among their objectives to migrate from their country of origin, for the improvement of their economic and social scenarios and thus obtain a better

En la actualidad viven en el mundo unos 232 millones de migrantes internacionales. Desde 1990, el número de migrantes internacionales en el Norte global aumentó en alrededor de 53 millones (65 %), mientras que la población de migrantes en el Sur global creció en alrededor de 24 millones (34 %) (pag.1).

The following image shows data from the United Nations on the most prevalent ages of migrations and the places where they occur in the world. Figure 1

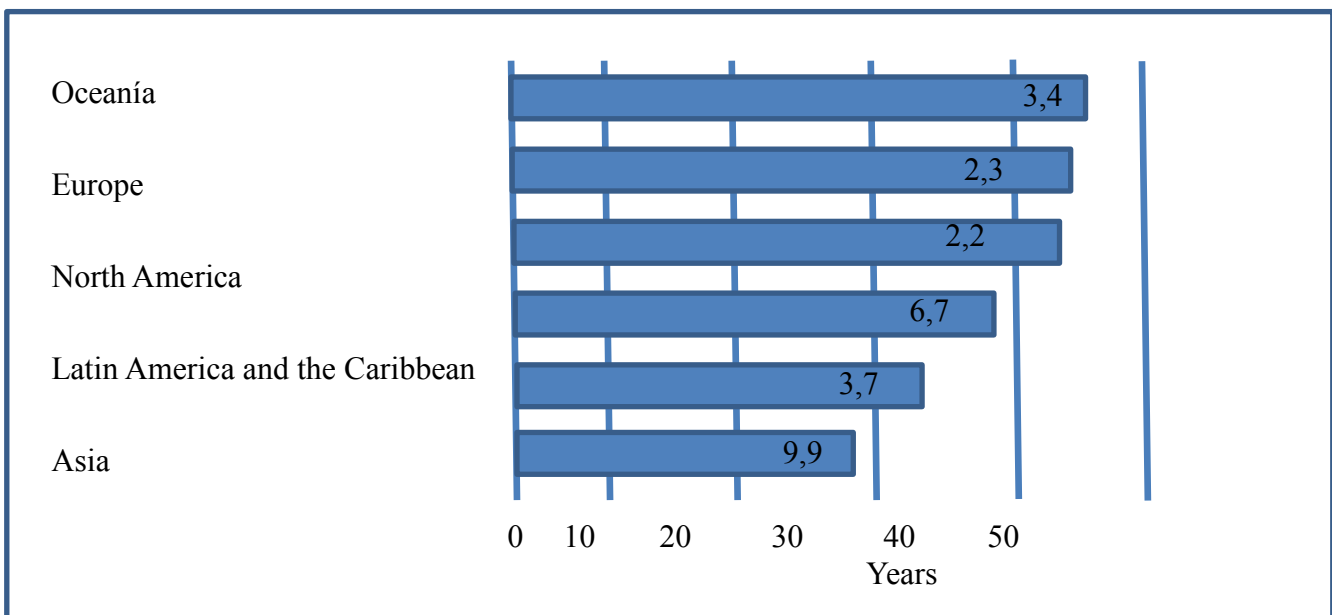


Figure 1. Average age of international migrants
Source: UN (2013).

This phenomenon that continues to mobilize the population of Latin America for 30 and 40 years has had different causes as he points out (Marulanda *et al*, 2019), Among the situations that have generated this phenomenon are the economy, unemployment, violence, terrorism and insecurity, tourism and the search for social welfare and better health conditions. However, these migrations have impacts on the places of destination, as the flows of people in one way or another begin to change their daily lives (Aruj, 2008).

