

Venezuela opens border with Colombia in order to alleviate growing social tensions

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20 August 2016

Nearly a year after unilaterally he closed the country's border with Colombia, primarily to stem smuggling operations and the flow of goods onto the black market, Venezuelan President Nicolás Maduro joined with Colombian President Juan Manuel Santos in announcing on August 12 that both countries would move ahead with a plan to reopen it.

The plan, adopted following a series of high-level meetings, envisions a partial reopening at first. This follows limited reopenings recently that saw hundreds of thousands of Venezuelans pour over the frontier in order to try to buy foods, medicines and other basic goods that have become scarce in their country due to the growing economic crisis.

According to Migración Colombia, Colombia's customs and migration agency, 78,000 Venezuelans visited the country last Saturday, the first open border day since the announcement of the agreement, while 58,000 visited on Sunday.

According to the agreement, five crossings along the 2,200 km border will be open, for 13 hours a day. During this first phase, only pedestrians will be allowed to cross, and Colombia has created a special card for border transit that will authorize only limited access to the country. Users of the card will need to provide full identification and indicate the reason for their travel to Colombia. Both entrances and exits will be tracked, presumably to help identify those most involved in developed smuggling operations.

Maduro closed the border last summer following an attack on Venezuelan soldiers attributed by the government to right-wing paramilitaries, but which was widely believed to have been carried out by smugglers. Immediately following the border closing, Venezuela forcibly deported around 1,000 Colombians living near the border, while 5,000 to 6,000 left "voluntarily."

Smuggling has increased tremendously due to the growing economic crisis and the possibility of exploiting differences in subsidized prices and exchange rates between the two countries. These factors are not, however, the main cause of the crisis, which ultimately remains the global breakdown of the capitalist system and the dramatic effect that it has had on commodity prices.

As part of the public relations campaign following the agreement, on the following Monday Colombia announced that it had broken up a gasoline smuggling network operating along the border with Venezuela.

Venezuela has seen scarcity of 50 to 80 percent of food products, and 80 percent of medicines, as the government has sharply curtailed imports of those products, as well as the raw materials needed by domestic manufacturers. Total imports have fallen 40 percent. The immediate cause of this has been the precipitous decline in the price of oil, which makes up 96 percent of Venezuelan export earnings, and which finances many of the government's own programs.

The result has been a series of food riots and demonstrations by wider and wider layers of the population. There have also been strikes by bus drivers, as well as a general fear on the part of the ruling class of a wider strike wave. The move to open the border is being used as a way to alleviate that threat by allowing at least some Venezuelans to acquire goods in Colombia.

By and large, most people crossing the border are unlikely to be able to satisfy their needs. Peter Hakim, president emeritus of the Inter-American Dialogue, said the average amount spent by Venezuelans was about \$20. He said, "This suggests these are people without large incomes, without access to a lot of money that are really struggling to make ends meet," and that "\$20 a

person, even in Colombia in rural areas, does not buy a whole lot of food.”

Aside from the issue of scarcity, the extreme inflation gripping the Venezuelan economy also means that, increasingly, Venezuelans cannot afford to buy enough food. According to a study by Simón Bolívar University, that number is about 9 in 10, with the remainder being the upper-middle class and the *boliburguesía* (Bolivarian bourgeoisie).

While the government estimates that inflation has been about 370 percent for the past year, the IMF estimates that inflation may top 700 percent for 2016. This has largely eroded the buying power of the vast majority of Venezuelans, who are now dependent upon food subsidies to make ends meet.

In response to the inflation, the Maduro government recently announced it would raise the minimum wage from 15,051 bolivars, around \$23 at the lower of the two official exchange rates, to 22,576 bolivars, equivalent to about \$35. The Venezuelan food subsidy program, known as Cestaticket, will increase from 18,585 bolivars to 42,480 bolivars, an increase of 128 percent that brings the subsidy up to \$66. The total increase is nearly double, but still paltry, and not nearly enough to make up for inflation.

Even after the increase in the minimum wage and the limited opening of the border, the situation for working-class Venezuelans remains dire, and protests and strikes will inevitably increase in response.



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