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From *EverQuest* to *World of Warcraft*, online games have evolved from the exclusive domain of computer geeks into an extraordinarily lucrative staple of the entertainment industry. People of all ages and from all walks of life now spend thousands of hours—and dollars—partaking in this popular new brand of escapism. But the line between fantasy and reality is starting to blur. Players have created virtual societies with governments and economies of their own whose currencies now trade against the dollar on eBay at rates higher than the yen. And the players who inhabit these synthetic worlds are starting to spend more time online than at their day jobs.

In *Synthetic Worlds*, Edward Castronova offers the first comprehensive look at the online game industry, exploring its implications for business and culture alike. He starts with the players, giving us a revealing look into the everyday lives of the gamers—outlining what they do in their synthetic worlds and why. He then describes the economies inside these worlds to show how they might dramatically affect real world financial systems, from potential disruptions of markets to new business horizons. Ultimately, he explores the long-term social consequences of online games: If players can inhabit worlds that are more alluring and gratifying than reality, then how can the real world ever compete? Will a day ever come when we spend more time in these synthetic worlds than in our own? Or even more startling, will a day ever come when such questions no longer sound alarmist but instead seem obsolete?

With more than ten million active players worldwide—and with Microsoft and Sony pouring hundreds of millions of dollars into video game development—online games have become too big to ignore. *Synthetic Worlds* spearheads our efforts to come to terms with this virtual reality and its concrete effects.

“Illuminating. . . . Castronova’s analysis of the economics of fun is intriguing. Virtual-world economies are designed to make the resulting game interesting and enjoyable for their inhabitants. Many games follow a rags-to-riches storyline, for example. But how can all the players end up in the top 10%? Simple: the upwardly mobile human players need only be a subset of the world’s population. An underclass of computer-controlled ‘bot’ citizens, meanwhile, stays poor forever. Mr. Castronova explains all this with clarity, wit, and a merciful lack of academic jargon.”—*The Economist*

“*Synthetic Worlds* is a surprisingly profound book about the social, political, and economic issues arising from the emergence of vast multiplayer games on the Internet. What Castronova has realized is that these games, where players contribute considerable labor in exchange for things they value, are not merely like real economies, they *are* real economies, displaying inflation, fraud, Chinese sweatshops, and some surprising in-game innovations.”—Tim Harford, *Chronicle of Higher Education*

Synthetic Worlds: The Business and Culture of Online Games Details

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Rick says

I am a game designer that is currently working on small MMOs and even though I do not belong to his stated target audience I picked up the book in hopes to learn something about the economies in MMOs. I have to admit I am quite disappointed with this book and not just because it barely dealt with the issue of MMO economies. I can easily forgive many of his misinformation since he had never worked on developing a game directly but most of this seems more like over hyped optimism with very little actionable or interesting content.

I will grant him this, if his goal was to make MMOs sound exciting so that people may take a closer look and start studies on them, then he may have succeeded. Overall though I found the book rather uninteresting and as such difficult to read.

Summer says

Thoroughly enjoyable book on the social and economic structures of MMORPGs. The first part of the book is a little pedantic for those who already have a familiarity with how MMORPGs work, but once the stage is set, Castronova makes an excellent case for the genre to be an area of study for those interested in economics, politics, and sociology. I am looking forwards to reading more from him.

James says

Brilliant! I expected this book to be interesting, and I thought it might be fun. I didn't anticipate it being so thoughtful, so broad-ranging, and such a genuinely important book.

It's an in-depth multi-faceted study of MMORPGs, massively multiplayer online role-playing games, of all genres and around the world. The author deliberately chose the term 'synthetic world', among other reasons because he intended to avoid the phrase 'virtual reality' - his thesis on that is that the over-hyped technology of VR is focused on hardware to provide as realistic a sensory simulation of a fake environment as possible, while MMORPGs instead focus on the cognitive part of the experience. He also holds that in key ways the experience they offer is not virtual or artificial at all; friendships formed online often become real and deep, even leading to marriages in some cases, and the same is true of the communities formed within MMORPGs.

Castronova is an economist, and he includes a thorough study of the present (at time of writing circa 2005) and future economics of the industry - impacts on national economies, the economics for the providers of the games, and those of the users. He goes on to conduct a tour de force study of the psychology and sociology of the games, and ends the book with some fairly confident predictions and some more speculative ideas about the future of MMORPGs and their relationships with the larger society, both good and bad.

I'd recommend this to policy-makers, educators, business executives, social program planners, and parents, among others. Again, brilliant.

Nicholas says

Pretty interesting topic but boring delivery. I stopped halfway through and then just skimmed what looked like the more interesting parts. This is still the future though.

The economics stuff in world design was pretty interesting. Where do you put npcs, are there arbitrage opportunities, are there internal or external markets, inflation...

This brings up the question of where play ends and work begins. I've definitely been in positions where a video game has been less than fun. Grinding and such. Why do people engage in this boring task? What motivates players in this game. And what will happen when working in a game pays more than working outside of one?