Likewise, migratory flows generate a series of consequences in addition to those indicated above for both the country of origin and the host country because migrants begin to transfer the customs and habits of their country of

origin to the host country and modify or interfere with local customs One consequence for places that receive migrants is the positive economic impacts, which are significant in the migrant catchment areas (Otero, 2005). The reception of these communities is extremely important for the host country since this mechanism reduces the cost factor, increases demand and raises the production and income of the country. The arrival of these people to a region contributes significantly to the increase of products and, therefore, to raise the economic indicators of the recipient country (World Economic Forum, 2014).

In this way, the economy of the regions can be considered from the perspective of the impact of migrants as positive for the local development of each region, and this has been

the case in different parts of the world, where the contributions of these groups of people have helped to boost economic contexts, since international migration is mainly directed, as is logical to assume, at the economies of the world that have enormous potential for job creation. Among the most relevant consequences of these economic scenarios, we can identify considerable changes in the lifestyle of migrants (Herrera, 2012). Despite the precarious situations experienced by migrants in host countries, they benefit from low-wage work that offers them more substantial or profitable wages than those in their countries of origin, which do not even cover their living expenses.

This phenomenon has been present for years in Latin America, this continent being host to people who have gone through situations of calamity in their countries of origin and in search of tranquility in their lifestyles. In the same way, one of the strongest causes of these situations has been the region's dictatorships. All the continents of the world have experienced migratory flows either as receivers or senders. Venezuela was a country that received immigrants from all over the world between 1948 and 1961, Venezuela had a massive immigration experience when 614,425 foreigners (Echeverry, 2011). The arrival to power of President Hugo Chávez in Venezuela implied a rethinking in the axes of the bilateral relations between Venezuela and Colombia, generating new dynamics and situations. One of these is the migration of Venezuelans to Colombia, a phenomenon that should be studied and analyzed carefully, taking into consideration that Colombia has historically been an emitter of migration rather than a recipient (Vergel *et al.*, 2020).

Also, in this context of immigration, countries are affected economically (Sánchez, 2002), and this is because of the globalization that has been evolving, countries impose regulations and barriers to the entry of foreign workers (Kerr and William, 2011). The migrant population of developed and developing countries shows a considerable increase from 2.4 to 2.9 %, causing changes in the economic processes of these migrant receiving countries. For some, it means an improvement in the economy and low unemployment rates. For others, migration negatively affects unemployment and lack of opportunities in the region (Suárez, 2017).

In this context one of the activities that is regularly presented is the remittances from the relatives of these people, this is a primordial aspect because they contribute to the host country and the country of origin by increasing their labor force and increasing the gross domestic product, as indicated (Neira, 2009), where family remittances to 17

countries in Latin America and the Caribbean increased by more than 8 percent between 2016 and 2017, exceeding 75 billion dollars and doubling the amount of a decade ago, in addition to showing steady growth.

Migration in Colombia

This situation has always been present in Latin countries and with time they have changed their origin and countries that received migrants became exporters of them. One that presents this situation was Venezuela that after receiving migrants from Chile, Argentina, Colombia and Spain became one of the main countries that has the highest migrant departure rate today, and Colombia, for its part, never had the opportunity to be a country receiving a large volume of people, becoming one of the main countries receiving Venezuelan migrants, directly affecting the Colombian economy, and one of the situations is the increase in the unemployment rate (Santiago, 2019), but even though this is the cause of the increase in unemployment, it is not the main cause of this economic situation either (Suárez, 2016).

Although there are many factors that cause unemployment in Colombia and labor informality in our country, the other context is the massive passage of more than 40,000 people daily to Colombian territory according to data from (IOM. (2010), which directly affects different sectors. One of them is the economy because immigrants consume products and services that are no longer produced or sold in Venezuela. This is reflected where Venezuela of 148 countries is number 135 in the financial market, investor protection is 182, commercial exchange 173. (World Economic Forum, 2014).

This migration may bring some advantages and disadvantages due to the demand for products sold in the country. Therefore, it is necessary to carry out some research and learn from the experiences of traders from different sectors in this regard.

