



Web3 Futures El Salvador

A closer look at the territory of El Salvador, the first country to adopt Bitcoin as legal tender. Its fights, its future hopes and the emerging opportunities for the Web3.

Introduction

During eight days in El Salvador, we had the opportunity to immerse ourselves in the context and its people: their views, ways of being and aspirations for the future. This experience allowed us to frame opportunities, drivers, and in general, to deliver insights to create powerful and relational strategies towards Web3 interventions.

We were able to re-think with several grassroots social organisations in three different geographies of the country to find other futures where technology, especially the Web3, becomes an ally of the fights enhancing desirable scenarios and mitigating risks.



About this report

In El Salvador, two processes coexist in the monetary transition and adoption of Web3. One from the bottom up with small communities creating circular economies using Bitcoin for local trade, and another from the top down with the government making the Bitcoin law allowing the use of the cryptocurrency as legal tender. These are undoubtedly complex processes, and we do not pretend to cover all the implications of these phenomena.

This report encompasses our field findings for the Web3 for Development project for the Foreign, Commonwealth & Development Office of the Government of England and draws on different points of view. On the one hand, it explores the current fights of Salvadoran activists and civil sector organisations and imagines preferable and relevant futures for Web3 through futures design exercises. On the other hand, it gathers our observations of Bitcoin detractors and enthusiasts that have allowed us to understand some drivers and barriers to be considered during these hyperbitcoinisation processes.

You can navigate a Miro version of this report here:

<https://bit.ly/Web3ResearchElSalvador>

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About Pluriversa

We focus on the transitions the Latin American society needs to respond to the structural inequity, the climate crisis, the technological revolution, and what we need to do today. Our identity emerges both physically and intellectually between the Global South and the Global North; thanks to this, we can understand the complex and deeply interconnected nature of ambiguous challenges in a unique way.

Our emerging design practice fuses cutting-edge methods with ancestral wisdom and advanced technology with solid ethical considerations for more democratic, distributed, and regenerative futures.

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If you need help and advice, or have any questions about this report, please email Miguel Bello, at hello@pluriversa.org.

Pluriversa

Global South
pluriversa.org
2022

Horizon Scanning Web3 Latam

Horizon Scanning is a vital component of Strategic Foresight, the process of looking for early warning signs of change in the strategic environment.

In our previous report, we explored the signals, the trends, and the emerging concerns on how these Web3 technologies impact the political, economic, social, technological, environmental, and legal levels in Latin America.

You can navigate a Miro version of our previous report here:
<https://bit.ly/HorizonScanningWeb3Latam>



Acknowledgements

We express our most sincere thanks to Cristina Hernández, Isabel Quintanilla and Oscar González of REDIA. They made this research a profound and transformative adventure through open and honest talks, networking, and logistical support.

We would also like to thank the Hope House and the Bitcoin Beach project at El Zonte, which showed us the path of local transformation through service and giving to others.

Furthermore, to all the participating organisations during the workshops and conversations that joined us to think together about the present crises, the future stages and the opportunities we have to sow a potent seed in Latin America through technology.





Index

- 1.** About El Salvador
- 2.** About this Field Research
- 3.** About the Present
- 4.** About the Future
- 5.** Bitcoin Drivers and Barriers
- 6.** Findings and Recommendations
- 7.** Definitions
- 8.** Acknowledgements

1. About El Salvador



Overview

Central America & El Salvador

In brief

El Salvador is the smallest Central American country. It has a population of around 6.5 million people. Many Salvadorans (about 3 million) live outside the country due to emigration processes over the past decades. The country does not have any particular economic activity to highlight, and most of its population lives in poverty. This partly explains why many people have preferred to look for opportunities outside.

El Salvador is also known for its rich natural resources, which include numerous natural reserves and highly sought-after beaches. Because of these, the country is a growing touristic destination; currently, tourism is an essential part of the country's economy.

Social Concerns

Civil Conflict

The country was involved in a civil conflict that lasted 12 years (1980-1992), ending when a peace treaty was signed between leftist guerrillas and the right-wing government of the time. The conflict left around 75.000 casualties and missing people. Nonetheless, the country still suffers from high levels of violence, making it one of the world's most dangerous and deadliest countries.

Violence and crime

Like much of the region, the country has historically dealt with several issues like inequality, organised crime, drug trafficking, violence, and corruption. Some of these issues are sometimes regarded as the origins of the civil conflict. To this day, they're still relevant problems.

El Salvador, Guatemala, and Honduras are part of drug trafficking routes from South America to the United States. As a result, the country constantly suffers from drug-related violence.

Gangs are also a problem for the country. These organisations, known as Maras, are mostly made up of young people without other opportunities than becoming part of organised crime.

Monetary Concerns

Currency

The dollar has been the official currency of El Salvador since 2001. Although it circulated in parallel with the country's original currency, the latter has been displaced.

As of June 2021, Bitcoin was introduced as a legal currency in El Salvador. Among the reasons cited for this adoption, one can find the increased costs of transactions in USD. The country also seeks to benefit the poor with the introduction of Bitcoin.

El Salvador has been one of the first countries to introduce Bitcoin legally, implementing an ambitious plan to promote its use among citizens. It is still too soon to tell if it has been a success or not, but there are mixed opinions about it.



Democratic Concerns

Politics

The country's current president is Nayib Bukele, a controversial political figure who has gathered the support of different bodies of the Salvadoran government. Bukele has turned on many alarms, especially regarding human rights violations and the erosion of democracy.

His political style resembles that of an autocrat, harassing the free press and political opponents and using inhumane methods to combat gangs.

Despite all this, Bukele has a strong popularity among some majorities and undoubtedly is a daring politician.



2. About this field research

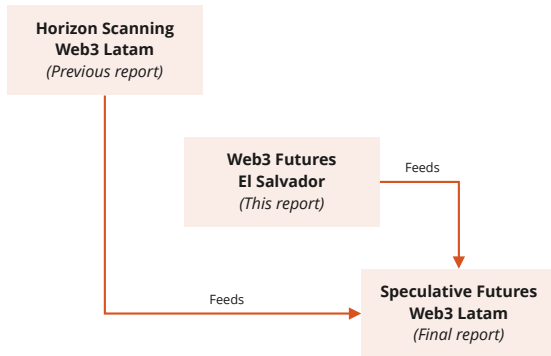
Research Question

What opportunities and challenges do Web3 technologies in Latam present to international development institutions?



Our process

This field research is one chapter in a broader design process that will feed our next stage, where we will imagine speculative futures for Web3 in Latam.



Rosa was one of the first street vendors to accept Bitcoin in El Zonte.

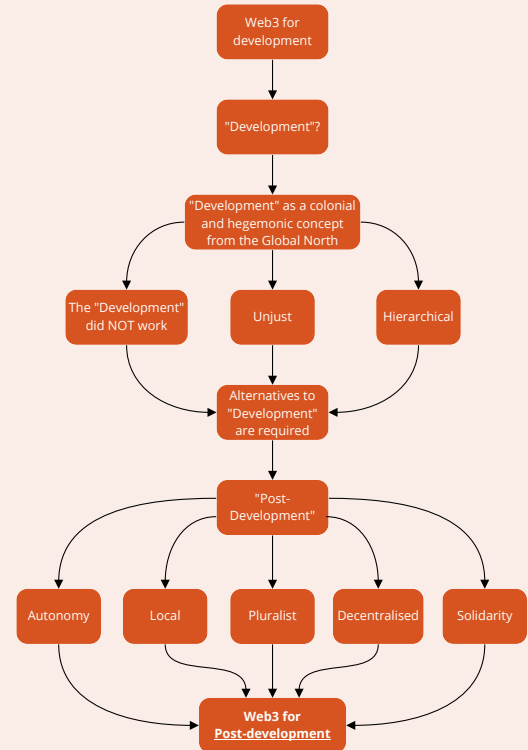
Beyond development

Over the past three decades, intellectuals and academics have challenged the concept of “development” and what it means for the Global South.

It may be an uncomfortable reflection, but it is appropriate for rethinking our society and community.

As we will see later, the question of sustainability is inextricably connected to the question of the development model we want for our communities. In this day and age, we cannot talk about development without talking about sustainability, nor about rethinking better economic and social models that reduce the inequity that has been widespread in recent decades.

A post-development model that empowers communities is required, and when we talk about the role of Web3 in the Global South, this reflection must be taken into account. We explain this reasoning in the following graph.





“ Companies come with the promise of development and the generation of employment, hire few people under unfair working conditions and generate environmental damage that affects many inhabitants, for example, by the contamination of water resources.

Close to where I live, a pig breeding company impacted the water wells from which the community supplied water for consumption through pig faeces. More than 600 families are affected, not to mention the economic problems this generates.

What is development? Economic development for whom? Is it for the communities? It is for the owners of the company, who are not even from the municipality, and it does not affect them. The community protested the conditions given to these environmental permits, but this company argued that they are generating those (unfair) jobs. Now the communities are more aware of environmental issues and give them a priority.

Daniel Eduardo Rivas Mejia (26y)
Celina Ramos community
ADESCO

”



3 Locations

These research activities were conducted in three locations, defined by their contrasting territorial dynamics and their level of Bitcoin adoption.

Suchitoto

Suchitoto is one of the most charming towns in all of El Salvador. Surrounded by dense jungle and a massive lake, its tranquil scenery fusions with rural communities. It is one of the most well-preserved colonial towns in the country.

San Salvador

The capital city disproportionately concentrates economic activity in the country. The metropolitan area accounts for 3% of the national territory, but 70% of public and private investment is made there. Perhaps San Salvador's greatest asset is its location within easy reach of the ocean and the mountains.

