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Tourism in the Era of Digital Transformation



**THEMATIC
PROCEEDINGS**

I



**UNIVERSITY OF KRAGUJEVAC
FACULTY OF HOTEL MANAGEMENT
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CRYPTOCURRENCIES – OPPORTUNITY, ADVANTAGE OR FINANCIAL BLUNDER AND IMPACT ON TOURISM DEVELOPMENT – AT GLANCE

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Abstract

Globalization and the changes that have affected the world economy conditioned the development of new models of thinking, investing, trading and payment methods in the world economy. The end of XX and beginning of the XXI century was marked by rapid technological progress, which has not bypassed any economic sector, and all households have experienced the change. Cryptocurrencies represent a new model of trade and payments, but also a way of making some form of earnings. It is a form of property that is used as a digital asset exchange using cryptographic algorithms for "mining" new values, but also as a way of ensuring the security of transactions in a given system. It is still early for assessments. However, the future might show what kind of impact would this kind of payment have, as well as its impact on tourism development.

Key Words: economic development, finances, cryptocurrencies, informatics development, investing

JEL classification: E22, E42, E44, F31, O33.

Introduction

A world economy without borders is undoubtedly the dream of almost all developed countries in the world. Here we are talking about the desire and the possibility that the world's largest global powers will manage global financial and global processes (Kocić, 2010, pp.146).

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The cyclical movement of the economy has been processed and explained in detail. Cyclical capital movement leads to periodic ups and downs of the economy in individual countries which in turn leads to financial disturbances locally. Due to globalization, shocks are not local and cause far more complex global consequences (World Economic Crisis 1929-33, 1970-1971, 2001, etc.) (Erić, 2003). These phenomena are related to the cyclical movement of capital that led to changes in our social lives. We are ready to accept any explanation of the present crisis in our civilization except the one that the present state of the world may be the result of our own mistake (Hajek, 1944, pp.13), which is the desire for rapid wealth.

The desire of all imperial countries of the world is to influence and control world trade, current events, goods and services with their monetary instruments and currency. The influence of the United States on financial flows in the 20th and 21st centuries was dominant and historically, instability was reflected in the fact that money, prices and production were most affected, where the most dramatic periods were between wars (1920-1921, 1929-1933, 1937-1938) (Fridman, 2002, pp. 56).

Economic crises that occur periodically but frequently undoubtedly lead to large macroeconomic shocks which are widespread globally. In order to explain the topic at hand, it is necessary to point out the fact that when the biggest economic crisis began it was called The Great Depression 1929-1933. (Fridman, 1963).

Due to the dramatic character, the crash of the stock market in October 1929 is often considered the beginning of the financial crisis. However, this is not true, the collapse was caused primarily by the individual's willingness to spend, which led to the subsequent collapse of the stock market. This triggered numerous measures that were reflected in the harsh economic conditions aimed at curbing "speculation" (Fridman, 2002).

The economic crises that have shaken the world economy periodically every 10 years will undoubtedly continue with the authors predicting the next one, which will be according to economic indicators as well as large oscillations in the stock market and global economy most likely in the next two years. The next crisis will not lead to distortions in the goods and services market but in the financial sector, i.e. the banking sector that is currently experiencing shocks due to speculation especially in cryptocurrency trading.

Globalization and global processes

From the onset, it is necessary to explain the basics that have largely shaped social processes in the last 40 years of the 20th and 21st centuries which have changed the world economy and thinking in general.

The notion of globalization is derived from the word "global", which means totality, and globalism is a way of looking at global events. Globalization would therefore imply a social process that seeks to comprehend the uniqueness of the world (Turek, 1999, pp. 159). When it comes to globalism, there is also an expanded theory that interprets globalism with the inclusion of arguments of the modern microelectronic revolution (Rodin, 1999, pp. 83-100).

The concept of globalization can be understood and defined in different ways. One way defines globalization as a positive and optimistic process that brings technology development, market expansion, higher profits, a more comfortable life, developmental progress, the breakdown of dictatorial regimes and increased consumer spending. The other interpretation of globalization is that of a necessary evil through the dominance of economics, politics, science and culture which acts as a form of colonialism and imperialism over small nations (Martin & Schumann, 1997).

