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## GOVERNANCE

After business and economics, another realm in which outlines are blurred in noticeable ways by synthetic worlds is politics. Chapter 6 gave an initial example of strange politics at work, in its discussion of fairness issues and how they drive powerful if informal political movements outside the synthetic world. There, the point was to illustrate how the movement of interests back and forth across the membrane tended to validate community interests involving virtual occupations. In this chapter I consider a different dimension of politics, the issue of governance.

As with economic activity, the existence of political activity in and around synthetic worlds is not something we should be surprised about. Where there are people, there is an economy and also a polity. However, while to my knowledge no one has written about economic issues as they appear in cyberspace, many have written about political issues. There is already a growing literature on the problems of maintaining social order in cyberspace (Rheingold 1994; Smith and Kollock 1999; Mueller 2002; see especially Reid 1999 and Smith 1999), as well as increasingly sophisticated thinking about the nature of sovereignty and law in cyberspace (Lessig 1999; Ludlow 2001). Even though the issues of community management are well-known, world-builders (actually, their marketing departments) sometimes proclaim that their world is unique in that it allows "player politics." In truth, of course all worlds allow player politics whether in the synthetic world or somewhere else. Any collection of people will have conflicting common and individual interests, and some politics or other will have to be generated so as to regulate those conflicts. One could argue that the code of a synthetic world is effectively its law, but we will see that there is more to the state than just code in these places.<sup>1</sup> However, the unusual forum in which politics occurs here seems to have a dramatic effect on how things work. In particular, there are

issues of ownership and governance that wrinkle the affairs of state significantly. This chapter will describe some of those wrinkles.

### Good Governance

Synthetic worlds are a fascinating phenomenon from the standpoint of political theory. Here you have collections of ordinary people thrown into a fantasy environment with varying degrees of communal institutional depth (i.e., group structures, clan structures, voting systems, etc.) including, in some worlds, no depth at all. What kinds of governance do these people generate?<sup>2</sup>

This question is of relevance to issues that are as old as political theory itself. In the modern era, most political theory would predict that if you were to set loose a crowd of people into an untamed synthetic wilderness, some sort of limited government would arise. Going back to Hobbes's *Leviathan* (1651), most conceptions of proper governance have held that we have governments because we want them. If we had none, we would not like the way life would be: nasty, brutish, and short. We therefore have a collective interest in supporting a sovereign, who has the power to coerce individuals to promote the common good. The legitimacy of the sovereign derives from the services it provides to the community. Of course, the mere fact that the government *may* be legitimate, because it is necessary to manage common interests, does not mean that all governments with power in fact are legitimate. There is really no guarantee that a given government will necessarily serve the common good at all. For that, the government must be structured in a certain way; its powers must be restricted and, to the extent possible, harnessed to the interests of the population. Restricting powers, of course, makes a government less able to serve any end at all, including the end of promoting the common good. Therefore a balance must be struck between the ability of the government to act and the requirement that those actions be seen as legitimate services in the eyes of all citizens. The US Constitution reflects intense debates at the time of its founding about the nature of power restrictions and the will of the people. Contemporary democratic thinkers recognize that systems of checks and balances and popular elections can be singularly inefficient, but almost everyone agrees that these kinds of systems offer the best possible sovereigns (Dahl 1991). Many other schemes have been tried, with unquestionably disastrous results.

Taking as given the discovery that good government is government of significant but limited power, political scientists now devote much attention to systems of incentives for gaining and holding power. As mentioned in chapter 4, they have

developed the concept of *institution* as the “rules of the game” governing all collective human action. The premise here tends to be that any individual will exploit any power to her own ends, to the maximum feasible extent, unless constrained in some way by a countervailing incentive. For example, all elected politicians will seek re-election; to do so, they must make themselves popular to the voters; to do that, they must provide services to them. Thus each voter’s voice in Leviathan’s ear should, as a general rule and over the long haul, be at least mildly related to that voter’s interests. And that seems to be the best we can do. At the very least, systems of democratic governance are peaceable and largely unintrusive. Perhaps because of these features alone, the democratic method has now become the dominant mode of authority on Earth.