El Zonte

Rustic beach town with one of the best spots for surfing in the nation. Since even before the country adopted bitcoin as legal tender, this small beach town was paving the way for the future of El Salvador and the Web3.



3 different research activities

Workshops



Objectives:

1. To learn about the reality, challenges and current fights of Salvadoran civil sector organisations.
2. Co-create preferable and sustainable futures where Web3 contributes to their current and future challenges.
3. Capture potential use cases in the short and medium term.

Observations



Objectives:

1. Evidencing the use of Bitcoin in everyday life in El Salvador.
2. To inquire about the difficulties and fears of citizens regarding the monetary transition.
3. To observe enthusiast and detractors of the economic transition.

Interviews



Objectives:

1. To discover the visions of those who are influencing the monetary transition.
2. Capture expert knowledge to contrast it with that of Salvadoran civil organisations and citizens.
3. Capture potential use cases in the short and medium term.

Field Research Questions

Workshops



To the Present:

- What are the motivations, challenges and fights of Salvadoran civil sector organisations?

To the Future:

- Can Web3 support the current and future fights of communities (use cases)?
- How to strengthen the autonomy and solidarity of communities?
 - Food, Environmental, Energetic, Political, Monetary

Observations



- What is the everyday adoption of Bitcoin?
- What are the practices adopted in the monetary transition, processes and hacks?
- What frictions do citizens experience in the process of monetary transition to Bitcoin?

Interviews



- What is their vision for the future of Web3?
- What are the opportunities for Web3 to contribute to Latam's post-development challenges?
- Who are the actors that are transforming Salvadoran society through Web3 initiatives?

Workshop Participants

This research focuses on activist and organisations fighting for community wellbeing with various focuses and ranges. We found a broad perspective of mindsets coming from feminism, ecology, politics, human rights, independent journalism, minority groups, and civil mobilisation.

We conducted three workshops with 18 participants that gathered their insight on what needs to change, the possible futures and the path we need to take to get there.



Projection
Synergic Skills



CENTROS JUVENILES SALESIANOS
FUSALMO
COMPARTE - SIEMPRE - TRANSFORMA



Observation Participants

Our observations were made continuously during our visit to El Salvador in the three locations selected for this research. We observed shops, informal vendors and citizens of all kinds; we made payments using Bitcoin Lightning Network and even used some of the Chivo ATMs provided by the government. Our approach to these participants was more casual, in their terms and context, often pretending to be just tourists or curious enthusiasts.

Each location taught us something new about the different monetary transition processes that El Salvador has undergone, starting the transition from the Colón to the Dollar or from community currencies to Bitcoin.



Bitcoin Beach - El Zonte, El Salvador

Interview Participants

The interviews were a small component of our research. We focused on interviewing relevant actors with in-depth knowledge of Bitcoin adoption by the Salvadoran community:

Jorge Valenzuela

Hope House co-founder / Bitcoin Beach co-founder

Thirteen years ago, Jorge Valenzuela and his wife Cristina Guillen started the project **"Llenando El Tanque de Amor de Los Niños y Niñas de El Zonte"** (*Filling The Love Tank of The Children in El Zonte*). They were responsible for supporting young people by providing them hope for a better future; this was the foundation for what we now know as Bitcoin Beach.

Ishi Kawa

Bitcoin Developer / Torogoz Dev co-founder

Ishi Kawa is the nickname of one of the most famous Bitcoin developers in El Salvador, who collaborates with different projects and initiatives. He is currently part of Torogoz Dev, an educational program with the aim of training in Bitcoin and Lightning Network development.



Ishi Kawa - San Salvador, El Salvador

About the Three Horizons Method

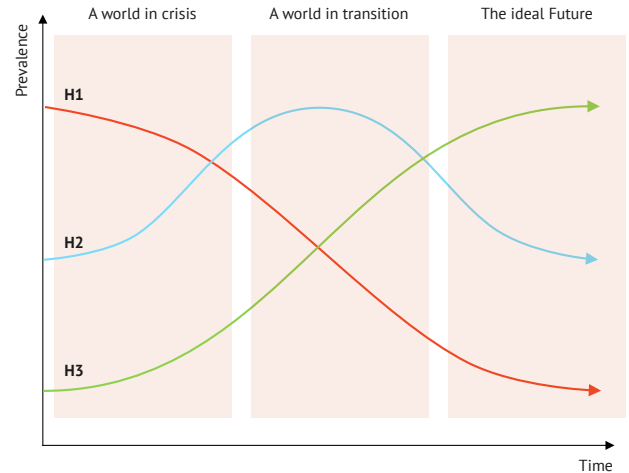
The three horizons method is a foresight tool created by Bill Sharpe for having strategic and innovative conversations for desired futures through systemic understanding. The matrix describes three ways of looking at reality and how they evolve and interact with each other:

Horizon 1 (H1) - The dominant pattern of how things are done and seen today.

Horizon 2 (H2) - The emerging innovation that has the potential to change things shortly.

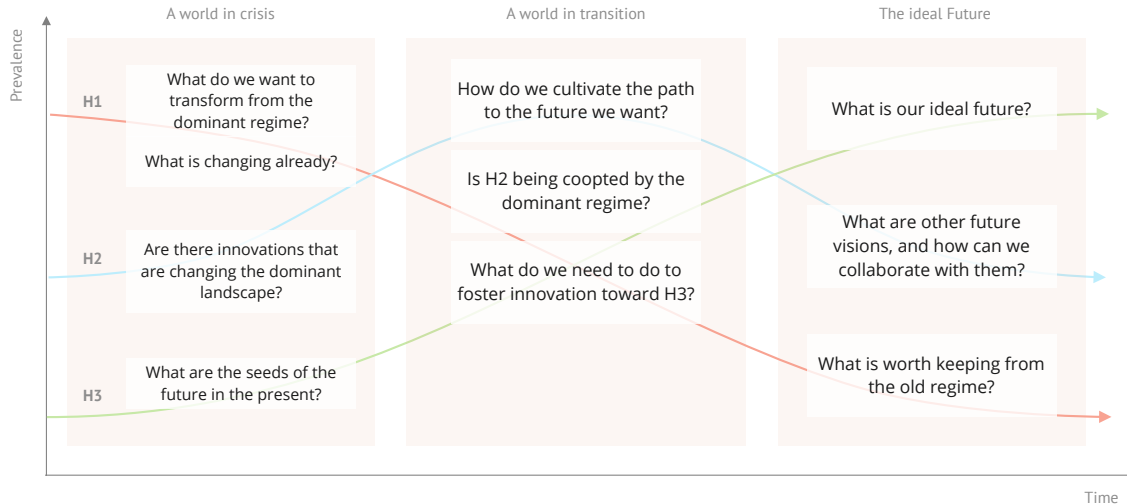
Horizon 3 (H3) - The visionary ideas that have not yet become patterns but may become the new dominant in the future.

In turn, the matrix invites us to think in three temporalities, the present crisis, the ideal future and the moment of transformation.



The Three Horizons Matrix

The Three Horizons Inquiries



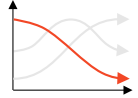


A group of workshop participants - San Salvador, El Salvador

3. About the present



The present



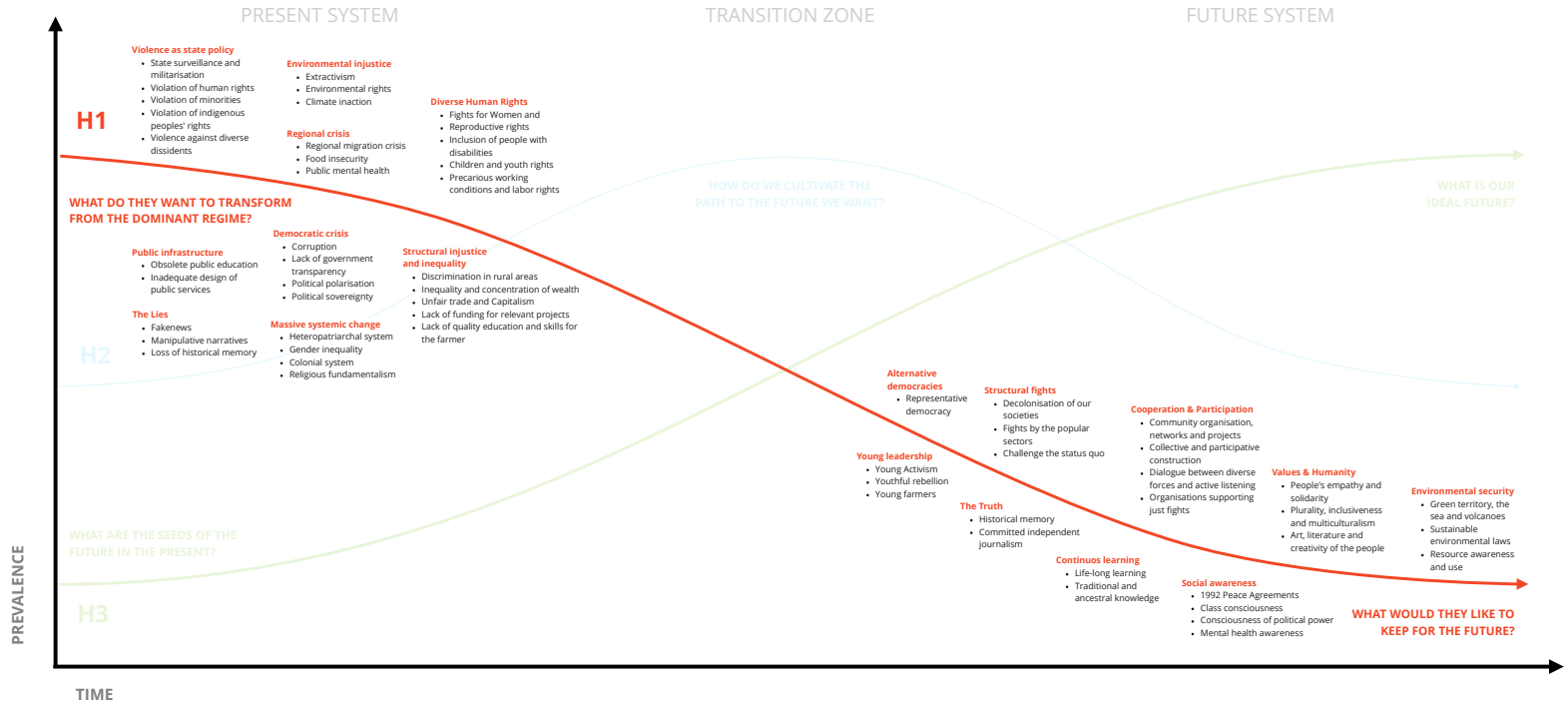
Initial Dominant Regime (H1)

What are the motivations, challenges and fights of Salvadoran civil sector organisations?

