

# CSFI

## CENTRE FOR THE STUDY OF FINANCIAL INNOVATION

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**Multi-member online role-playing games (MMORPGs) – why grown-ups ought to take them seriously. A round-table discussion of virtual economies, with Dave Birch (Consult Hyperion), Richard Bartle (University of Essex) and Aleks Krotoski (University of Surrey). To be held on Tuesday, May 16, 2006, from 12:30-2:15pm.**

Ten years ago, the first MMORPG was born – creating a large-scale virtual environment that allowed “inhabitants” to interact with one another in cyberspace.

Now, there are more than five million cyber-citizens of these virtual worlds, trading more than US\$1 billion (in real money) around the Net each year. It is all pretty bizarre, but the line between what is virtual and what is real has been irreversibly blurred. Virtual goods now appear for sale in the real world, on eBay. Exchange rates for game currencies against the dollar are posted and updated regularly. And, recently, a virtual space station was sold for a (very unvirtual) US\$150,000. Not surprisingly, real-world lawyers are now litigating fiercely in this hybrid world.

I am sure most of you know some of the games, particularly the earlier ones: Everquest, Norrath, Lineage (which took Korea by storm). But the industry moves on – and so do the issues it raises. Fraud is (apparently) rampant; intellectual property is always under threat. And regulation of these essentially unregulatable worlds is a constant theme,

Of course, it is not just downside. MMORPGs give the benighted masses in pre-democratic, proto-capitalist Asia a real taste of what a mature market economy might look like – in some cases, their first taste. For all the scams that inhabit cyberspace, the property rights that a Chinese adolescent has in Norrath are probably easier to enforce than the rights he has in Chungking.

The MMORPGs pose fascinating issues that go to the heart of capitalism. And someone, somewhere, is also making a buck out of them. Perhaps this is more the natural playground of the Adam Smith Institute, but it is only a little stretch for the CSFI to see these as a genuine financial innovation. So, come along and learn, with a most impressive panel of kick-off speakers:

- Dave Birch (who I am sure you all know) is a founder/director of Consult Hyperion, a periodic commentator in *The Guardian* and one of the UK's über-geeks. He has been an enormous help to us throughout the entire boom and bust of the Internet cycle.
- Richard Bartle is a visiting professor in computer game design at the University of Essex. He co-produced the first virtual world (MUD) in 1978, and is the author of *Designing Virtual Worlds* – one of the key sources in cyberspace design.
- Aleks Krotoski, originally from Louisiana, is currently a PhD student at the University of Surrey, exploring the social networks of a virtual world, Second Life. She is also a tele-guru on all things virtual and is a roving reporter for Channel 5's Gadget Show. As *The Guardian* says (wouldn't it just?): “She is a fierce promoter of women in gaming.” Another site is less hectoring. She is an “all round cool Girl Gamer”.

I don't want to sound frivolous about this. I genuinely believe that something very important is going on with virtual economies, and we would be crazy not to learn more. If you share my point of view, come along (or pass the invitation along) – but please let us know by emailing [louise@csfi.org.uk](mailto:louise@csfi.org.uk) or by phoning the Centre (020 7493 0173). As usual, wine and sandwiches will be provided.

Sincerely yours,

Andrew Hilton