Thus, on the whole, the lessons of political theory and practice on Earth would suggest that the people of cyberspace, like people everywhere, would desire some kind of limited, effective, democratic governance for the proto-states they are building. Synthetic worlds are indeed a fascinating test bed for ideas about how to govern, just as they are for ideas about business management. Hobbes posited a “state of nature,” a world with no government, as the initial condition from which the game of government supposedly arose. Synthetic worlds don’t really seem to have any explicit government, so we might think of them as a state of nature. Leviathan should have appeared by now, but perhaps he has been replaced already by a system of democratic constraint, as the theory predicts.

### Strange Governance

How strange, then, that one does not find much democracy at all in synthetic worlds. Not a trace, in fact. Not a hint of a shadow of a trace. It’s not there. The typical governance model in synthetic worlds consists of isolated moments of oppressive tyranny embedded in widespread anarchy. Basically, the state of nature is never allowed to occur. There is a tyrant in place from the beginning, but an extraordinarily inactive one.

Swarthmore historian Timothy Burke, an expert on political economy issues in contemporary MMORPGs, explains why (Burke 2004). Burke considers the idea of sovereignty in these places and imagines it might be located in any one of three places: in the developers, in user organizations, or in an artifact of gameplay—that is, a player-parliament. Burke concludes that sovereignty is presently not found in any of these places in the vast majority of current worlds. The closest candidate would be the developers, but the relationship between this ostensible sovereign and the state it supposedly rules is, as he writes, “where the virtual state

in MMOG gameworlds gets both seriously interesting and seriously weird.” For reasons involving business competition and the like, the developer-state does not make any effort to legitimize its rule through, say, effective lines of communication or transparent decision-making processes. The net result is a rather mysterious kind of authority, a God whose interest in the people is hard to understand.

In other words, the tyrant here is the coding authority, which reserves for itself dictatorial power over everything in the world. Its basis for government comes from the End User Licensing Agreement (EULA) and Code (or Rules) of Conduct (CoC) documents to which every user agrees when entering the world. To let the reader have a flavor of the content of these agreements, exhibits 1 and 2 at the end of this chapter reproduce a typical set of terms, these having been taken from the popular game *Star Wars Galaxies*. The terms reproduced were those in force on July 4, 2003. They are the law of the synthetic world. Indeed, their tone broadcasts “LAW” and their length testifies to the complexity of managing the common interests of hundreds of thousands of players. I also include the documents in their entirety to emphasize the fact that no user enters the world fully cognizant of what the EULA and CoC require. No one reads them. They click “yes” and go on their way.

What is interesting about these documents is that while they do solicit the consent of governed—you don’t have to agree, after all—they offer no due process of enforcement or amendment. This is *Diktat*: Take it or leave it. Of course, once a user has spent thousands of hours in a world building up valuable assets and friendships, the “leave it” option becomes quite unattractive. Persons in that position, at that point, are being governed by a de facto dictatorship. Even freedom of speech is in doubt—note the clause against “sending excessive unsolicited tells [messages] to a CS Representative.” Send too many letters to your representative in government, and you may wind up being deported.

On the other hand, this is an odd despotism, and one that might be quite benevolent. After all, this despot is in intense competition with other despots for your entertainment dollar. Being a nasty despot rather than a benevolent one will cause the citizens to move away eventually. Thus, because they pay a subscription fee voluntarily, the people do have some power, perhaps more power than an individual vote gives them. For the tyrant, losing citizens means losing revenue. Perhaps, then, this is the best possible form of government: a highly efficient despotic regime that, thanks to competition with other despotic regimes, does its best to provide legitimate services for the people.