H1 is the horizon we all know, the dominant pattern we are immersed in and part of. This horizon is marked by the political, social, technological, legal, economic, environmental, and ideological structures that make the world move for good or bad. Day by day, we follow the conditions we are embedded in without often being aware.

This prevailing system presents cracks and inherent structural flaws that provoke the emergence of other ways of seeing and doing things (H2 and H3). Often this system is replaced by another (H2), which takes advantage of the flaws and alters the existing predominant structure.

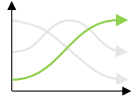
Initial Dominant Regime (H1)





The present

Emerging Niches (H3)

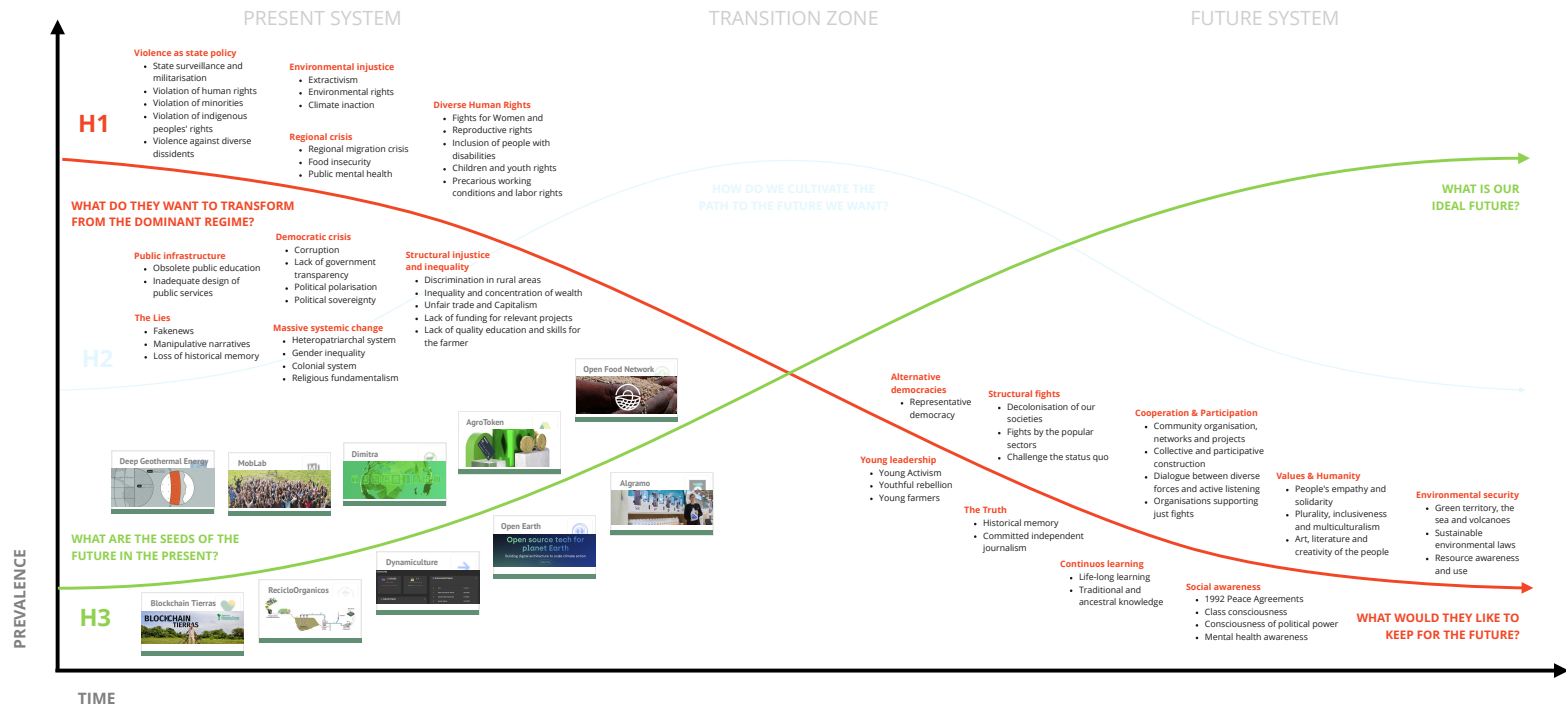


Can technology support the current and future fights of communities?

H3 is the Visionary Horizon. It is a way of thinking about the future that is not yet part of the current system. Many changes would have to take place for this future to emerge, but it is a future that we dream of and that, for this study, has to do with development, equity and sustainability hand in hand with Web3.

It is essential that before it emerges, it collaborates closely with actors that are transforming the dominant horizon (H2) and that with this relation, they can leverage an ideal dominant future.

Transformative shifts for the future (H3)





“ *In countries of the Global South, Latin America, and notably El Salvador, the future of our society and our territories are linked to the model of society we live in and how we aspire to coexist among humans, among collectives and with nature.*

There cannot be an ecological model that allows us to preserve life in the long term if no political and social system is ordered to resolve all these imbalances and gaps between territories, people and social classes.

All environmental and political crises are based on significant economic inequality. Without the active participation of the social forces of the territories, it will be impossible to move from imagination exercises to deepening our common agendas for action.

”

Ramiro Navas (28y)
Nuestro Tiempo



4. About the future



The future

Sustainable Futures

The question about **sustainability is inextricably connected to the question of the development model** our society needs / wants / dreams. Due to this, our focus is on sustainable environmental futures under the current and future climate crises and how Web3 capabilities can be relevant to achieve them in Latin America.

Co-imagining the future 2040

During the futures workshops, we exposed participants to a matrix that we defined to challenge the imagination and ideas that different participants might have about further ecological governance in four scenarios.

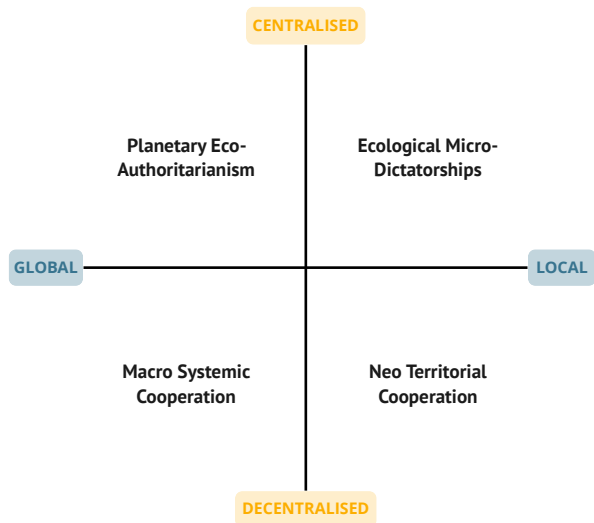
We did not bring the participants the operational and conceptual complexities of Web3 technologies. Our interest was more in understanding their imaginaries, motivations and fears under each of the four scenarios, letting them fill those four worlds with them. However, we include potential speculative roles Web3 might perform for this document.

Horizontal Axis:

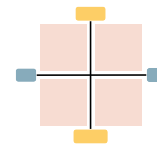
- Global: A world with a focus on the macro systemic and planetary agenda.
- Local: A world with a focus on the micro territorial needs and resources.

Vertical Axis:

- Centralised: A world with a strong tendency to centralise institutions and powers.
- Decentralised: A world with maximum decentralisation of governs and powers.



Why is it essential to think about these futures?



"In Latin America, it is difficult for us to see ourselves in life enjoying what we are trying to build. It is important to imagine other possible worlds and ourselves in those worlds with dignity and joy, watching us live it.

That is why it is important to think about other possible worlds, to be clear about what our horizons of possibility are and to imagine ourselves from plurality, from respect, from recognising ourselves as diverse."

Gabriela Paz (37y)

Fondo Centroamericano de Mujeres



"When we think about the future, we create a vision of what we want, how we want it, and what values we want to integrate into our societies. When we think about the future, we also draw maps that allow us to reach that point.

Without talking about it and touching the different spheres of society, it isn't easy to create a vision from the present. When this vision is built together with other sectors, with other ages, and with other groups, we are ensuring that it is a future that is inclusive, participatory and equitable."

Andrea Elizabeth Morales Rivas (30y)

Global Youth Biodiversity Network
Asociación Territorios Vivos



"Talking about the future generates expectations about what we imagine; expectations become goals, and goals have steps.

Talking about the future makes it tangible; although it is not happening now, it is something we start to build from the present. Taking care of the present is something we all need to do to take small steps to reach the futures we imagine."