As a result of globalization relationships between people and countries are intensifying where people are beginning to think globally as a whole and to view the world in a new light. Globalization has certain requirements - continuous investment in knowledge, technology, research and development. Whoever starts to lag behind in the process of globalization or does not get involved in modern processes will be left significantly behind. Today's world is increasingly open and hence a well-known reference to the world as a "global village" has been created. Globalization as an idea refers to "reducing" the world, but also to raising awareness about the world as a whole (Robertson & Milardović, 1999).

Globalization can be deemed as a result of developing knowledge, modern technology, markets and democracy. Globalization has enabled the free movement of capital, goods, information and people through the spread and elimination of borders. The ecological, cultural and social side of globalization is often neglected in relation to its politics and economics. The theory of globalization was devised in the eighties and

nineties of the twentieth century by Ronald Robertson. On the basis of this theory, he could describe the phenomena of a supranational and worldly meaning (Stanišić, 2000, pp.918-927).

The emergence of the globalization process was favorable for the post-World War II situation in Europe. The European countries, some of which were completely destroyed, but financially supported by the United States (Stanišić, 2000, pp.918-927), began the process of interconnection. The goal and basic aspiration was to create a Europe without borders, where goods, people and capital would circulate freely (Todorović, 2007). Such an aspiration allowed Europe to expand and influenced the trend that helped create a world without borders. When it comes to Globalization as a process, it is necessary to mention the role played by GATT (General Agreement on Tariffs and Trade) as well as its influence and effect, i.e. the free flow of goods and services. GATT was founded in 1947 and was based on idea of the greatest mutual benefits. It sets out three fundamental principles: the principle of reciprocity, the principle of liberalization and the principle of non-discrimination (Kocić, 2011, pp.224-238). The principle of reciprocity refers to the fact that trade facilitation granted by GATT signatories to one another must be the same for both parties. Later this principle was mitigated for the benefit of developing countries. The principle of liberalization implies a gradual reduction of customs duties and other restrictions, and the principle of non-discrimination meaning that for double taxation between two signatories must apply to all GATT members. Customs rates should also not be increased unilaterally (Natek & Natak, 2000). In the year of establishment, GATT was joined by 23 countries, and this number has been consistently increasing ever since. On December 8, 1994, GATT was renamed the WTO (World Trade Organization) at the end of the Uruguay Round negotiations and the ministerial conference in Marrakesh. The WTO began operating in 1995 and is funded by the signatories' contributions to their share in trade among its 134 members. Another notion that is increasingly in use with globalization is the concept of trans-nationalization. The growing and economic significance of transnational corporations and transnational flows of goods, capital, information and knowledge in the global market and in the economic environment is the most important feature of trans-nationalization (Kocić, 2011).

However, at the end of the 20th century, a downward trend in global inequality was witnessed. It is a characteristic of the declining distribution

in the income levels of the middle and lower social classes in developing countries, both in relative and absolute terms, as shown in Table 1.

Table 1: *Global economic distribution from 1960 to 1990*

Year	Percentage of global income that goes to 20% of the richest	Percentage of global income that goes to 20% of the poorest	The relationship between the richest and the poorest
1960	70,2	2,3	30 : 1
1970	73,9	2,3	32 : 1
1980	76,2	1,7	45 : 1
1990	82,8	1,3	64 : 1

Source: *Brown and Kane, The Globalization of World Politics, Oxford University Press, Oxford, 1997, pg. 456.*

What we can present today as a consequence of Globalization is also reflected in the financial world, including financial transactions involving the creation and enabling of payments by supranational currencies. The topic of this paper is the creation, purchase, sale, disposal and trading of alternative forms and methods of payment. The work itself will also present the thoughts of authors who consider this to be a trade that may introduce another cyclical problem of global financial ratios.