On still another hand, one looks long and hard to see any governance in synthetic worlds at all. In my experience, and I believe this to be a general truth, actual governing moments happen rarely. I have never even seen one; I’ve never

seen a customer service representative actually do anything. I've had perhaps two conversations with a customer service representative, and both ended with, "I'm sorry, there's nothing that can be done about that." I have heard tales of customer service representatives doing things, but not in my own personal experience. Thus, from my perspective as a long-time player, not despotism but anarchy seems to be the de facto form of government in synthetic worlds. No one is in charge. If there is order, it is spontaneously generated by the player community. If the community of players does not spontaneously generate and enforce a norm for or against some behavior, it goes unregulated. And in my experience, quite a lot of bad behavior is unregulated, far more than on Earth. Indeed, it often seems that anything that people can get away with, they do.

Two classic examples of political breakdown are the cases of player versus player combat, and of role-playing shards. Player vs. player combat, known as PvP, is something of a holy grail to world designers: they would like to have it happen, but they haven't been able to implement rules that allow it to happen in the way they desire. The concept of PvP is pretty natural. The players have weapons and damage-dealing spells designed to help them kill monsters, but there is no logical reason why these things could not be turned against fellow players. It would seem that allowing violence among the players would produce fun gameplay and also add to the social cohesion of the world. If someone swears and you don't like it, you can just kill them.<sup>3</sup> *Ultima Online* allowed PvP early on, but the effect was not less swearing, it was more death. Lots more. Onlookers, including some of the developers, were shocked to discover that there are people who think it is fun to do nothing but kill other players over and over and over. Rather than just play the game and use PvP option sparingly, players and entire guilds devoted themselves to the study of how to track down and kill innocents, just for kicks. World populations plummeted. *UO* experimented with reputation point systems (to define outlaws) and the like, but in the end, the designers felt forced to implement controls on the PvP system.<sup>4</sup> Controlled PvP has now become the norm in the industry. Controls include designating certain shards as completely non-PvP, and also designating certain areas within the world as PvP-disabled. The lesson here is that players, given the opportunity to use weapons and spells against one another, used those abilities to complete destroy what nascent social order the world had. Given the opportunity to get away with murder, players took it.

Similarly, players also joyfully take any and all opportunities to damage expressed community norms whenever possible, as the case of role-playing shards shows. The concept of a role-playing shard is that the community of players agrees to remain in character as much as possible. New players entering such a shard are given an

additional Code of Conduct statement to digitally sign, agreeing that, if this is a medieval world, they will name their character “Arthur” rather than “WestSideSurferDude” and they will only discuss the affairs of the Round Table, not those of NBA players. My experience on several role-playing shards is that after a few weeks in which these rules are followed by most players, eventually they are universally ignored. This happens not because of apathy, but rather thanks to the explicit and expressed policy of certain players to violate them. The Firiona Vie shard in *EverQuest* was designated role-play only, but from its first day there were several very powerful groups of players who had the openly stated intent of *not* role-playing. Apparently many people will gleefully take any opportunity to do outrageous damage to the desires of a community to preserve a certain atmosphere.

What explains these breakdowns? The nature of synthetic world governance—anarchy spiced with occasional profit-oriented tyranny—does not necessarily predict that these failures would have occurred. Why did the tyrant not permanently execute (ban) the killers of *Ultima Online*? And why did the tyrant not enforce the stated role-playing contract on Firiona Vie? The answer is just that this system of governance is not very effective at all. It cannot really get much of anything done.

### The Political Institutions of Synthetic Worlds

To see why governance in synthetic worlds is weak, it is important to know something about the institutions that are in force there. The formal governing institution inside the world is the coding authority, and its officers are the customer service representatives. As mentioned, the Customer Service State is not all that “present”; one rarely encounters customer service representatives. They seem to intervene only in cases of severe conflict between users.

The other set of formal institutions is the system of player associations, clubs, and guilds. These are formal enough to have attracted the interests of sociologists (Jakobsson and Taylor 2003). Their format is often part of the world’s code, enabled through a system of user commands (makeguild <name>, invite <player>, makeofficer <player>, and so on). One player forms the guild and is the leader; other players are officers at various tiers; still others are foot soldiers or mere recruits. Rank in the guild confers rights to certain user interface commands, such as sending guild-wide messages, inviting new players to the guild, or accessing guild resources (buildings, bank vaults, etc.). All of these powers are conferred and structured as part of the reigning Code of the world.