Maria Gabriela Aquino Orellana (25y)

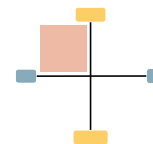
Revista Alharaca

Planetary Eco-Authoritarianism

Scenario 2040

GLOBAL

CENTRALISED



In brief: As we experienced 20 years ago with global confinements due to the first pandemic of the century, and in the spirit of mitigating food insecurity and protecting fragile remnants of nature, the world government is tightening global restrictions on access to and enjoyment of natural resources. For saving the human legacy and the planet, a global eco-authoritarianism is calculatedly controlling the actions and rationing the consumption of all citizens worldwide.

Emerging complexity

Co-imagining with participants:

- Strictly regulated birth rate.
- Increasing social inequality based on access to food
- Diet conflicts.
- High standardisation and genetic modification for food maximisation.
- Hyper-protection of land and expropriation.
- Immunity of pests and micro-organisms to pesticides.
- Restriction of access to renewable energies.
- Marginalisation and criminalisation of decentralised communities.
- Local environmental political prisoners.
- Walls and surveillance to protect forests and other ecosystems.

Challenges to achieving the Autonomy

Co-imagining with participants:

- There are local resistance factions.
- Black markets for banned food.
- Fights over the distribution of common goods.
- Minorities fighting for access to water resources.
- Fights against the banning of local environmental initiatives.
- Fights for alternatives to human and ecological rights.
- Fights against the control of information and propaganda of the established order.
- Fights against artificially balanced diets and ultra-planned nutrition.
- Discrimination against non-standardised knowledge

Speculative Web3 roles

For good or bad:

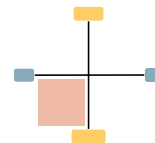
- The establishment of a global digital government.
- The establishment of a global environmental police force.
- Supply chain monitoring for food distribution and rationing.
- Global immutable citizen ID.
- Non-fungible tokens (NFTs) for ownership rights of genetic modifications.
- Universal digital platform for land protection, environmental data, and incorruptible records.
- Funding local initiatives and movements, bypassing the worldwide controls.

Macro Systemic Cooperation

Scenario 2040

GLOBAL

DECENTRALISED



In brief: Society has reached its zenith of planetary decentralisation. Political boundaries established by old-fashion colonialist processes are a thing of the past. A new society has been born with a systemic vision of planetary phenomena to contain the climate crisis and foster the web of life. However, many manifestations of local cultural diversity are disappearing; this neo-globalisation is not free of risks and injustices.

Emerging complexity

Co-imagining with participants:

- A new monetary system is needed.
- International regulations over national laws.
- Supranational environmental legislation.
- Actions against the environment are severely punished all over the world.
- Change and diversification in the relations of production on a global level.
- Capitalist model breakdown.
- Improvement of health care system but an increase of epidemics
- No political frontiers; there are regions and continents, not countries, strengthening natural territorial borders.
- Broader knowledge and more scientific studies.
- Sharing fights and knowledge in global open source systems by creating globally scaled collaboration networks.

Challenges to achieving the Autonomy

Co-imagining with participants:

- Legal global safeguards are required with more representative and diverse governance models—a better version of the United Nations.
- Many fights from the different sectors become integrated. For instance, ecology and feminism are one.
- Fights for equity and global standardisation of education.
- Freedom of religion, as long as it does not contradict accepted environmental knowledge.
- Communities that are non-aligned (local-centralised) are marginalised.
- Cooperation based on equity.
- Decision-making problems due to horizontality.
- Integration of social and ecological externalities and knowledge of resource use limitations in productive collaboration.

Speculative Web3 roles

For good or bad:

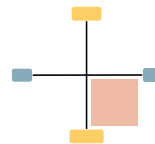
- A mistrust in centralised platforms to commit to scarcity and initial provenance.
- DAOs move beyond coin-voting and are Sybil resistance.
- User-friendly decentralised key management systems.
- An explosion of innovative economic, political, and social applications with a pluralistic ecosystem named "Decentralised Society" (DeSoc).
- Creating novel markets with decomposable, shared rights and permissions.
- Compensating for coordinated strategic behaviour.
- Measuring decentralisation.
- Universal digital platform for land protection, environmental data, and incorruptible records.
- Encrypted, disintermediated system software and unencloseable (non-commodifiable) medium of communication.

Neo Territorial Cooperation

Scenario 2040

DECENTRALISED

LOCAL



In brief: After the resounding failure of the neoliberal and globalising model, a particular phenomenon of territorial re-communalisation was generated as a management mechanism to face the climate crisis. This model, which is more cooperative and aware of local realities and identities, favours the hyper-connection of local actors and creates a closer link with mother earth. In addition, many dispossessed and nomadic people mobilise to find more favourable conditions in regions where communities are more prosperous and more competent in managing the risks of climate change.

Emerging complexity

Co-imagining with participants:

- Egalitarian Neo-tribal socio-economic order, with defined power quotas.
- Networks through territorial or ideological proximity.
- Redefinition of group identities and prioritisation of the identity factor.
- The disappearance of current national identities.
- Regulations for degrowth.
- The creation of specialised epicentres of goods and services and spaces for exchanging them, neo-barter.
- Competition for variety and quantity in the economy.
- A new paradigm of community-based care (children, the elderly and the sick).
- The local flourishing of arts and sciences.
- A radical shift in the economic values and the golden age of cooperatives.

Challenges to achieving the Autonomy

Co-imagining with participants:

- Diversification of modes of ownership.
- Fights to avoid centralisation or centralised institutions.
- Pirates, looting and pillaging for what they find in certain places.
- A continuous flow of some nomadic communities.
- Forced migrations for resources and their seasonality.
- Conflicts with nomadic and migratory communities.
- Dilemmas over the expansion and colonisation of additional territories.
- Territorial boundary conflicts between communities.
- Lack of perspective and global knowledge.
- Increased vulnerability to risks outside the locality.
- Increased financial and tokenised economy education.

Speculative Web3 roles

For good or bad:

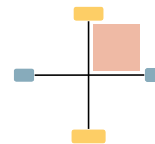
- Territorial DAOs for local protection and production are Sybil resistance.
- Multi-signature, egalitarian and communitarian decentralised key management systems.
- The specialisation of economic, political, and social applications with a contextual ecosystem named "Decentralised Tribe" (DeTri).
- Novel territorial networks with decomposable shared rights and permissions.
- Compensating for coordinated strategic behaviour.
- Accountability for local regeneration and environmental protection processes.
- Community operationalisation and contributive accounting

Ecological Micro-Dictatorships

Scenario 2040

CENTRALISED

LOCAL



The complexity of climate change has forced each region to do what it can in an “every man for himself” effort. The most radical ecological leaders take control of territories and their resources under eco-totalitarianism. However, corruption poisons the best intentions, and the environmental agenda advances with pace but amidst political favours and bribes. This establishes an “official ecological thinking” for each territory, so counter-cultural activism is ready for a new fight.

Emerging complexity

Co-imagining with participants:

- Political favours and corruption are paid with the enjoyment of nature.
- Many ex-environmental activists are now community leaders creating tribalisms under eco-totalitarianism.
- Local economies based on strictly regulated exploitation of resources
- Private seed banks and genetic manipulation of food.
- Appropriation and expropriation of fertile land, forests and water resources create environmental inequality.
- Freedom of ecological tourism is taken away.
- Increasing exile of the remains of indigenous peoples
- In many areas, green companies impose their agenda.
- Only one form of “ecological thinking” is accepted.

Challenges to achieving the Autonomy

Co-imagining with participants:

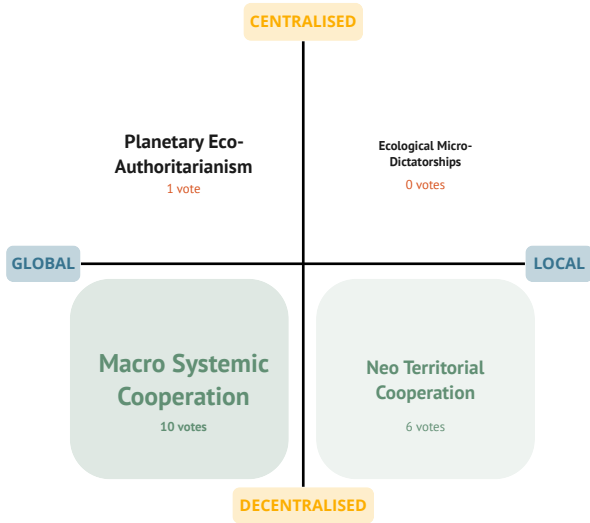
- Many parallel powers in the network of the territories.
- Official environmental education is dictatorial.
- Fights against ecological corruption.
- Fights against environmental and cultural repression
- Mercenaries by established ecological authorities.
- Coups in the name of new environmental values.
- Conflicts over the natural commons.
- Environmental counterculture.
- Other needs and fights beyond environmental ones are neglected.
- Difficulties in cooperating due to conflictive agendas.