The technology of Cryptocurrency

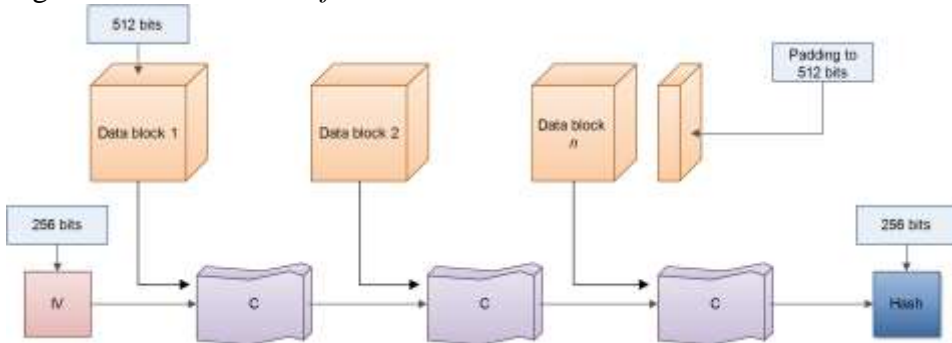
Over the past years, a faster integration of information and communication technologies has influenced many aspects of our lives (Popovic et al., 2016).

When it comes to cryptocurrency, it is impossible not to talk about Bitcoin. Bitcoin (Nakamoto, 2008) represents the first, and at the same time the most popular, cryptocurrency. It was created in 2008 and 2009 in the form of open source software – cryptographic digital monetary and payment systems that exist online. They are based on decentralized, distributed networks, which include a common data transfer technology called blockchain. The network data transfer relies on security data encryption (Hayes, 2017, pp.1308-1321).

The cryptocurrencies are generally based on Hash functions. Cryptographic Hash function is a mathematical function that takes any value, of any size, and creates data blocks of fixed sizes. With Bitcoin, as

well as all other cryptocurrencies based on Bitcoin technology, the block size is 256 bits.

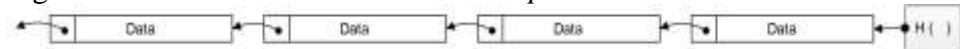
Figure 1: *SHA-256 hash function*



Thus, using the cryptographic algorithm SHA-256 (Gallagher & Director, 1995), anonymity in data transmission is achieved, specifically the anonymity of transactions.

The data structures used in these crypts are based on Hash Pointers. The pointer shows the place where certain data and cryptographic data are stored, which validates the original data.

Figure 2: *Data structures based on hash pointers*



If we have a hash pointer, we can use it to get the data points and to verify that these data have not been changed.

Furthermore, for additional protection, hex pointers can be digitally signed. Digital signatures use public and secret key technology. Bitcoin uses an ECDSA-based digital signature scheme (Pornin, 2013) algorithm. In this way, the cursor is digitally signed, as well as the entire data structure that the cursor points to.

With the cryptocurrency, the public key is used as an identity in transactions. Identities in transactions are addresses where a certain amount of cryptocurrency can be found.

In order for the transaction to be fully valid, it is necessary for all diggers in the network to confirm the transaction. This type of confirmation at

Bitcoin is also known as Nakamoto Consensus (Bonneau et al., 2015, pp. 104–121). This is considered to be the most important innovation in Bitcoin and probably the key part of the technology for which Bitcoin is successful. Therefore, any network participant can try to complement the chain by collecting valid pending transactions and forming a block. The key part is to use a computer "puzzle" to determine which block will be the next blockchain. These computer puzzles are called "proof-of-work" (Aspnes et al., 2005). The first block that is announced in the network, with the correct solution, is considered the next blockchain. If the proposed block contains transactions that are not valid, other participants discard that block and continue calculating until they find a solution for their valid block. In the event that there are two valid solutions that were created almost simultaneously in the network, a temporary engagement (eng. fork) in the blockchain occurs at that time. Which of the blocks will be included in the longest blockchain, and which is rejected largely depends on the nature of the protocol itself. In practice, most Bitcoin clients require 6 transaction certificates before accepting a newly created situation that a transaction has been posted.

By confirming the transaction by consensus, the security and accuracy of each transaction in the system are guaranteed. The disadvantage of this kind of work consists in waiting for transaction processing. The amount of time required to process depends on the number and strength of the diggers in the network, as well as the total number of pending transactions.

Hence, data mining calculates the function, processing transactions, which are placed in blocks. More blocks form a blockchain of data, thus creating the history of transactions since the creation of the currency to date.

Since there is no centralized control system, transaction data is shared by all diggers in such a P2P network. By this publication and alignment of all blockchain data, in fact, it achieves complete consistency and avoids possible fraud in the transfer of currencies, as well as the possibility of double consumption of the same unit of currency (double-spending attack). The weight of the puzzles to be counted is calibrated so that the new block is found once every 10 minutes. For this system to be sustainable, the weight is adjusted once in 2016 blocks, approximately every two weeks, using the deterministic timestamp function in the previous 2016 blocks (Bahack, 2013).

