



Effects of the Pandemic on the Industrial and Commercial Sector of the City of Ocaña

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ABSTRACT

Derived from the pandemic, which not only brought with me the contagion but also factors typical of a pandemic such as social distancing that triggered the isolation of citizens and therefore direct effects on the socioeconomics of countries and chained to this, the regions, for this reason it is essential to measure the impact that the pandemic has caused to these important factors for societies, this research focuses on the effect that brought the pandemic to the city of Ocaña Norte de Santander and its region, in socioeconomic terms. Globalization, which nowadays is an important factor to analyze since, as it could be observed in the contagion, which was born in China, but with a great speed, perhaps never seen before, it spread all over the world in a matter of months, which brought as a consequence factors that affected the world economy, however, it is not possible to generalize the effects it caused in the different regions of the world. However, it is not possible to generalize the effects it caused in the different regions of the world, since due to emerging economic, cultural and socioeconomic development issues, the effect in each country has its particularities and even more special if we stop to study the effects in regions far from the urban centers of importance of the countries, this is how the region of Ocaña Norte de Santander Colombia has its own particularities that will be the focus of the research in the order of the socioeconomic factors.

Keywords: Effects, Economy, industry, trade, pandemic, pandemic.

1. Introduction

Taking into account the pandemic of COVID 19, and its special restrictions that could be framed in the need to take care of the health of the citizens, extreme situations such as social isolation, which implicitly affects the economy in general, beyond the natural ones, such as violence in the region, border area, etc.

The present investigation wants to visualize the effects that, in the industrial and commercial sectors of the city of Ocaña, caused the pandemic of COVID 19, having as data base, those reported by the chamber of commerce, of the city of Ocaña that also houses the region of influence of the same having a panorama of region, in which we can find the amount of companies that had to close derived from the restrictions of the pandemic, likewise the commercial sector, that is evident an affectation but in the present investigation it will be possible to conclude in a prospective way the size of the affectation.

2. Theoretical Framework

Economic growth is one of the most important factors in the development of countries, regions, and in general in social development, derived from both classical and modern economic models, the socioeconomic development of the regions is determined by a series of factors that particularize economic growth and that for the region of Ocaña are essentially specific derived from a particular historical situation, which was born from the last

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century when the Catatumbo region was permeated by an armed conflict, which had its origins in the social outbreak of the mid-twentieth century, and which detonated not only in the Catatumbo region but also in the country, a bloody revolution that was protected by social inequality. From this point of view, it is important to highlight what is stated by Manzano, et al. (2021), who states that sustainability should be taken as a responsibility that involves not only large companies but also each of the individuals of a society. For such reason, within the actions that seek to ensure the significant improvement of the quality of life of future generations, the proper management of projects stands out. "Moreover, the explicit incorporation of the social and political in the analysis of institutional formation is what has generated interest, on the part of all social sciences, in institutional economics" (Molteni, 2006). This inequality has generated that the conflict in the region consolidates and generates its own justifications, which have allowed it to remain and strengthen its political space, which has allowed it to become stagnant in the region, atomized by special factors such as the predominant illegal economy in the region, dominated by drug trafficking. "Violence. In this framework of bipartisan political tensions and social struggles, the first illicit crop fever was also registered in Catatumbo, and with it, new settlements linked to the planting, processing and commercialization of coca leaf" (UNDP, 2014: CNMH, 2015a: 45). The Ocaña region for decades has depended on the economic exchange with its neighboring country, Venezuela, which in its boom years, provided the social economy of Ocaña and its region, a dependence on products brought from the neighboring country that largely cross the border in an irregular manner since the smuggling of these products, had an impact on its good price, which generated a positive incentive in the generation of trade in the region, but a fatal incentive in the local production and the generation of industry in the region, which has lagged Ocaña and its region to a commercial economy with little strengthening of the industry which has led to a dependence on industrial product which has generated that the region of Catatumbo is lagging behind in the national indicator of industrial entrepreneurship, and thus all the factors that encourages entrepreneurship for the economy and society, for the development of the region etc..

It is important to mention the current situation of border trade, which as a result of state policies between the two countries, is totally paralyzed, it is important to contextualize this stage of trade between Norte de Santander and Venezuela, which for the years of pandemic was totally paralyzed, with a total closure of the border between the two countries and the return of the Venezuelan economy, which from 2014, has had a big fall as a result of its foreign policy. However, as we will see in the study of the results, this indicator has not improved significantly, despite the fact that the region has the impact of the FPSO university; which in its business administration program has generated several strategies for the development of the industry in the region, "In this sense, in order to support and meet the need to articulate the institutional offer for the creation of companies, the law 1014 of 2006 is established, which states that the promotion of entrepreneurial culture encourages and promotes entrepreneurship in all educational levels of the country" Pineda-López, C. P., y Manzano-Sanguino, Y. D. (2018).