There will be no Fight Club. They're all too busy playing WoW.

Quotes:

"You are free as an individual to decide whether any particular thing has value for you, but it is not up to you to decide what value these things have for society. Society decides that. Society consists of thousands or millions of people in decentralized relationships, quietly expressing their interest; the aggregate effect of their activity is to create an anonymous force that dictates the price of things. Once this force has determined that a certain diamond or digital bottle is worth \$50, that is the end of the story. Its value is \$50. And you would be wise to accept that judgment yourself...all things that the market values do have a value, for everyone. If the price of a thing is \$500, it is worth \$500 to everyone, either in use or in trade."

"The silver piece is not merely like money, it is money."

"The basic message is that there are many more users than you might imagine; their numbers are growing rapidly; they are located in places you'd never suspect; they are not the people you thought they would be; and their motives seem to be both sensible and loaded with heavy implications."

"The margin of society is not likely to be the permanent home for the people and practices involved with virtual worlds. Most new-term projections indicate, in fact, that the lifestyle described in chapter 1 will be part of ordinary life for a rapidly growing fraction of the Earth's population."

"Hard-core players seem less invested in EverQuest than the average adult is invested in television."

"At the most fundamental level, these games are about empowerment and achievement, providing a never-ending sense of increasing importance and power to the player in the form of ever larger and more important-sounding skills, items, numbers, and achievements for their character...At this very fundamental level, MMO's...provide a vacation from the pointlessness of life's rat race, where no amount of effort can ensure you do more than tread water, because in the end, only a few people can be the big winners in the Game of Life."

"Put simply, if we could all live in a world that came closer to our fantasies than this world, how many would resist the temptation to do it?"

"This opens the possibility of peer-to-peer open-source worlds that grow of their own accord, as a kind of alternative Earth beyond anyone's control. Such a prospect is exciting to some, frightening to others."

"It should be possible to build and store reputational identities that are accessible, on a voluntary basis, in different world platforms. Those who have good reputations can make use of them in many places. Those who do not can still start over. Portable reputations would also settle a number of security concerns."

"The game mechanics utilize processes of self-selection to encourage players to take roles that suit them emotionally."

"Yes, if one disbelieves the fantasy, the whole process may seem to be a meaningless treadmill, with no more of an outcome than that offered by a life of dull work on Earth. But what are the alternatives? The task as described in the original myth of Sisyphus is terribly frustrating. It would be almost as frustrating, horrifying even, to have the rock roll over the hill into an endless valley, where there were no more mountains to conquer. Game over--and nothing to do for the rest of eternity. A sequence of never-ending, ever-increasing challenges means a sequence of never-ending conquests and never-ending improvements, which may well be the sublime state even if there is no fantasy to make it seem meaningful. But why disbelieve the fantasy? If enjoying the Quest of the Rock requires a bit of mental effort, a bit of disbelief suspension, it is worth doing. It is especially sensible to do if the alternative is to labor endlessly on the demystified Earth, knowing that one is achieving nothing at all, never experiencing that moment when the stone rolls down the other side, never feeling one's muscles bulging with new strength. Between these alternatives, the choice is clear and sensible. In short, my guess is that Sisyphus would have gladly abandoned his traditional fate to advance himself in a MMORPG. The implications of this choice which I'll take up in the last chapter, are potentially quite far-reaching."

"How do you make a world in which everyone is in the top 10 percent? The answer: AI. With AI, all people in the world are equal, but some people, the player avatars, are more equal than others--specifically, the nonplayer avatars, the AI-driven robots. Players can be allowed to garner all the important achievements, while bots occupy the other 90 percent of the prestige distribution. With enough personalized AI, all of the player avatars can be in the top 10 percent; they all can be made to feel more equal than others."

"Better AI, more than anything else, can help overcome the paradox of a world where everyone wants to be a hero at the same time."

"The synthetic world is something of an instantly globalized labor market."

"No one wants to wait for a system to move toward social justice on its own. Very few people are satisfied with ideas like sorting and healthy competition as an explanation for the decrease in wellbeing they are suffering. As with all political debates, no one wants to wait for "eventually" to come around."

Erin says

This book takes a really interesting look at virtual worlds, although at times Castronova gets a little too gushy about how great they are. (To be fair, I may be biased--I have never played a MMORPG and my first attempts to get into Second Life have been exceedingly frustrating.) The economic and governance aspects of virtual worlds are really interesting and eye-opening, especially the discussion of "what makes an economy fun?"

Tony says

Synthetic worlds, virtual worlds, online worlds, whatever your term of choice, these are all the same thing.

Some synthetic worlds exist for the sake of being synthetic worlds. Second Life is a good example.

Others are game-based, such as World of Warcraft.

The conventional wisdom was that we'd need immersive 3D graphics, preferably with a Virtual Reality-type setup for people to become immersed. The conventional wisdom was wrong; simple 2D graphics are, quite often, enough for people to get immersed, seeing as how their imaginations are able to fill in the rest of the details.