METHODOLOGY

This research aimed to reveal through a qualitative case study in the service companies of Cúcuta in relation to the migration of Venezuelans who come to the city to acquire products and services, This was done by means of an interview and questions were asked according to the experiences in different sectors such as notary services, supermarkets, currency exchange, pharmacies, beauty salons, transportation, telephony and health.

As for the economic aspect, the borders that have had more development in this regard are those in Ureña and San

Antonio that border with Norte de Santander, Cúcuta through which there was a continuous bi-national commercial flow, before the closing of the borders due to its geostrategic location and the exchange of the currency of its nations, thanks to the proximity between the mentioned populations.

This study was conducted from an interpretative approach. Dzul (2011) indicates that interpretive research represents one of the most revealing contemporary trends in understanding the meaning of social, cultural, legal, archaeological, ethnographic, medical, psychological or educational events. Based on the experiences of key informants, this research method helps to unravel the studied phenomenon to reveal the characteristics of events.

Similarly Hernandez (2014) indicates data collection without having to measure numerically to produce the research questions and then go to interpretation. The research was based on open-ended questions that allow the interviewee to weave in ideas or expand on a topic in a comprehensive manner. In addition, it is very helpful when not too much information is presented about some aspect researched this helps us to study the experiences of companies in Cúcuta.

Within the previous method, this work focuses on the theorization of the experiences of key informants and thus reveal the phenomenon studied through grounded theory, according to Arráiz (2014), this theory proposes the construction of theories, hypotheses or propositions based on data collection and not on a priori assumptions, such as Corbin and Strauss (1990). Through this method, we can discover those aspects that are relevant to a given field of study.

RESULTS

Interview Results

Interpretation

The interviews were carried out according to the experiences in different sectors, taking into account one of each of them, remembering that qualitative research does not intend to generalize but to study unique phenomena as a first instance for its analysis through the experience of each unit analyzed. These services were: notary's office, supermarket, currency exchange, pharmacy, beauty salon, public transportation, telephony and health.

Analysis of the interviews

Notary Services: According to the questions asked, in the interview with the notary he points out that income from notarial services provided to Venezuelan migrants has increased very little because the documents they present for

legalization or authentication are often false, difficult to read, transcribed by hand, crossed out or inadequately presented. Venezuelans also demand that their situation be taken into account and that they not be asked for legitimate documentation. However, regardless of their difficult situation, notaries are not allowed to validate documents of dubious origin or difficult to verify for legality.

Analysis: The notary expresses that they do not feel economically benefited by providing services to migrants, even though they have seen an increase in the review of documents, and after being reviewed the documents cannot be authenticated or legalized.

Supermarkets: Migration has produced both positive and negative effects. On the one hand, customer purchases have increased and, since sales have increased, companies are organizing events or activities for migrants in certain areas of the city, giving them gifts or refreshments. On the other hand, some migrants bring vegetables or fruit for sale, which negatively affects this type of business. In addition, they live off of charity or sometimes resort to theft, so it has been necessary to implement more security and surveillance measures.

Analysis: In this case the positive aspects predominate, since many Venezuelans come to the city to buy products that are scarce in their country, thus increasing sales and therefore income.

Drugstores: This sector has been economically revived due to migration, with positive effects of 100% in almost all aspects. In particular, sales have increased by 30%. Initially, the difficulty was the payment of products due to the physical volume of Venezuelan banknotes. Today, pharmacies do not receive Venezuelan money because it is devalued and does not offer an economic benefit when converted to Colombian peso. Some customers have to pay in US dollars, but this currency is also not received because the Internal Revenue and Customs Directorate (DIAN) carries out audits, in which they ask about the source of this money and may open a tax investigation. In addition, foreign currency transactions or bank payments require procedures that pharmacies are not willing to assume. Therefore, they require that payments be made in Colombian pesos by individuals to avoid paperwork. They have a Venezuelan associate (pharmacy assistant) who complies with the legal Colombian documentation. In the future, if the Venezuelan staff meets the profile and legal requirements.