Are guilds powerful? Much depends on the nature of the world in which they exist. In some worlds, it is very hard for any player to do things without being a member of a guild. In others, being "gilded," as the saying goes, is not very important. Obviously guild leaders have much more effective control over what guild members do in worlds where guild status matters. Such guilds can do much to regulate the common interests of the members and can provide sovereign-like services to them. In worlds where guild membership is mostly about friendship, however, the guilds themselves are not very effective political organizations.

Guild governance may or may not be legitimate, of course; it is up to the guild's leaders to determine how players are promoted and how leadership offices are filled. Elections are not a general rule. Rather, a politburo style seems to be more common: the guild is run by a small, close-knit group of friends, and if leadership changes, it is passed from one friend to another. And of course, leadership changes when guilds split or merge, which they do somewhat frequently. Still, among those who become deeply immersed in the world, the lattice of guilds and guild memberships is a stable feature of the political environment, not unlike the great families of medieval societies. A number of elite guilds migrate from game to game, maintaining cohesion in the real world as well. Leadership is generally autocratic, but leadership changes while the family itself persists.

Effective or not, legitimate or not, in truth the control area of a guild in any contemporary game is usually only a small part of the overall political landscape. In most worlds, there are many guilds, and no one guild serves as an authority over all events in the entire world. At best, guilds may come together and form covenants or councils, but even these do not seem to command worldwide authority. In many worlds, guilds have the option of making war on one another, but it's an option that does not seem to be taken very often.

The final source of political action in the world is actually AI. Nonplayer characters (NPCs), if they exist, are usually allocated among various *factions* of the designers' creation. Thus, Lashun Novashine, high priest of the Temple of Life, is "on Temple of Life faction," as the saying goes. So are Roesager Thusten and Brother Estle. If I happen to kill Brother Estle, I lose my faction standing with the Temple, which means that, where once Roesager, Lashun, and other NPC members of the Temple used to welcome me with open arms, they will now try to kill me on sight. A player's standing with the various factions in the game world is a numerical rating that can fall or rise as the player does things. Having "high faction" with an NPC group can grant access to special services, favors, and quest assignments. Having "bad faction" turns the player-NPC relationship into a player-mob relationship: each one hunts the other.

Perhaps it is surprising, but I view faction AI as the most effective political power that there is in synthetic worlds, because NPCs do effectively enforce law in some areas. Most cities, for example, are populated by NPCs of the same faction, and they are often programmed to attack anyone who attacks a player who is in good standing with them. As a result, a player being attacked by a monster can run to a city where he is beloved, and the guards will protect him. This maintains the city as a safe zone for those who ally themselves with the city's NPCs. Those who anger the city's NPCs are, of course, unwelcome there. The guards will protect an allied player against these other players. They, unlike guilds and the coding authority, can actually make some territory safe for players who befriend them. Thus in effect they control ground. According to that standard, which you'll recall goes back to Hobbes, NPCs are really the only political authority in a synthetic world, the only group that rewards loyalty with safety.

Outside cities, however, NPCs are scarce and the players are generally on their own. There being no governing agents and no law enforcement, it truly is anarchy. Of course, those who are very immersed in the world and spend much time in close relationships in and between powerful guilds are governed by the informal reputation systems that emerge in any close-knit community. They are safe no matter where they are in the world, because they are associated with a powerful headman or chieftess. But for the vast majority of players, who do not immerse themselves quite as fully, the worlds are politically barren. Customer service representatives are rarely seen; guild officers have little authority outside the cultish inner sanctum of their own society; and friendly NPC soldiers are nowhere to be found.