Another large and important sector of the region's economy is agriculture, which despite its precarious development, due to the conditions of violence, illicit crops, and its poor development in road infrastructure that has not allowed it to generate the expected competencies in terms of agro-industry, the region's crops can be observed in studies that are still valid today, which "include permanent and transitory crops. Among the former, coffee, oil palm and cocoa stand out; each one of them corresponds to one fifth of the total area planted in the region. Another two-fifths corresponding to transitory crops are divided between cassava, plantain, beans, corn, onion, tomato and pineapple (DNP, 2013)". In spite of having an important water asset in which fishing industries could be developed, accompanied by governmental management, this could be a source of income generation for the region. It is worth remembering the determinants that we are mentioning in this article as a factor that prevents the economic growth of the region.

Agriculture as a breaking point for the sustainable development of the economy in the region of Ocaña, "The determination of the critical points, the participatory exercise allows knowing the conditions of the production systems, from the socioeconomic and environmental perspective" Fonseca Carreño, N. E. (2019), it is important to take into account the critical points that give impedance to the productive processes, which are also tuned to the determinants that in the present study are denoted.

Tourism, one of the most prospective business sectors in the region, has not been able to be exploited with the desired spirit, since the socio-political conditions have prevented its flourishing, Ocaña and its region, is adorned with beautiful landscapes, an indescribable topography of beautiful contrasts, unique views that make the visitor delight, besides having several water sources, which sculpted incredible landscapes, framed by waterfalls that flow into natural water wells where visitors can enjoy a refreshing bath, and a unique experience. This description to qualify the goodness of the sector and its scarce development.

The statistical data presented by the DN will be shown below. The Catatumbo region represents 51.6% of the planted area of Norte de Santander, and 46.7% of the department's production. Although at the national level Catatumbo's participation does not exceed 2% in terms of planted area and production, the characteristics of the territory determine that this is a very high productivity index. For example, 28% of the onions and 22% of the tomatoes produced in the country come from this region. Cocoa and beans also appear as some of the main crops produced in Catatumbo, with a national share of 10.8% and 6.6%, respectively" (DNP, 2013).

One of the aspects to take into account is the effect that in the department and consequently in Ocaña and its region, the pandemic of Covid 19 has generated in terms of gross domestic product, which as a result of the isolation measures proposed by the government to keep the virus infection stable, which led to a special phenomenon in terms of demand and supply, which causes a shock in the regional GDP that will be determined later. In addition, the industry is affected by organizational reasons derived from the pandemic and detonates a lack that becomes evident in the pandemic, so that "For the implementation of policies and compliance with organizational management it is important that the company implements strategies that facilitate innovation, increase efficiency and productivity, streamline processes, satisfy and retain internal and external users, focus and promote human talent and finally generate value to shareholders" Velasquez - Ascanio, J.D. (2022). Strategies that will foster the success of companies that are going through an extraordinary moment derived from the pandemic.

To harmonize the research results, it is important to define how they measure economic performance in order to strengthen the conclusions. "The economic growth of a country is considered important because it is related to the Gross Domestic Product (GDP) per capita of a country's individuals. Since one of the factors statistically correlated with the socio-economic well-being of a country is the relative abundance of material and other economic

goods available to a country's citizens, economic growth has been used as a measure of the improvement of a country's socio-economic conditions" Guillen, et al. (2015), in such a way that taking into account the GDP, of the region, including that of the Department, it will be possible to establish in terms of regional production if there are affectations derived from the COVID 19 pandemic, in any of the main factors, which can be inferred as a product of the result of the GDP factor.

Similarly, the indicators provide valuable information that p allows us to conclude on the effect on the regional economy. According to Ortiz, et al. (2021), there is a high number of organizations that fall into an economic crisis due to their inability to react to the changes that occur within the environment where they carry out their activities. Economic indicators do not have a very long history, since the need to measure the effects of the Great Depression in the USA, in which it became necessary to measure the impacts on the economy in order to make decisions and correct the course as a nation. Indicators are "Tools to clarify and define, more precisely, objectives and impacts, are verifiable measures of change or outcome designed to have a standard against which to evaluate, estimate or demonstrate progress against established goals, facilitate the sharing of inputs, producing and achieving objectives" Guillen, et al. (2015), it is thus that the indicators demonstrate, the variation of economic factors as a consequence of factors that the research wants to demonstrate, which in the course of the research allows concluding with the course that the economy and its effects are taking "In this way, they confirm their commitments to society by implementing strategies that contribute or promote solutions or projects that address social problems in order to encourage the good use of resources. Well, from the contributions highlighted", Rodríguez-Téllez, F., & Pacheco -Sánchez, C. A. (2019). It is important to mention that the indexes allow the measurement and comparison of the different economic, social etc. phase. They describe the study situation, allowing to conclude in an objectiveway the results of the research, besides easy compression.