Analysis: This sector shows a high economic reactivation. Venezuela demands many products for institutions and

private patients who have enough money to acquire the product because the urgency is to satisfy the need. Similarly, pharmacies are not interested in international business.

Foreign exchange: This sector claims that the influence of Venezuelan migrants has only produced negative changes because the devaluation of the bolivar has made it difficult to handle the volume and weight of the bills every day. In the past, bolivars could be easily handled but today almost nobody wants to receive them in return. In the same way, those bolivars bought today cannot be saved for tomorrow; they must be changed immediately because they are devalued every day. In addition, the administrators claim that they do not provide the transfer service due to the requirements of the DIAN. Thus, the service is provided by immigrants, which leads and encourages Venezuelans to resort to illegality and informal transfers. Another negative aspect is that businesses engaged in the legal purchase of foreign currency are often seen as "money laundering assets".

Another situation presented is that there were currency exchange businesses established by Venezuelan businessmen who had already established monthly amounts and this generated an economic synergy in the sector, however, this began to have a worse situation when the bolivar was devalued. In the same way, migrants have wanted to look for work options in this field, but they are not and will not be taken into account because it is a delicate business due to the handling of foreign currency. Likewise, in this economic context that is affecting this border situation, insecurity is present, increasing the insecurity of clients in opting for currency exchange in cash, and logically, this problem cannot be attributed to migrants, but rather to the border situation.

Analysis: The business of buying and selling currencies was reduced by 60%. The economic situation is critical in this sector, and many have had to seek other employment activities to survive. It is increasingly difficult for Venezuelans to change their currency and send remittances home.

Beauty Salon: Migration has had multiple negative influences due to the excessive supply of cheap labor hired by competitors, which allows them to provide services at much lower prices. Therefore, those who do not employ Venezuelans cannot match these competitive prices.

The clients that demand the beauty services are Colombian, therefore, there has not been an increase in sales. The inputs used are also exclusively Colombian. A phenomenon that occurred frequently at the beginning of the Venezuelan

migration was the sale of long hair and keratin by the ladies and the companies had to lower prices to be in competition with the Venezuelan labor force.

Analysis: In beauty salons, migration only has negative aspects because it does not increase sales. Business is maintained by regular Colombian customers.

Transportation: For the cab company, migration has had a positive impact because the transport of migrants from "La Parada" to the city center has increased work. From a commercial point of view. There have been changes in their way of working because customers ask cab drivers for their phone number to request their services directly when they need them, thus getting regular customers. The company has not considered the possibility of hiring Venezuelan drivers because the requirements and documents established by the company are many and generally do not comply with them.

As for public transport, there has been no direct impact. One company in this sector believes that migration does not benefit the economy, but rather brings social and health problems. Migrants do not demand these services. The company has not changed because it has not been affected by the migration by the type of special transport service offered.

Analysis: Migration has had a beneficial impact on this sector. It has increased the demand for transportation significantly due to migrants moving around the city.

Telephony: As for migration, we have not noticed any negative or positive impact. The market has remained stable.

Analysis: In this scenario, no change in sales momentum has been detailed.

Private health: Migrants do not receive this service because they must be affiliated with a health care provider or at least with the subsidized health care system. Migrants with the resources to pay for private consultations are minimal because the cost of currency exchange is too high for them.

Analysis: Migrants do not affect the company because they do not demand services, but they do affect social problems in general and in the provision of health services.

Public health: Venezuelan migration has had a negative impact on health because they overload the system. In addition, patients come from other types of health care systems, and migrants need to be seen by specialists due to

pathologies that cannot be treated by a general practitioner. The emergency services are congested, as they are obliged to attend to any patient, regardless of his or her nationality.

On the part of the national government, no efforts have been made to improve the health service for migrants. What is clear is that several NGOs have created outpatient primary care centers where children under the age of five are treated and pregnant patients receive basic care and medicines.