Speculative Web3 roles

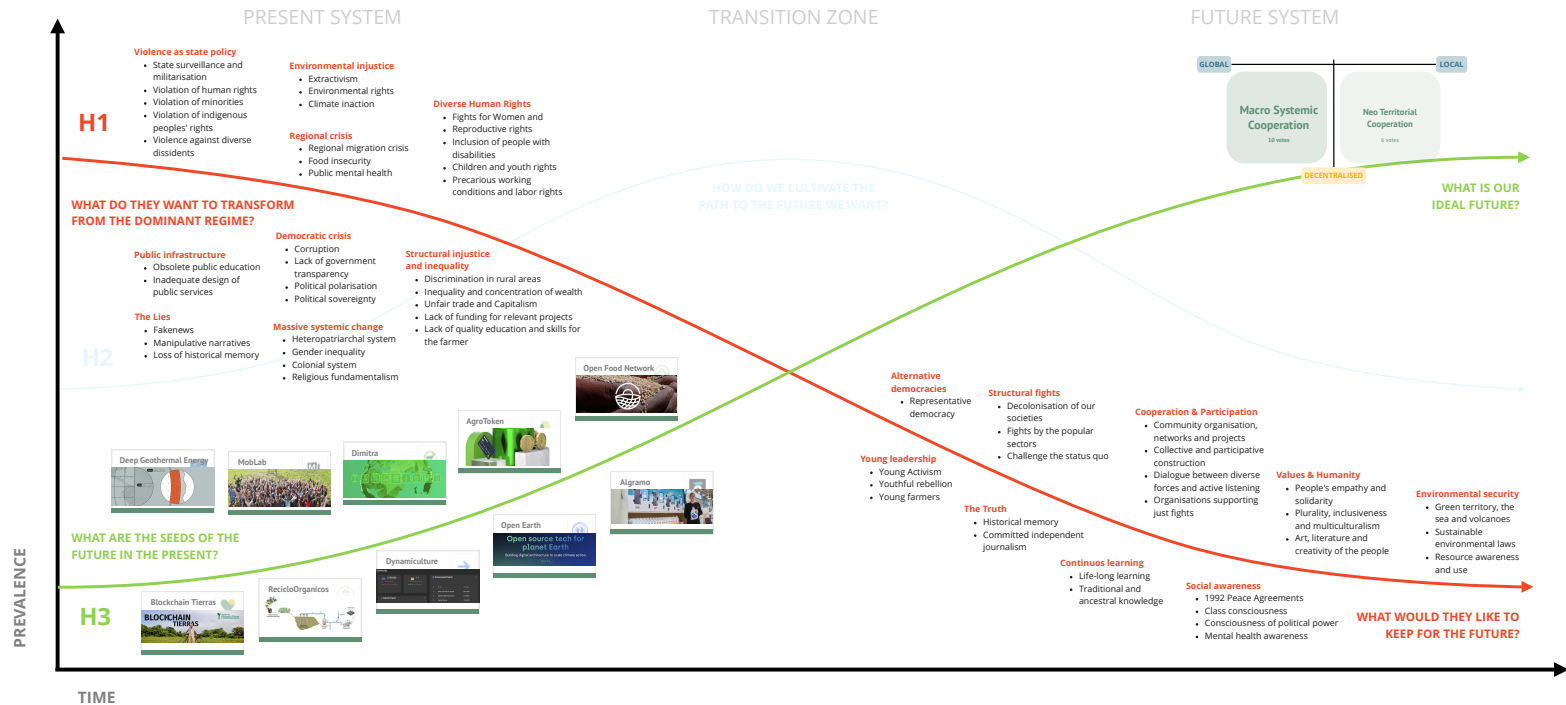
For good or bad:

- The establishment of a local environmental police force.
- Supply chain monitoring for food distribution and rationing.
- Non-fungible tokens (NFTs) for ownership rights of genetic modifications.
- Central bank digital currency.
- Centralised projects under a decentralised mask.
- An explosion of tokenised economies with a high risk of inequality.

Preferable Futures



Transformative shifts to preferable futures (H3)



Why did you choose Macro Systemic Cooperation as your preferable future?



"Because it is the dream, and it would integrate us, we would share knowledge, and what we do; but it won't be easy; first, we must go through a great fight and sacrifice..."

It is life and people's lives, we all aspire to live in dignity, have a healthy environment, and have real democracy. We can achieve this future by integrating the different expressions of fights."

Maria Olga Serrano (55y)

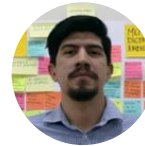
ALGES



"Because it takes up the idea that we are not alone. When we think about major problems such as climate change and environmental degradation, they are common problems; although they have their specificities in the areas where they occur, if we work in a cooperative and associated way, we can begin to give strength to their solution."

Óscar Arnulfo Gonzalez Márquez (37y)

REDIA



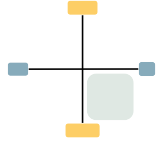
"Although the response to the climate crisis is built from below at a local level, only a broad global connection and a profound shift in approach, culture, and institutionality will bring about significant change."

Just as technologies connect us, hopefully, we can be joined by a broad, diverse and fluid environmental protection and preservation system, which also guarantees the rights of all groups and individuals."

Ramiro Anibal Navas Martínez (28y)

Nuestro Tiempo

Why did you choose Neo Territorial Cooperation as your preferable future?



"Because each territory has a leader, perhaps, under a representative democracy... Human Rights says, "Nothing about us without us"; in my case, a non-disabled person cannot talk about the needs or barriers that I need to remove if they don't understand my daily life.

That is why I think it is beneficial that territories are represented by people who truly understand their value and needs."

Rafael Anibal García Rivas (35y)
Human Rights Activist



"Because I know more cases of local cooperation that interrelate different organisations and local dynamics.

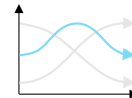
As an anthropologist, I am very committed to preserving multiculturalism; I believe globalisation blurs diversity in its attempt to homologue everything under the same logic. Respect means that we are all equal; we must learn to respect each other and recognise the richness of diversity."

Gabriela Paz (36y)
Fondo Centroamericano de Mujeres



"Because I believe it is important that the people who belong to a municipality can cooperate with each other, transmit their knowledge, ideas and visions, to establish shared goals for the benefit of the community."

Kevin Josué Aguilar Guadrón (22y)
Red de juventudes FUSALMO



The future

Transition Initiatives (H2)

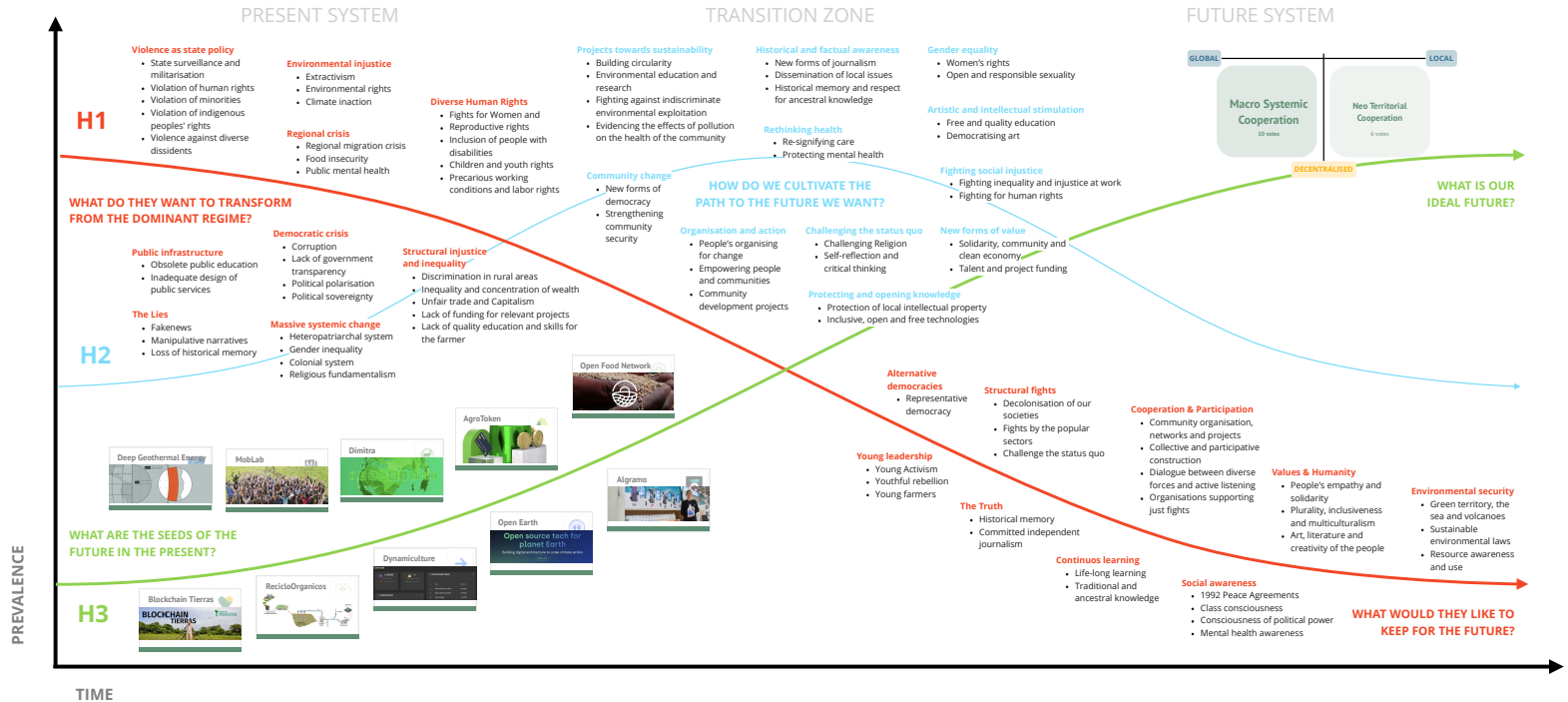
How do we cultivate the path to the future we want?

Once we have identified the dominant system failures in (H1) and the future we want to create (H3), we must map the steps. These milestones do not have to happen by ourselves; they can be a constellation of initiatives, projects, events or happenings that would lead to a vision materializing.

In a transition scenario, collaboration, coordination and orchestration with these initiatives are the way to nurture the conditions for an ideal (H3).

Three Horizons Map El Salvador

Web3 for
development





“ *In the future, I imagine we will obtain our sovereignty in different areas: food, economy, education, and politics, where the decisions are not subordinated to central government bodies.*

I believe we will achieve this by articulating the organisational nuclei; through the awareness of each person's weight within a nucleus, and the collective consciousness created within these community spaces.