Award system

In order for the system to be sustainable, it is essential that participants in the network receive a certain prize.

In this case, the award consists of a cryptocurrencies wage assigned to a miner who initiates the creation of a new block. Which participant will be selected to create a new block depends on the amount of computer power with which it participates in the system. At Bitcoin, the amount of currency to which the diggers are rewarded is fixed at 50 BTC in the first 4 years of operation, 25 BTC over the next 4 years, 12.5 during the third period of 4 years, etc. The maximum number of currency units is programmed to 21 million. In addition to this award, diggers additionally charge transaction costs, which currently amount to 0.0007 BTC per transaction. In order to keep the system viable, the authors believe that the transaction costs will constantly increase, as in time the amount of units excavated decreases.

In addition to Bitcoin, there are hundreds of other currencies that have come out of this or similar technologies. These currencies are called Altcoin. They differ from each other according to the protocols they use, the amount of currency that is found and can be found in the circulation, and the speed of transactions being processed. Some of the most famous Altcoin currencies are Ethereum, Litecoin, Bitcoin Cash, Dash, Monero... There are currencies that operate within certain systems, such as Ripple, which is designed as an exchange currency and a payment system. Such a currency is not released into the mining circulation, since it is a transactional network that allows the exchange of any currency between the two participants.

Similar to cryptocurrency, the Ripple wallet is initialized with a private and public key pair. The wallet is then marked with an encrypted public keyhole. The owner of the wallet with a private key sign each transaction it initiates and includes the public key in the transaction. In case the private key is stolen, full access to the money in the wallet can be passed to other banknotes.

By implementing some various security algorithms and models, a problem of energy consumption arises (Popović, 2016, pp.69) As the volume of stored data grows, so will the share of energy consumption grow, as well as the security of data being stored. These security models

cannot be designed independently, so when designing a system, a significant part should be dedicated to security components that need to be energy efficient (Popović et al., 2016, pp. 412-420).

Economic aspect of the financial market – cryptocurrency trading

Some of the authors note the following fact. Bank circles the world's financial markets-the bubble of cryptocurrencies. All the forces of bankrupt neoliberal capitalism closed their eyes and tacitly allow them to evolve on all sides of the hidden currency. Today there are over two thousands of them and new ones are opening each day. The question arises, what is this about? What are the cryptocurrencies? Is this another in a series of neoliberal scams, or is it really a revolutionary invention that will change the finances of the world? (Dragaš, 2018)

2017 represents the most important trading period for virtual currencies. Many of them experienced real expansion and tremendous growth at 1000% per year. The end of 2017 was the high of cryptocurrency, especially bitcoins, and represented a great opportunity for citizens to make a quick return. The value of bitcoin was at an time high of \$19,099 at the beginning of 2018 and now its worth under \$ 10,000. It is, however, necessary to point out that its value only a year ago was only \$ 1,000, which means that bitcoin rose 1909% in one year. Because profit rates in real economy are 10-15% per annum (for example: Real US growth of 2.8% and Real India growth of 7.2% in 2017 (IMF, 2017), the abnormal yield on one of the cryptocurrencies can only serve to mislead the citizens of the world who do not know how to either save their money, receive very low interest rates from the commercial banks or, in some instances, banks are paid to hold their money.

The first sections of the paper dealt with the technique of creating, buying and selling cryptocurrencies but also the very essence of the cryptocurrencies and the historical conditions in which they appeared. Are cryptocurrencies a scam or not? It is necessary for these conclusions to suggest the facts that the authors plan to arrive at valid conclusions. Hence, we must have at least basic knowledge of the history of money, which, unfortunately, has never been fundamentally studied. Is that a coincidence?

No coincidence in the history of money development. Money and money transactions were always covered by a veil of mystery and secrets.

