

How blockchain technology can save the world economy-by Ibro Fazlic MCS

The biggest problem of today is the factor called inflation, which is caused by the fact that banks and federal reserves sometimes resort to uncontrolled printing of money in large quantities and in short time intervals.

This leads to a greater circulation of money in all segments of society, an increase in the prices of services, the transportation of real estate, and a chain reaction takes place, according to which you need more and more money for the same product over time.

Another problem is that today's banks have a system called quantitative reserves.

What is it all about:

When you deposit \$100 in a bank, the bank gives you, for example, 1-2% interest on that \$100, but that same bank divides that \$100 into 10 parts and takes 1-2% interest from each part, which means that the bank he takes an interest of 20% and gives you 2%. These are only approximate figures that do not necessarily mean that they are 100% correct, but they are taken as an example to explain how the system works.

In the event of problems in society such as a change of government, civil unrest, or natural or other types of disasters, people start withdrawing their money from banks, which they do not have (remember that \$100 was divided into 10 parts and allocated to a loan of 10 people at a certain time interval).

Since in the case of the problem mentioned above, enormous pressure is created on the banks, they turn to the federal reserves, which are forced to print new amounts of money very quickly and thus again feed the machinery called inflation.

How do we solve this problem?

The solution to the problem is quite simple, and that is by introducing a new printing control per time interval.

For example: our blockchain produces 3 AVS every 10 seconds which is 43200 AVS per day. It is a daily emission distributed inflow and trading and cannot be more than that. Inflation still exists, of course, because the total amount is infinite as long as the blockchain works, but this number is also acceptable due to various factors such as Daily loss of coins (forgotten passwords, private keys, damage or destruction of the device on which the money is located); Population growth and the entry of persons into employment and the establishment of a payment system for that person, the so-called salary. Accordingly, inflation has been reduced to a negligible number very close to 0% and that is the solution to the first problem.

Another part of the problem is the bank's quantitative reserves: Since the banks from the above example divide your invested money into several parts and that money cannot be greater than the amount you invested under the pressure of the banks, they are not able to return their invested money to everyone. But to prevent the uncontrolled printing of money, time is included in this factor (which is one of the bases of the banking system of interest) and simply waiting for the daily monthly issue, the production of coins.

So there is no money printing beyond the allowed parameters, and no hyperinflation, bank users are safe because they know that the daily money issue is stable and most importantly, that daily money issue would be publicly known information, which is not the case in today's banking system.

We can turn the point into a mathematical formula:

$$KN=I+(PxTI)$$

I-Inflation

P-money printing

TI=Time Interval

KN-quantity of money

If, for example, $P=1000 \times TI=1$ second, then I am divided by the KN amount of nova. The higher the P and the lower the TI, the higher the inflation and vice versa.

With the control of money printing, i.e. the principle of the blockchain, where the amount of money is precisely determined per time interval, the problems of inflation would be significantly reduced and eliminated over time.

This article is my humble opinion, so since I am not a financial expert there is a possibility that this proposal of the banking system is not applicable. But I'm sure that experts in the field of finance can derive at least some partial benefit from this idea.