For this to happen, cohesion, communication, and operationalisation of tasks must be perfect between the people, the nuclei of the communities and the municipality. Achieving this sovereignty and these forms of organisation would help us to use resources much better, beyond ideological or political differences. ”

Edgardo Molina (25y)
Comité de Reconstrucción y Desarrollo
Socioeconómico de Comunidades (CRC)



5. Bitcoin Drivers & Barriers



The present

Drivers and Barriers to adoption

Description

We found different views and perspectives towards Bitcoin in El Salvador, the first actual Web3 experiment in the country. From the guerrilla conversations, the workshops and the interviews that involved three different macro-contexts, we realised the barriers and drivers towards an organic and social adoption of projects of this type.

In El Salvador, there have been two parallel processes regarding the adoption of bitcoin:

1. **Case El Zonte - Bottom Up Solution:** a beach community that adopted bitcoin thanks to the involvement and contribution of external donors and their knit relationship with the community.
2. **Case Suchitoto - Top Down Solution:** for legalising bitcoin as a national currency and a large-scale implementation - for this case, we visited **Suchitoto**, a small town near San Salvador.

The contrast of these two strategies gives us a unique perspective for understanding what might be the critical factors of adoption not just for Bitcoin but for other Web3 projects. We could see significant differences in how people think and relate to the currency depending on how it has been introduced, with significant adoption and a more positive perception of Bitcoin in El Zonte than in other regions.

The present

Drivers and Barriers Matrix

DRIVERS

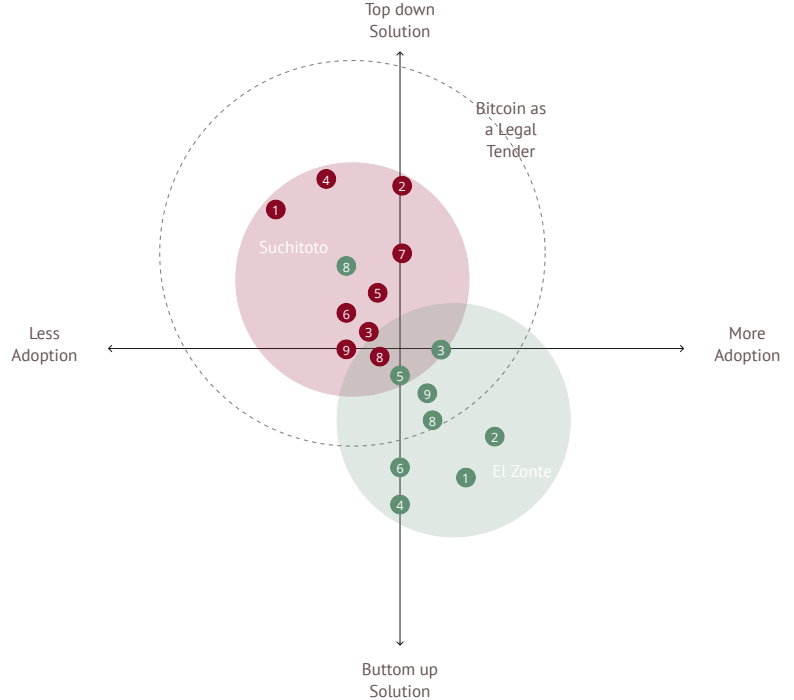
What is encouraging adoption?

- 1 Local Leadership Support
- 2 Young Participation
- 3 Banking for All
- 4 Carnivals for the Future
- 5 Support network
- 6 Community Branding
- 7 Community Currencies History
- 8 Local Merchants Engagement
- 9 Infrastructure Advancement

BARRIERS

What is discouraging adoption?

- 1 Economic Fragility
- 2 Politicising Bitcoin
- 3 Monetary Transition Trauma
- 4 Divers Cultures - Standard strategy
- 5 Lost Transparency
- 6 Digital Exclusion
- 7 Bitcoin usability
- 8 Mining concern



Context

El Zonte

A Bottom up Solution

El Zonte is a beach on the Pacific coast known for its huge waves with a population of 3,000 locals. Like many in El Salvador, a population that has experienced financial exclusion and gang violence. A few years ago, a small group of surfers and leaders had begun to transform reality by bringing opportunities and solutions, including bitcoin.

In 2009, Jorge Valenzuela, a natural community leader, and Mike Peterson, a surfer who had found the perfect wave in Zonte, began creating programs for youth and children focused on sports, spirituality, and community service. Surf and computer classes are some programs that still bring children and young people together, giving them new models for their growth.

In 2019, an anonymous donor decided to support Jorge and Mike's cause by donating \$100,000 on the condition that it be transferred directly to the island community. In 2020, with the support of external developers, the Bitcoin Beach wallet was designed, a unique wallet so that Zonteños could transact simply. During the pandemic, people firmly adopted the currency to get their donations to buy in local markets that were delivering food.



Context

Suchitoto

A Top Down Solution

Suchitoto is a municipality in the central mountains of El Salvador. Its urban centre is known for its cobbled streets and colonial style, which has become an important tourist destination in recent years.

Due to its complex historical, political and social context, Suchitoto is a special place. It began its repopulation in 1986 during the Salvadoran civil war, establishing itself in 82 family communities that took over the abandoned properties of old haciendas.

International cooperation and national institutions guided the repopulation process that gave power to the people by forming Community Development Associations that currently govern and seek joint solutions to the population's needs..

After almost 40 years of community process, the communities continue their management with a close relationship to international cooperation.

In 2021 Bitcoin arrived in Suchitoto as part of the national strategy; in the town, there are two ATMs for buying and selling (withdrawal of dollars) Bitcoins and a promoter is located in one of the ATMs answering doubts and questions.





Drivers

1

Local Leadership Support

DRIVER

Description

One of the solid attributes for adoption we found is the involvement of natural community leaders. These leaders are not necessarily linked to political parties and are often disinterestedly in the service of the community.

Why does it matter?

Since these leaders are people who have earned the trust of the community, they transfer that trust in their opinions and actions. Since trust is a crucial issue, especially in the adoption of currencies and financial services, the involvement of these leaders is vital to feeling that there is security and that they can invest, save money, and make decisions transparently and securely. Overall, these leaders use Bitcoin as a medium for a shared sense of development, not for the technology perse. This approach anchors the technology to be used beneficially and effectively for the community.



Jorge Valenzuela - El Zonte, El Salvador

2

Young Participation

DRIVER

Description

Youth and children play a crucial role in adopting new technologies and disruptive ideas. Little ones have an open mind and are willing to learn, discover, and build new realities. Through kids, El Zonte has a support system that understands and uses technology in different ways, teaching and naturally educating their family and friends.

Why does it matter?

Caring for children is a great challenge for parents who often do not have the resources to keep their children in healthy spaces for learning and development. By involving the little ones, a virtuous circle is created in which the trust and involvement of the parents grow. At the same time, the children are trained and develop skills that can succeed in the community for the adoption of new technologies.

Pluriversa

Tecnología / Technology



La tecnología ha revolucionado el mundo y somos conscientes que el uso de este pilar es importante para el desarrollo de nuevos empleos y emprendimientos para nuestros líderes y para el desarrollo de nuestra comunidad.

Technology has revolutionized the world, and we know that the use of this key is important for development of new jobs and small business for our leaders and for the development of our community.

www.hopehouseelsalvador.org

3

Banking for All

DRIVER

Description

The lack of banking continues to be a crucial issue in Latin America. In the case of El Salvador, only 36% of adults have a bank account. Traditional banking has not been designed for the public with low monetary capacity, excluding millions of people from financial solutions. In this area, Bitcoin is becoming a solution for undocumented people, minors and those with low economic power.

Why does it matter?

Moreover, an essential factor in adopting Web3 is the possibility of having financial services, like savings, without central banks. For young people, it means being able to enter the financial world from an early age and not having to wait until they turn 18 to have a bank account. We saw how 13-year-olds paid and managed their money through digital wallets.

In El Zonte, the adoption by stores and the rest of the population was immediate, and the local Bitcoin Beach wallet is growing from 100% to 150% each month, going from 3,000 users to 120,000 in two years.

Also, digital money is safer in contexts of violence because it is not loaded physically and makes the mortality of banknotes in places like the beach not a problem.

Pluriversa



4

Carnivals for the Future

DRIVER

Description

The appropriation of new technology or a new way of doing things within the dynamics of a community is not an easy task. Rituals and periodic festivals strengthen the meaning of the beliefs and knowledge of the community. The involvement or development of events as frequent rituals is essential for developing and adopting new meanings.

Why does it matter?

From picking up trash on the beach to whole days of surfing, swimming and spiritual activities, the El Zonte community organises events and programs to keep the community together. What is unique about these festivities is that they promote Bitcoin as a development umbrella for the community.

We should not forget that the success of a monetary transition is more related to the continuous building of trust with communities rather than just economic or technological technicalities.



5

Support network

DRIVER

Description

Building a network is vital to support all the different efforts for a Web3 initiative to succeed. Collaboration of individuals, organisations, institutions and communities makes the initiative robust, resilient and developed over time.

Why does it matter?

We see how the Bitcoin Beach Initiative has connected different actors on the following fronts:

- A communal physical space: The Hope House serves as a hub for the involvement of the young in English, computer classes and sports
- Investment: donor's relationships
- Tech Development: for Web3 applications
- Local markets: where Bitcoin is accepted and can be exchanged for other currencies to get more supplies
- Community cohesion: organization and hosting of events
- Public and private sector relationships: El Zonte served as a pilot program for president Bukele to legalize Bitcoin



6

Community Branding

DRIVER

Description

Bitcoin Beach is a brand that differentiates El Zonte. Both hotels and small shops have adopted the logo to express their acceptance of the tender. There are signs from the entrance inviting foreigners to the beach with a common theme: Bitcoin.