Analysis: The effects of Venezuelan migration are negative from all points of view. The government owes large amounts of money to hospitals for medicines and services provided to migrants.

DISCUSSION

Theorizing

Through the instrument applied, several scenarios could be

identified in relation to the different trades or items indicated in the interview that have significant contributions for some sectors, such as the sale of commodities in supermarkets and pharmacies and the increase in cab travel in some areas (Barrientos et al., 2019). The position of the other sectors, however, is not as encouraging, as it reflects the economic collapse in some ways, harming the local population and the services they provide.

All these effects reveal the phenomena that occur in the city, since not everything related to migration is harmful. For the Institute of Urban Studies (2018), the presence of foreigners in a state can lead to the promotion of cultural exchange, raise the standard of living of migrants, and positively influence the economic and technological development of a country. In this way, the academy reveals the other side of the Venezuelan migratory situation, taking into account its important contributions to Colombia, as shown in Figure 2.

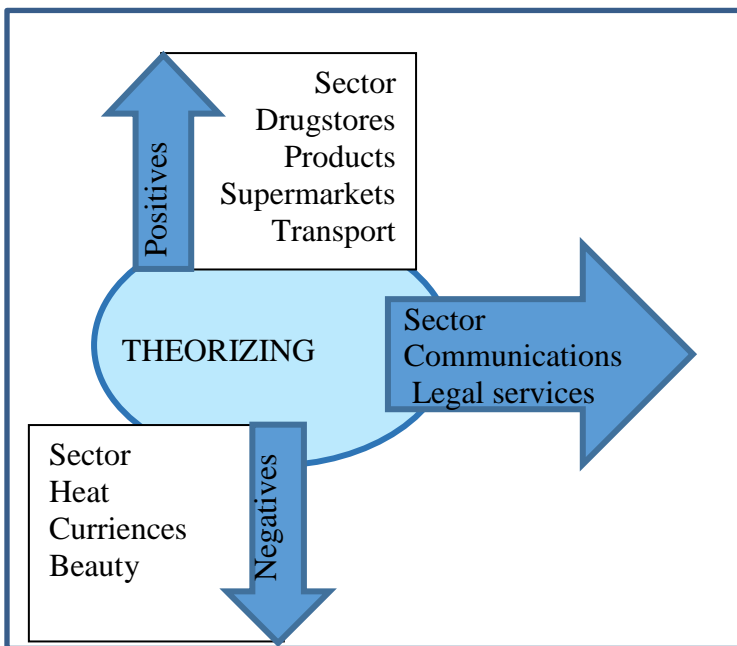


Figure 2. Emerging data theory
Source: Own elaboration.

CONCLUSION

The objective of this research was to understand the aspects that positively or negatively influence companies, based on the experiences of migrants in Cúcuta and their interests in the purchase of products. The interview was conducted within the characteristics established in the theorization, where it is shown according to the experiences gathered in

the different areas of Cúcuta that are being impacted by Venezuelan migrants.

The effects of migration are positive in some cases but negative in others. We could show, from the experience of those interviewed, the situation of consumption of various products in the area and establish conditions for improvement in the sectors of the city's economy, such as

mass consumption in the sale of groceries with the shopping basket. A significant increase in drug sales in the city's pharmacies was also revealed.

Another context that must be taken into account, which has come to light with this qualitative method, is the impact of complex situations on security. While some people come to Colombia to satisfy their needs for products from the basic basket, migration has caused problems of insecurity, disturbing local society in Cúcuta.

This research is essential at the level of regional economic studies. From here, it is possible to initiate other studies of these scenarios and establish the impact rate of this situation.

Conflic of Interest Statement

The authors of this research article will state that they are independent with respect to the funding and support institutions, and that during the execution of the work or the writing of the manuscript, no interests or values other than those usually have the research have had an impact.

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