3. Methodology

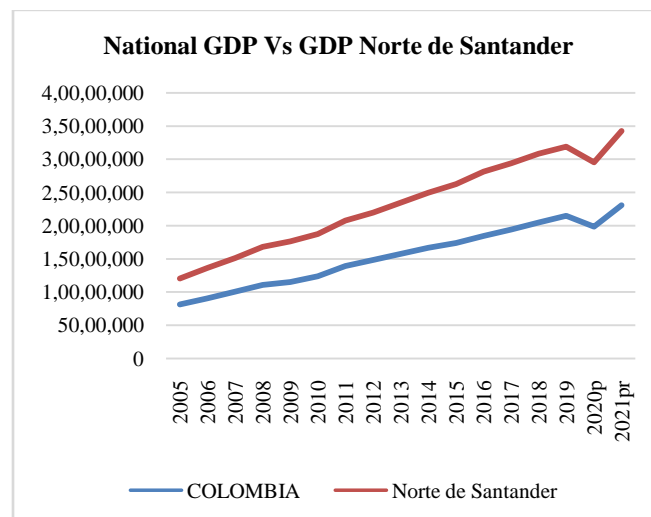
The research is of a qualitative nature of documentary type in which the effect caused by the pandemic in the socio-economy of the region of Ocaña Norte de Santander is framed and a quantitative approach in particular in the indicators that show the result of the effects of the pandemic in the socio-economy of the city of Ocaña and its region.

The research intends to evidence the economic indicators that show the effects of the COVID 19 pandemic on the factors that determine the economic inclination, in order to have a clear picture of the effects on the city of Ocaña Norte de Santander and its region.

The results and conclusions are derived from the observation of the indicators and the comparison to be made in order to describe the economic phenomenon that affects the development of the city of Ocaña and its region.

4. Results

In order to determine the results of the research, which will be supported by the indicators generated by the different sectors of the region, first in terms of the gross domestic product of the region from which an indicator that allows measuring the production capacity in a region is derived, with which it is possible to conclude the level of affectation of the regional economy, and consequently in the most important sectors of the economy such as the industrial and commercial sectors in the city of Ocaña,



Source DANE data

As can be seen in the graph for Norte de Santander and most likely in all departments of the nation, the behavior of GDP for the year 2020 decreased slightly, behavior that occurred in the world economy due to social isolation, which naturally caused a decline in demand, accounting for the state of the graph shown above, It is important to mention that production suffered the same behavior driven not only by the decrease in demand but also by the social isolation that reduced production due to the lack of labor, which without generalizing because sectors such as agriculture, due to its characteristics, did not suffer the same impact, derived from the impact seen from the GDP, we will observe the effects produced in terms of industry and commerce.

MATRICULADOS O INSCRITOS					
ORGANIZACIÓN	2017	2018	2019	2020	2021
SOCIEDAD LIMITADA	1	1	3	0	0
S.A.S	67	79	124	150	156
SOC ECONOMIA SIMPLE	0	0	2	0	0
SOCIEDAD ANÓNIMA-COMTA POR ACCIONES	1	0	0	0	1
ESTABLECIMIENTO DE COMERCIO	737	785	892	907	1.180
PERSONAS NATURALES	802	841	974	982	1.227
TOTAL	1.608	1.706	1.995	2.039	2.564

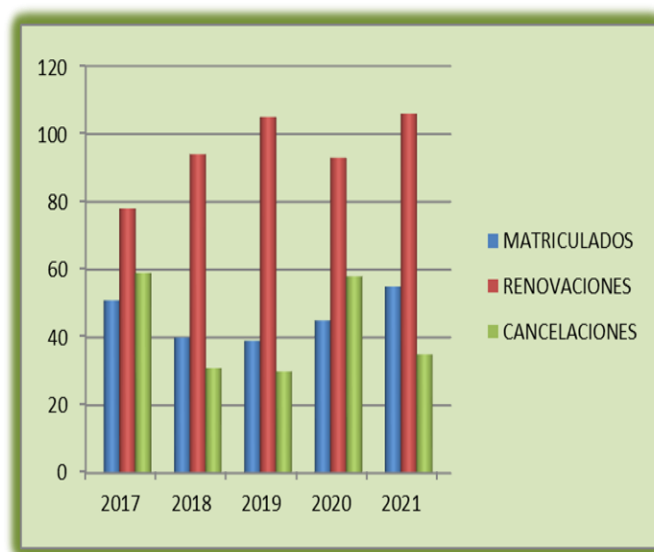
TABLA 1. FUENTE: CÁMARA DE COMERCIO DE OCAÑA

As can be seen in the table above, for the city of Ocaña and its region in terms of registrations and registered in the chamber of commerce, a growth is noted, in terms of the creation of new businesses, the pandemic affected in terms of production in 2020 for obvious reasons, but if we measure it in terms of growth of establishments as shown by the chamber of commerce of Ocaña, a growth is evident, however if we analyze another indicator such as renewed registrations as shown below .