Bankers hide to show which money from alchemy creates new money. The English National Bank was founded in 1694, but its founders were private individuals. The FED is the US Central Bank whose founders on 24.12.1913 were the richest individuals. They were from the families of the founders of the ENB (English National Bank). Individuals had been given a monopoly to print money and lend money to the states. Amchel Meyer Rothschild openly and frankly stated: "Let me print and control the flow of money in one nation, and I do not care who rules the law and who has the strongest army." (Hern, 2018)

In the history of the United States, all the presidents have been killed, from Lincoln to Kennedy, who have tried to take the printing of the dollars from the privileged rich people and put them under the control of a legally elected government, parliament and citizens. Wars have begun and millions of innocent and naive people lost their life in order to keep the monopoly of printing the dollar.

In 1971, during the rule of Nixon, the decision was made that it did not need any cover for printing dollars, gold was a cover for printed paper, then we entered an era of the world's biggest fraud and falsification of cash without cover, which has led us today a complete collapse of neoliberal capitalism.

According to calculations and listed in the world's leading newspapers, the US debt is not \$ 20 trillion, as it is officially shown, but approximately \$ 400 trillion (Hern, 2018).

Today, over 2 quadrillion worth of worthless securities are circulating on the world markets. The financial bubble is so overcrowded, as already stated in the author's opinion, that it is ready to burst and completely sink the world's finances.

A large number of authors spoke and wrote about it, but until the last economic crisis on August 19, 2007, which broke out after the collapse of overdue and false mortgage loans, there was confidence in the regulation of market mechanisms (Kocić, 2010). In addition to state interethnicism, neoliberal capitalism can be saved from total collapse by the following: (1) World War, which will not be conducted in US territory. (2) new technology or new goods, which will pervade the whole world (3) the discovery of new energy from the universe, (4) hyperinflation that needs to erase all accumulated debts and to restart the financial system with the

new currency and (5) the end of neoliberalism and the building of a new national capitalism.

What happened in the years behind us? The attempt by Wall Street to challenge the world by war has failed. The tension and the stabilization of the situation in Europe have led to a calming down of the situation. Then next thing that is started is the launch - cryptocurrencies!

By controlling the world's financial flows, where they are not allowed to enter bond trading, they have enslaved the world's central banks under the false banner of the independence of central banks. Central banks of most countries responded only to the IMF; therefore, they were allowed to encrypt, trade on stock exchanges, enter into payment transactions and experience such growth that it appears extremely suspicious.

What happened to permit the decentralization of monetary transactions and allow the occurrence of cryptocurrencies? The logical explanation is that in fact the owners of these cryptocurrencies are the most powerful countries in the world. Everything is well thought out and done to find a new world game that brings big profits and which will, at least temporarily, buy precious time for neoliberal capitalism to weaken the pressure from central banks which print full-blown coins in cash.

When bitcoin grows 1.909% in one year, while the developed world's economy develops at a rate of barely 3%, this therefore is proof that crypto currency waves are a new way to new bait citizens, in way that does not raise concerns around the endangered totalitarian system, but enticing people to higher than usual returns (Dragaš, 2018).

Where does such an annual profit come from? You can find the answer to this question in the previous section.

What is behind this cryptocurrency?

A mathematical algorithm that allows you to dig bitcoin with special computing devices. Those devices have huge electricity consumption. Mining is more popular in countries where there are low electricity prices. In developed countries, electricity is too expensive and not profitable for computers to last 24 hours without stopping. Dure to the nature of algorithm, mining is getting harder with time, thus less and less bitcoins are being dug.

How is the price of a cryptocurrency determined?

Based on supply and demand. The supply is small, while the demand is high, which is why the price is constantly growing. On the offer page we have the information that 16.742.575 BTC has been mined. A total of 21 million bitcoins have been determined by mathematical algorithm and this will be mined by the year 2040. So, the creator of the bitcoin planned to keep the cryptocurrency.

Why is the big demand for cryptocurrency?

The demand is risen by three characteristics of cryptocurrencies: anonymity, low cost and fast transfers. In the electronic age, the transmission speed is very important and the cryptocurrencies are transmitted within a few seconds. The money transfer price of the cryptocurrency is very low, it is only a few cents, which significantly increases the interest of companies and citizens to use cryptocurrency. The annual commission of all world transfers is about 22 trillion dollars. That's the annual GDP of America itself. Transferable income allows banks and companies like the Western Union to make significant financial gains, but this kind of transfer is outdated to financial lobbyists who's main goal is to ban banks from the financial services market. What brought enormous popularity to the cryptocurrency was anonymity and freedom in the process of transfers.

