



Salvadoran Protestors Push Back Against New Bitcoin Law

Gerelyn Terzo

September 1, 2021

[\(Kitco News\)](#) - El Salvador has been hailed in cryptocurrency circles as setting a precedent for its plans to adopt bitcoin as legal tender. The situation has reportedly gone awry, however. Local protestors have taken to the streets to bemoan the Latin American nation's plans to legally integrate bitcoin into the economy for payments.

El Salvador's 40-year-old President Nayib Bukele is behind the country's bitcoin push, crafting a legal model that Congress not only approved but cheered.

Neighboring countries were expected to emulate early-mover El Salvador. Now it seems those plans may have backfired as the population pushes back.

According to Reuters, hundreds of Salvadorans in recent days hit the pavement to oppose the government's bitcoin acceptance, which is more akin to a mandate, seemingly over the inherently volatile nature of the digital asset. Bitcoin has been known to exhibit wild price swings in both directions.

Protestors are making their voices heard by sounding bullhorns, setting off firecrackers and carrying signs that say, "No Bitcoin," likening the leading cryptocurrency to "corrupt money laundering." The protests were seemingly part of a broader revolt among pension members who are seeking higher retirement income.

This fear appears to stem from a lack of understanding about how bitcoin works, as the government has seemingly failed to provide proper education to the population of nearly 6.5 million people. One merchant highlighted by Reuters explained how they aren't sure if bitcoin will bring "profit or loss." The government, meanwhile, has already begun to implement its plan to install hundreds of ATMs that will give users access to the Chivo digital wallet.

Flawed Law?

As the Cato Institute's George Selgin recently pointed out, the bitcoin law has some significant flaws. For example, Andres Guadamuz, a senior lecturer in intellectual property law at the University of Sussex, warned that the policy was thrown together hastily with little "discussion, oversight or scrutiny" dedicated to the "major economic change."

In addition, one of the provisions of the new law states, "Every economic agent must accept bitcoin as payment when offered to him by whoever acquires a good or service." Selgin explained how rather than sparking competition, the legislation "compels sellers of ordinary goods and services to accept bitcoin."

While El Salvador's bitcoin plans have their haters, the cryptocurrency community is not one of them. It considers the bitcoin law a big win. Legal bitcoin payments stand to hasten cryptocurrency adoption, which in turn is bullish for the bitcoin price. Since El Salvador announced its plans in early June, the bitcoin price has ballooned by nearly 40%. El Salvador's bitcoin law is set to go into effect on Sept. 7.