Why does it matter?

A coherent narrative and the participation of the different sectors of a community guide the efforts towards a common and ideal future. In addition, the town has a clear differentiator. In addition to surfing, it receives a public interest in Bitcoin by the public sector, and even banks come to the beach to understand and experience a circular economy based on currency.



Community Currencies History

Driver

Description

Suchitoto, as in other places worldwide, has experimented with community currencies. These currencies, like the Totnes pound, are means of exchange that only serve in a specific geographic space and are issued through the same community. We did not find a living coin of this style in El Salvador, but its existence leaves us with several reflections.

Why does it matter?

Rural areas struggle for bargaining power in the current asymmetric markets. A community currency is an excellent instrument to control capital flight from the territory and build a circular economy that supports local prosperity.

Web3 can be an instrument to give this power back to communities, to build more symmetrical markets where disintermediation ends the economic injustices that rural populations have suffered. The idea of a circular economy, a community-governed monetary system of its own, is desirable among young leaders.

In addition, knowing the monetary history of communities allows us to gain empathy for the fears and pains experienced in the past and allows us to rethink the new transitions that will try to gain the trust of the inhabitants.



8

Local Merchants Engagement

DRIVER

Description

In order to make a Circular Economy work in Latin America, it is vital to conquering local merchants. Consumer companies like Coca-Cola and Unilever use small local stores to reach the massive sector. Neighbourhood stores constitute an important commercial node where people buy products at retail. These stores distribute products and generate job opportunities for thousands of people in the region.

Why does it matter?

Conquering the people's day-to-day commercial nodes is crucial in adopting Bitcoin. At El Zonte, much effort has been made to onboard stores, but the most important thing was to design the local wallet with them in mind. The ultimate goal here is to develop a product that can be more efficient, secure and frictionless than traditional money.



Infrastructure Advancement

DRIVER

Description

The technology around a web3 project is crucial; it can be made up of different means, tools and solutions well enough coordinated to produce an effective solution to the opportunities and needs of the users.

Why does it matter?

In the case of El Zonte, we see an important advance in this aspect, unlike Suchitoto, which involves the following:

- Extensive Coverage of ATMs: support the passage of the digital economy.
- A local wallet that allows:
 - Capital is pooled and managed by the community.
 - Special features include seeing the map of businesses that accept Bitcoin, paying through a username and more.
- Implementation of Bitcoin Lightning Network: What makes instant payments possible.
- Internet coverage.
- Smartphones adoption.



An aerial photograph showing a person standing on a small, dark rock in the middle of a vast, turbulent sea. The water is characterized by a complex, swirling pattern of white foam and dark, churning water, suggesting a strong current or a storm. The person is wearing a patterned shirt and dark pants, and is looking down at something in their hands. The overall scene conveys a sense of isolation and the power of nature.

Barriers

1

Economic Fragility

BARRIERS

Description

In El Salvador, as in many countries of the Global South, a large population lives on what it earns during the day without being able to save or plan for the future. According to CELAC, this figure reaches 30.7%. This means that the possible failures of a system can leave many hungry or with critical vulnerabilities. In this context, security and trust become extreme factors. The volatility of Bitcoin means that many cannot think of the currency as a stable medium of exchange without risking their quality of life.

Why does it matter?

Therefore, some people understand Bitcoin as a luxury for wealthy people who can speculate and not as a medium of exchange. Stability will be a decisive factor in the development of cryptocurrency.

The population has additional concerns about the national economy, as there are budget cuts to invest in Bitcoin. With the recent fall in prices, an already deteriorated economy is affected.



2

Politicising Bitcoin

BARRIERS

Description

El Salvador, the first nation-state to adopt Bitcoin as a legal tender, is trying to gain acceptance by the public. On the other hand, decentralised digital money in the blockchain is not easy to explain. Some sectors of society relate the currency with the government; this creates 'bad or wrong' miss perceptions like "President Bukele owns our Bitcoins" or "President Bukele controls the Bitcoin system".

Why does it matter?

Using Bitcoin or any Web3 project as a political flag is a double-edged sword. Each individual will often distort the interpretation of policies toward new technologies to make sense within their political intersubjective reality.

Adopting new technologies will require a strategy to put people and nature at the centre; creating mechanisms for participation and adoption, such as entrepreneurship funds or technology training centres, will be crucial to adoption.



3

Monetary Transition Trauma

BARRIERS

Description

El Salvador has undergone a difficult process of monetary transition. The dollarisation of the country began after the government passed an economic integration law with forced legal procedures. The transition was marked by different moments characterised by mistrust that increased with the falsification of bills that bankrupted many small businesses. Little by little, the colón lost its value and is no longer a currency in use in El Salvador.

Why does it matter?

We can see Bitcoin as a future scenario that now seems to be a disruptive idea (H3). We can see the dollar as a transition scenario: the current regime (H2). And the colon as a past regime (H1) that fell. Many initiatives will be needed to turn Bitcoin into a new regime systemically. Salvadorans interviewed agree that an alternative to the dependence on the dollar is necessary, but fear, ignorance and volatility of Bitcoin still make its adoption challenging to implement.



A local merchant showcases her banknotes from neighbouring countries.

4

Divers Cultures - Standard Strategy

BARRIERS

Description

Like many places in Latin America, Salvador is a nation rich in cultures and ways of life, which means that standardised solutions with one-size-fits-all strategies often do not work. In different places in El Salvador, we saw how this strategy alienates communities and their ways of life.

Why does it matter?

As we have already mentioned, the importance of creating adoption strategies from the communities themselves is a fundamental element for adopting new technologies. More than that, technologies should be a means for development, and development should be a communal good. For this reason, technology development should be determined by the logic and the specific needs of each territory.

Standardisation will always have considerable resistance; adopting agile growth methodologies by niches could be an alternative to growth based on learning about each community typology.



An exhausted woman washes the family's clothes in the river - El Zonte

5

Lost Transparency

BARRIERS

Description

One of the great promises of Web3 is transparency. It is the idea that every citizen can be a witness to value transactions that take place throughout the world. One of the relevant ideas is that through Web3, it is possible to have more control over expenditures and the use of public money. In El Salvador, the opposite is true. Poor communication (or biased communication) by the government makes it difficult to understand how and which strategies and movements use public resources to buy and manage Bitcoins.

Why does it matter?

As a technology, Web3 can promise wonders, but without developing a structure from different sectors, it can break down and produce the opposite: resentment, lawsuits and social ruptures.

Making clear how projects are to be carried out in multi-stakeholder dialogue and participation is crucial to gaining acceptance and for the solution to flow in different social directions towards success.

www.diarioelsalvador.com

Martes

El Salvador

Diario

El Salvador

4 Chivo

Paso a paso para obtener la «wallet»

BITCOIN DAY

Desde hoy, El Salvador es el primer país que adopta el bitcoin como una moneda de curso legal.

El Gobierno ya compró 400 monedas, ha distribuido 200 cajeros y lanzó su propia billetera digital.

2 SALARIOS, PENSIONES Y PRECIOS SIGUEN EN DÓLARES

8 SALVADOREÑOS SE AHORRARÁN \$400 MILLONES EN COMISIONES

10 PLATAFORMA INTERNACIONAL DA RESPALDO A LOS SERVICIOS

14 NEGOCIOS EN EL INTERIOR YA ACEPTAN PAGOS CON EL BITCOÍN

6

Digital Exclusion

BARRIERS

Description

Another critical factor is the dependence of these solutions on Internet connectivity. It is estimated that in El Salvador, only 50.5% of the population has internet access. Even though there are more active cellular lines in El Salvador than households, there is still a digital literacy gap that excludes many people from the system.

Why does it matter?

The lack of a strategy that involves an adaptation to new technologies is a significant barrier to the adoption of any Web3 initiative. Simplicity, adaptability, and ease of use are critical pillars for developing these innovative solutions.

On the other hand, connectivity will be a determining factor for a solution such as a digital currency to be possible; since being a primarily day-to-day economy, almost permanent connectivity is needed.



7

Bitcoin usability

BARRIERS

Description

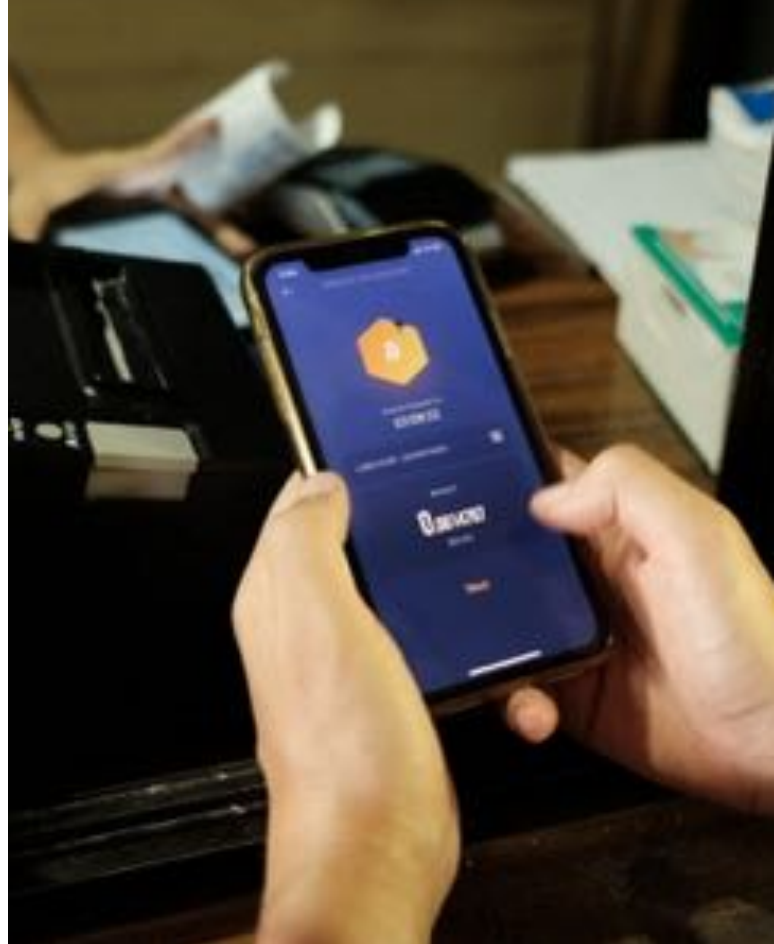
In the adoption of Bitcoin, there is a chicken and egg dilemma, in which businesses need customers to obtain Bitcoins and customers need businesses to accept the currency. In turn, businesses need to be able to pay for supplies with the currency and so on. If there is no general acceptance, it is not easy to get it adopted.