The problem of anonymity and the checking of all payments is very complicated in banks, no matter the amount. Abuse talk (when you take advantage of something or someone) and the so-called money laundering used to finance terrorism is to a great extent just an excuse to subdue ordinary people. All major transactions as well as so-called money laundering go through the FED and several of the world's largest banks. In this way the business environment is becoming increasingly difficult for genuine businessmen, while on the other hand giving the opportunity to all those so called merchant brokers to wash money and to use the cryptocurrency to transfer their "dirty" money from illegal activities all over the world. Since there is so much money, therefore there has been a huge demand for cryptocurrency, which has led to an abnormal jump in the prices of certain of those currencies, especially bitcoin.

Is it possible to track the cryptocurrencies?

The propaganda story that the cryptocurrencies are decentralized and no one controls them is a complete lie. The use of blockchain technology can be openly monitored by the transaction data, which cannot be falsified, and any change is permanently recorded and can be verified on computers around the world. So each transaction is recorded and permanently stays on a digital network.

What does this mean? The freedom given to cryptocurrencies is controlled. Who will know when someone can come to mind to start reviewing long-term transactions? At the same time, the blockchain allows control and monitoring.

The current freedom of cryptocurrencies is tendentiously allowed for humanity to ignite and incur large profits, which do not exist in the real economy. Fun for indebted and unemployed citizens, who listen to stories of great earnings. The advantages of cryptocurrency are constantly emphasized, which does not deny work, but when you look at currency promoters, they always emphasize that there are no guarantees for cryptocurrencies and that you do everything on your own responsibility. It is criticized for printing money without cover, but there is also no answer for what is exactly behind the cryptocurrencies. The answer is known and hidden - there is nothing behind the cryptocurrencies. The platform at which transfers are made are based on the supply and demand in theory, while there is no foothold in the real economy on the ground in reality as there are no pillars that carry it.

The best example is the next one we will propose?

What is capital? Paper money? Digital Bitcoin? When it comes to war, earthquake or major catastrophes, what is your capital? Capital is just what you have in your head and what you have in your pockets. What you have in your head is the knowledge and skills that belong to you only, for which you are only responsible, which allow you not only to survive, but also to re-create wealth. What you have in your pockets must be something that is concrete and tangible and has a lasting value. It's certainly not paper money. Investment in gold in terms of several grams is a safe item that you can change for all goods, especially food. There are countless testimonies from the past.

The cryptocurrency is a bait for the complete introduction of cashless money. We are also aware of the need to pay for cash payments, although the subjective opinion is that some form of savings is good because of the freedom to dispose of it. However, today there are so many demands from the most advanced countries to abolish cash. All transactions will be on the digital network and they will be able, through blockchain, to control everything. The story of speed, efficiency and modernization of cash flows is inaccurate at the time of the technological revolution, and big profits are just a bait for naïve eager quick returns.

Today, with the cryptocurrency trade, high yields are made, but from the point of view of the economy, such profits cannot be realized in the long run. We can still conclude that the transfer of money around the world has to be digitized and accelerated, it is not controversial, and the cryptocurrencies show that all this is possible, but first we have to see - what is the real money? The cryptocurrencies is not.

The question is at the very end of the work, what to do? We are all wondering whether machines should make money for us? Do we gamble? If you love the risks and you like to gamble, enter with a small portion of your free resources into cryptocurrencies. All you make is then turned into real goods: investment gold and silver, houses and apartments, agricultural land, water sources, forests, production or ore fields with rich finds.

Get your capital in your hands! Join and control the jobs! The second wave of the crisis, the financial tsunami, arrives, and it will wipe out all the fake currencies. Work on yourself and acquire knowledge and work habits. Nobody can take it away from you. Everything in your hands and pocket belongs only to you. You do not give it to anyone. All that is not in your hands and your pocket is not yours. The rebellion of indebted slaves is only possible after all this is understood.