There are an increasing number of people who spend significant portions of their time in synthetic worlds. The standards, mores, expectations and goals in those places may be significantly different from the "real world." And yet, the differences are compelling enough that people choose to be there and they, frequently, start to pull some of those standards, mores, expectations and goals into the real world. In a game, you may not care if one of your teammates is an elf, an orc or something more difficult to describe. The people behind these avatars may be male, female, black, white, asian or something else. They may be next door or on the other side of the globe. Appearance matters less than abilities. Personal politics matter less than abilities. Real-world racism, sexism and ageism is being diminished through these experiences. Do not think for one instance that these types of tolerance end when the user exits the virtual world and goes to work.

Many of these worlds have in-world currencies. Many of these currencies have synthetic-to-real-world exchanges (frequently through eBay; you can buy all kinds of virtual things there, trading virtual goods for real-world money and vice versa). As such, some of these synthetic worlds have larger economies than actual countries. As there is more and more cross-over between the two, the real-world economies are going to be affected by the synthetic world economies. In time, there's the potential that you could spend more and more of your time in a synthetic world but still be able to meet the needs of your real-world life, without needing a traditional job.

Ignore these trends at your peril.

Jim says

They say economics is the 'dismal science' and this book proves that is true. A look into the emerging area of on-line communities becomes a tepid review of economic theory. Written like a textbook, it removes all the joy and wonder from this movement.

Maximilian says

This book was great. And throughout the book the author really had something to say. There are no long lists of statistics as can be the filler in many nonfiction type books. There couldn't be, even if the author wanted to, though: he is a bit of a pioneer on this subject. He asks interesting questions and then answers them.

Probably the best parts of this book is where Castronova applies economics to the subject of online video games. I loved particularly the section about "fun" economic systems, and what world designers can do to make their worlds' economic systems "fun." After all, Castronova is an economist.

Castronova talks about a "fun" economy and also the idea of "sources" vs. "sinks." These things are not present in the real world economy, only in synthetic ones; their closest analog would be . . . GDP vs. exports? I find it interesting that when you get proficient enough in the subject of economics (Castronova has a PhD), you can apply economic reasoning so imaginatively.

I also liked his explorations into other areas. I found his reflections about his personal experiences in virtual worlds to be insightful and fun to read.

The only criticism I have is for the focus on avatars. I think that the potentials for online community exists within but also far outside where people are represented by cartoon bodies. The author for some reason really seems to like avatars, claiming that they are so great that they could replace video-chat.

Timothy says

In many ways this book came as a relief. It is written by someone who actually has lengthy experience with the subject, and it applies an uncommonly deep level of examination to the problem of how MMORPGs interact with our daily lives. There is quite a bit of quality material here, anchored by detailed but readable economic analysis.

On the bad side, Castronova's writing style is unpleasant to read: a lot of failed humor, and far more personal anecdote than is desired. The structure of the book is also a mess: the core of the book (the economic analysis) is sandwiched between a lengthy introduction to the subject of online games and a series of hastily sketched policy problems. The former is at least accurate and will be useful to many readers. By the end of the book, Castronova has taken to pontificating on the distant future instead of engaging in the sober analysis that is his greatest strength.

Overall, this is a frustrating read on many fronts, but one of the more substantial and worthwhile entries in the literature on virtual worlds.

Ashley says

My perception of this book might be a little biased as Castronova came to speak to one of my classes. I found his arguments about the synthetic economy intersecting with the real economy compelling. Although I am not sure that gaming is going to be our refuge from the modern condition, I think it is an interesting thought experiment and useful for analyzing gaming's popularity.

This book is easy to read yet very informative. You don't have to possess a deep background in economics to understand the thrust of the argument. A very useful introduction overall.

Norbert says

In alcune parti molto interessante: in altre meno.

mi aspettavo una maggiore attenzione ai problemi della 'esistenza' dentro i mondi virtuali. Invece l'autore si concentra molto di più tra interazioni ed effetti fra mondo reale e virtuale

vivian says

castronova is cool and on point but econ bores me. especially when its pixel pushing in an mmorpg.

if you can swing real benjamins from virtual worlds, all the more power to you. but if you feel compelled to put real dollars to buy virtual currency to buy that epic boe? i question your reality.

Gabrielle Provaas says

A stunning read on the growing online game communities and what it might mean in the near future. Written by an economist, but with humor and clear examples. Fascinating and very insightful!

Nick says

Most of this book seems to fall into two sections. The first discusses the current state of synthetic worlds, and most of the author's claims are either obviously factual or almost self-evident. The second portion, however, is more conjectural, and here Castronova seems to completely overreach on the topic. His ideas on the projection of force into or out of synthetic worlds are nonsensical, and his thoughts on 'toxic immersion' seem equally fantastic. I think the book would have benefited if he'd stuck more to the economic realities.

Victor says

If you have any interest in MMOs or virtual worlds, consider this your bible. Castronova is a genius and I really can't recommend this book highly enough.