MATRICULAS RENOVADAS					
ORGANIZACIÓN	2017	2018	2019	2020	2021
SOCIEDADES LTDA y S.A./E.S	50	48	42	41	42
S.A.S	295	312	335	374	473
EMPRESAS UNIPERSONALES	13	15	10	8	8
EMPRESAS ASOCIATIVAS DE TRABAJO	8	6	6	3	3
ESTABLECIMIENTO DE COMERCIO	3.340	3.502	3.629	3.322	3.800
PERSONAS NATURALES	3.265	3.449	3.521	3.101	3.581
TOTAL	6.971	7.332	7.543	6.849	7.907

TABLA 2. FUENTE: CÁMARA DE COMERCIO DE OCAÑA

As can be seen in the previous graph in terms of renewal of registrations which corresponds to establishments that despite the pandemic year 2020, decreased in the case of LTDA companies that may correspond to companies in the industrial sector of the city of Ocaña and its region but that followed the behavior of the GDP of the department with a slight decrease in 2020 but with a recovery for the year 2021, The same analysis can be assumed for the commercial establishments, if they have had a decrease derived from the pandemic, but the prospective observed is towards recovery, it must be taken into account that in the economy of the city the commercial sector is the one with the greatest impact, however the affectation of the sector was not of greater impact.



SOURCE OCAÑA CHAMBER OF COMMERCE

In the previous graph it can be observed that in the pandemic period, cancellations of enrollments increased but not significantly, and renewals continue as the highest indicator in the city of Ocaña, which indicates that the affectation derived by COVID 19 in the city had a behavior corresponding to that of the GDP, which in 2019 began a decline that worsened in 2020 and that a recovery has been observed, which allows us to glimpse the future with optimism.

5. Conclusions

In conclusion, it is observed that in the most critical period of the COVID 19 pandemic in the year 2020, the production indicators had a notable but not deep decrease, it is observed that the GDP of the region behaved like the national GDP derived from the sanitary measures, but the indicators allow inferring a recovery for the year 2021 and the years to come.

The industrial sector of the city, according to the data from which it can be inferred that it did not suffer great crisis because as observed in the tables of enrolled and registered did not suffer a significant decrease on the contrary it maintained its trend towards normal growth, also in the renewal of enrollments the same trend towards a small growth is evident, which allows us to think that the impact of COVID 19 in the industry of the city of Ocaña and its region was not deep but rather on the contrary was maintained and its prospective is towards sustained growth over time

The commercial sector suffered a slight decrease in terms of enrollments or that allows inferring that some commercial establishments had to close, the greatest affectation occurred in the year 2020, but as can be seen in the results in the year 2020 decreased enrollments by 9% with respect to the year 2019, it is also observed that the prospective of the sector is towards growth and recovery of the small recess it faced in the year 2020.

It is worth noting that the COVID 19 pandemic, despite the restrictions in terms of health that resulted in the isolation of people, had an impact on the decrease in demand, which when looking at the results did not have a profound effect, the industrial sector remained efficient and according to the figures on the way to growth, perhaps the commercial sector had a greater impact, since a small negative variation can be observed in the year 2020 but if we look at the prospects for the coming years we can infer a recovery of the sector.

The effects on the sectors of study were not profound, this derived from the social behavior in the city that despite the sanitary restrictions kept the commercial and industrial dynamics flowing, the social isolation in the city was not very rigorous, an aspect that favored the economic sectors under study, in addition to an undeniable influence of irregular factors such as the subway economy of Catatumbo framed in the commercialization of illicit drugs, which allowed the commercial and industrial dynamics in the region injecting capital that as can be evidenced in the results in terms of the sectors that remain in the market derived from the indicators of the chamber of commerce who registers the evolution of the number of establishments that renew, register and likewise those that disappear allowing inferring the level of affectation of the sectors under study, allowing concluding that the impact of COVID 19 and its measures in the sectors under study on the economy of Ocaña was not profound in the city of Ocaña and its sub-region.

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