Possibilities of application and cryptocurrency blockchain technologies in tourism

Cryptocurrency and blockchain technology can be used in different ways in tourism. At a time when the popularity cryptocurrency reaches its peak, the very promotion of certain services that can be paid by cryptocurrencies can attract a lot of attention. Cryptocurrency can be used now to pay for travel, and accommodation cost in hotels and other

facilities. Blockchain technology, on the other hand, can provide operators a system for sharing information about the availability of accommodation and the like. For the purpose of tourism and services, some companies give circulated own cryptocurrency which can make payments. JIO cryptocurrency is used to pay for various packages and membership fees at travel agencies TamTamTravel (<http://tamtamtravels.com/>). In addition to this, the Agency accepts other currencies of payment, such as Bitcoin, Ethereum, Litecoin, etc. BitAir (<https://bitair.io/>) is another blockchain technology that allows payment of airline tickets and accommodation bookings. Another interesting idea is cryptocurrency Lif announced by the Lufthansa Group (<http://lufthansagroup.com/>). Their idea is to use online market, based on technology blockchain, skip mediators in booking accommodation and transportation. In addition to these, there are many more examples of how the current popularity of cryptocurrency and blockchain technology can be used for the purpose of popularization of tourism and tourist destinations, as well as how costs can be reduced in business.

Conclusion

Globalization is a process that has significantly changed the way of production, distribution, consumption, and investing in the today's world. Former methods of payments and universal currencies that served as a means of exchanging slowly begin to lose their dominant role. The global distribution of income shows that today there are more and more poor in the world, and that the wealth of the rich is increased by 3 times in the 20th century. Based on the parts detailed in the paper itself, we can conclude the following: virtual currencies do not meet the basic criteria that one currency should have. Banks call it "poor goods and bad money" (JP Morgan, 2018).

Perhaps in the future it will make sense for some investors to incorporate digital currencies into their portfolios via hedge, however, we believe that no cryptocurrencies will be recognized as a legitimate competitor in sovereign currencies.

From the point of view of banks, the cryptocurrencies do not meet the criteria of cash, and they should continue to take a great path to become a national currency. Bankers think that the only area on which cryptocurrencies with national currencies can compete is the black market. We have seen that the development, broadcasting and trading of

cryptocurrency so far only at the level of trade in individual markets, and that supply and demand significantly influence their value. On the other hand, there are proposals to form a cyber-crypto-initiative. The Russian Federation has proposed a cyber-initiative to form a new currency that would connect developing countries to markets in Asia, Eastern Europe, Africa and South America, through blockchain and smart technology, which would be collectively adopted by the BRIC countries and members of the Eurasian Economic Union. If this proposal was adopted and implemented, the first multinational cryptocurrencies could be used by more than 40 percent of the world's population. This could improve trade efficiency among member states and create a trade bloc that could transform global trade and the economy through a blockchain of intelligent technology.

However, in order for this initiative to succeed, the transnational legislation of the Member States to which it refers should be updated, as there are currently significant differences between Member States' legislation regarding cryptocurrencies. Activities such as mining and trade in cryptocurrencies are not yet regulated in the legislation of most countries in the world although it is being worked. Developing countries (China, India, Russia,) are working to regulate the cryptocurrencies markets to be under control. However, it is not yet certain whether Member States will follow an EU-like approach when it comes to formulating an appropriate transnational tax policy for new multinational crypto-transactions.

We can also conclude that today the currency market is very unstable. Today, the most famous and definitely most traded cryptocurrency is under great oscillations. As we have already noted in the work itself, due to market failure, inadequate institutional protection, underpinning of speculative changes, cryptocurrencies and cryptocurrency markets today are a bad choice for individual investors. In the opinion of the author and the monitoring of the current financial trends, as well as various initiatives of the most important countries in the world on the prohibition of trading, we can say that the new financial crisis will be a crisis caused by investment in cryptocurrencies, and losses can even be measured in the billions of dollars.

We believe that the economic collapse will be very fast, as people try to enrich themselves from the fictitious increase in price."The speculators buy and sell their own investments in order to manipulate the market in

this way," Rubini claims. According to his estimates, many will stick to bitcoin until it collapses, and when it comes to that, then the value of bitcoin will be zero, because that is, in fact, the real value of cryptocurrency (Krugman, 2013). Based on experience and work elements, the matter of influence of cryptocurrencies on the growth and development of tourism will be especially dealt with in the future, impact on investments, as well as the speed and dynamics of payments. Based on the data obtained, only individual data can be found in the region on the offer of real estate and cryptocurrencies. While the future of most cryptocurrencies is quite uncertain, on the other hand a wider use of blockchain technology can be expected, both in tourism and in other business segments.

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