Why does it matter?

The important thing is that the currency can circulate and serve as a means of exchange in any situation; otherwise, it becomes impractical, and people will prefer not to have it.

The technical elements are essential too. In the tests conducted in El Salvador for digital wallets and ATMs, we witnessed significant frictions from the experience standpoint that confused the users. For instance, many different QR codes, payment amounts expressed in multiple units (Dollars, Bitcoin, Satoshis), and distinct interfaces for each wallet, among others.

These issues may seem small, but they can be decisive when generating massive adoption. Because of the failures in the experience flow, some users have lost confidence in the system. For instance, many people believe they have lost their money by losing their cell phones.



8

Mining concern

BARRIERS

Description

The history of mining in Latin American communities is a sensitive issue. Atrocities involving massacres and various human rights violations have been committed to gain territories. In El Salvador, the problem is no different; after years of mining exploitation, the communities have concluded that it has not been a development factor. There is strong opposition to the extraction of resources through mining and, of course, the geothermal projects for Bitcoin mining.

Why does it matter?

Web3-based solutions are primarily energy-based solutions. The current centralised ways of extraction have been a massive blow to communities, nature and, in the end, to the nation as a whole. So, it is essential to acknowledge the historical scars in the communities.

Creating clean and decentralised Bitcoin mining projects where communities and individuals actively participate in decisions and remunerations is a critical challenge for Web3 to flourish.



6. Findings & Recommendations

Conclusion

El Salvador is undoubtedly a fascinating country. Despite its challenges, its beautiful geography and the warmth of its people will keep the country on everyone's lips for a long time to come.

The great drama of the researcher is to accept that they must give up certain blocks of understanding to prioritise others. We have been enchanted by everything we have learned and hope in the future to continue researching this exciting process of Web3 adoption in Central and South America.

We confirm that Web3 has a space of opportunity to rethink the concept of "development", empowering communities, and achieving socially just and environmentally responsible futures in the Global South.

In the following pages, we share some of our highlights.

Findings & opportunities

Education drives disruptive change

As we saw with Hope House and Bitcoin Beach, children and the unbanked can access financial instruments without the traditional banking system's KYC (*Know Your Customer*) bureaucracy.

This means that everyone, regardless of age, race, gender, location and religion, with a mobile phone and internet access has a channel to the tokenised economy and, with it, all the freedoms and responsibilities that come with it.

Enabler for systemic change

In the short term, we recommend an ambitious plan to complement the academic curriculum of educational institutions to provide training around the tokenised economy and its technologies to children and beyond. An educated population is the best asset to face the coming revolution.

Countries that do not invest in an educated, environmentally conscious and technologically skilled population will depend on foreign nomad talent and miss opportunities to adopt and use Web3 technologies.



A Chivo agent in Suchitoto trains and provides technical support to citizens that use the Chivo ATM.

Findings & opportunities

The Bitcoin Snowball effect

We already mentioned this in our Horizon Scanning report, but we must repeat it. The snowball effect generated by the expansion of Web3 will mean that sooner or later, big players in all industries and territories will be forced to implement some layer of Web3 or suffer some level of obsolescence.

All the regional companies with a presence in El Salvador are already exposed to Bitcoin, from Latin American banks to international retailers or famous coffee brands.

Enabler for systemic change

Enable and foster corporate innovation using Web3 technologies, and allow companies to create their circular economies using Bitcoin by, for instance, paying salaries in Bitcoin to their employees or allowing closed networks between clients and suppliers.

A more extensive adoption at the corporate level might help to stabilise the volatility of the cryptocurrency.



Findings & opportunities

Beyond a Monetary transition

Among the participants, there was a clear preference for futures with a decentralised civilisation where cooperation between actors is fundamental.

While only an exercise for the imagination, such preferred scenarios propose radical changes to the socio-technical systems that are part of our current understanding of the world. These are radical changes by the blurring of territorial political boundaries as we know them, the integration of different social and environmental fights, the continuous migration of multiple populations and, of course, the diversification of ownership modes, to name a few.

Enabler for systemic change

With the separation of money from the state proposed by Web3 technologies, we are on the verge of experiencing a Second Renaissance with an explosion of innovative economic, political, and social applications with a pluralistic ecosystem named "Decentralised Society" (DeSoc).

The most significant changes also started as just an idea.



7. Definitions

Definitions

- **Bitcoin:** The bitcoin (lower case) is the unit of account (cryptocurrency) of the Bitcoin protocol (upper case). This concept is a replicated database distributed among thousands of nodes which are incentivised with new bitcoins for keeping the database up to date and providing it with the highest possible security. It has a limited issuance of 21 million bitcoins, whose production is reduced every four years.
- **Blockchain:** A distributed database that allows digital money to be securely exchanged on the internet using cryptography.
- **Circular economy:** It is a model of production and consumption which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended. In practice, it implies reducing waste to a minimum.
- **Cloud:** The cloud is a virtual space that exists on the internet. It is a storage space where people can place their digital resources such as software, applications and files.
- **Crypto:** Short version of "cryptocurrency", which is typically decentralised digital money designed to be used over the internet. Bitcoin, launched in 2008, was the first cryptocurrency. Other cryptocurrencies like Ethereum have grown as another digital alternative to money issued by governments.
- **DAO:** Decentralised Autonomous Organization (DAO). Inspired by the decentralisation of cryptocurrencies, a group of developers came up with this idea in 2016. It is an entity with no central leadership. Decisions get made from the bottom-up, governed by a community organised around a specific set of rules enforced on a blockchain. DAOs are internet-native organisations collectively owned and managed by their members. They have built-in treasuries that are only accessible with the approval of their members. Decisions are made via proposals the group votes on during a specified period.
- **DeFi:** Decentralised finance (DeFi) is an emerging financial technology based on Blockchain. The system removes banks and institutions' control over money, financial products, and financial services.
- **Global South:** The concept of Global South is used to identify regions within Latin America, Asia, Africa, and Oceania. It refers to the resistant imaginary of a transnational political subject resulting from a shared subjugation experience under contemporary global capitalism.
- **IoT:** Internet of Things (IoT), refers to the collective network of connected devices and the technology that facilitates communication between devices and the cloud, as well as between the devices themselves.
- **Latam:** short for Latin America.

Definitions

- **NFT:** Non-fungible token (NFT) is a unique cryptographic identifier/token that exists on a blockchain and cannot be replicated. It is used to certify the authenticity and ownership of a specific digital asset and its specific rights. NFTs can represent real-world items like artwork and real estate. "Tokenising" these real-world tangible assets makes buying, selling, and trading them more efficient while reducing the probability of fraud. NFTs can also function to represent individuals' identities, new property rights, and more.
- **Metaverse:** The metaverse is a network of virtual worlds where users can interact with other humans and other virtual characters in a computer-generated environment. In the metaverse, people have provably ownership over digital assets, creating a networked society where digital items can be scarce and therefore valuable.
- **Protocol:** Protocols are basic sets of rules that allow data to be shared between computers. For cryptocurrencies, they establish the structure of the Blockchain.
- **Sustainability:** Developing human communities so that their lifestyles, businesses, physical structures and technology do not interfere with nature's inherent capacity to regenerate and sustain life on the planet.
- **Sybil Attack:** In a Blockchain network is when Attackers may be able to out-vote the honest nodes on the network if they create enough fake identities (or Sybil identities). They can then refuse to receive or transmit blocks, change the ordering of transactions, and prevent transactions from being confirmed. They may even reverse transactions that they made while in control, which can lead to double spending. For now, there's no guaranteed defense to this attacks.
- **Tokenisation:** Within the context of blockchain technology, tokenisation is the process of converting something of value into a digital token that is usable on a blockchain application. Assets tokenised on the Blockchain come in two forms. They can represent tangible assets like gold, real estate, and art, or intangible assets like voting rights, ownership rights, or content licensing.
- **Web 3:** A new iteration of the World Wide Web which incorporates concepts such as decentralisation in the form of distributed ledger technologies and token-based economics.
- **Web 3.0:** refers to the Semantic Web, an extension of the existing World Wide Web, which provides software programs with machine-interpretable metadata of the published information and data. It adds further data descriptors to existing content and Web data to make Internet data machine-readable.

8. Acknowledgements

Credits

This report was researched and written by Miguel Bello and Manuel Llano, with contributions from Ricardo Lapeira and Angelica Bello.

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To other members of **Brink**, **IMC Worldwide**, and **Results for Development**, thank you so much for being so welcoming, supporting our work, and giving us feedback.

The adventure continues... ⚡

Pluriversa

A closer look at the territory of El Salvador, the first country to adopt Bitcoin as legal tender. Its fights, its future hopes and the emerging opportunities for the Web3.

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Global South
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2022