Given this system of institutions, it is easy to see why open PvP combat results in unpunished massacres. There is really no power to punish the murderers. Certainly, the coding authority does not make itself present enough to accomplish this. Indeed, the argument has been made that, since players on PvP shards supposedly have the power to enforce law on themselves, *fewer* customer service representatives need to be dispatched to PvP worlds. The assumption seems to be that allowing players to be violent with one another is more likely to induce something like an emergent player-enforced government and law. Unfortunately, practical experience reveals that this train of logic has a kink in it somewhere. The history of PvP game worlds exhibits a clear pattern: as players are granted more violent power over one another, political conditions worsen. As a result, life in most PvP worlds, in my personal experience, is

**Nasty:** People are not nice. They visit cruelties on you with glee.

**Brutish:** You must either be part of a gang of thugs, or you must cower and hide.

**Short:** You will die. Often.

These are exactly the conditions that Hobbes used to describe life in the absence of government. There is no better evidence that, in truth, anarchy reigns in synthetic worlds. Left to its own ends, the community of players turns on itself. True, if a player spends a long time in a PvP world and eventually becomes popular among the most power-hungry players, the need for cowering will abate. Still, this is only the law of the jungle.

Similarly, the general absence of authority in synthetic worlds has predictable effects on the prospects for enforcing the norms of role-playing. Customer service representatives are too rare to keep people from ruining the atmosphere. Player guilds might have some effect on norms, except that usually the guilds are themselves the biggest and most open violators of the norms. It is not possible for NPCs to make judgments about whether some player is suitably "in-character" or not.

In sum, none of the worlds, to my knowledge, has ever evolved institutions of good government. Anarchy reigns in all worlds, and just because there is no player combat allowed in non-PvP worlds does not mean that everything is peaceful there. Even if I do not have the ability to shoot a fireball at another player's head, I still have the power to harass her and make her life miserable. And this sort of thing happens all the time.<sup>5</sup> While in principle governments could exist in synthetic worlds, in practice they do not. Why not?

### Why Anarchy?

In order to understand why governments do things, or do not do things, we have to examine the incentives of the people who might perform governmental roles. This perspective explains everything odd about synthetic worlds. The problem is that no one has the incentive to govern there.

The titular government is the coding authority and its officers are the customer service representatives. Customer service representatives are rare because they are expensive. Mulligan and Patrovsky (2003, p. 239) report that a typical persistent world will receive some 500 emails daily; each one represents a citizen request that will require time to resolve. Governing is a human service industry and human time is costly. Getting good human services on demand is a pricey proposition; that's why doctors and lawyers are expensive, and also why professors get decent pay even though they spend more time thinking than working. Everyone seems surprised at the taxes we all have to pay, but the fact is, you can't automate good government. It has to be done by people, and having it done well is both important and expensive.

This fact is perhaps the main drawback to the Customer Service State. A for-profit government will provide just enough service to maintain its population. It does not have to target the service level to make people as happy as possible with the government, as a competitive election system would force it to do. No, it only needs to make sure that people don't switch countries. And this makes the switching cost—the cost of abandoning everything you have in this world and starting up in another (see chapter 5)—a significant political statistic. If switching costs are high, the amount of government service necessary to keep the citizenry sedentary is low. Facing this logic, one world (which will remain nameless) contracted many of its customer service duties to a low-wage English-speaking nation; the workers were given a list of words and told to read through logs of player conversations and, if they saw any word from that list on a player's log, to close the player's account. This policy became generally known to the players only when two were banned after talking about a rape that occurred in their real-life hometown; "rape" was apparently a banned word. Their accounts were banned and their appeals ignored. For-profit worlds will seek the cheapest governance that still maintains population levels. The Customer Service State will generally be a minimalist state.

NPC faction AI cannot fill the need for good government because governing requires nuance and judgment, something AI is not very good at. Like sweatshop customer service representatives, AI could also scan player conversations and close the accounts of anyone using the word "rape," but that is obviously not the answer. And no one has the incentive to code NPCs into effective agents of government. The database implications of encoding every NPC with only a binary opinion of each player ("kill/don't kill") are enormous.

This leaves the players themselves. Whether players are given the power to physically attack one another or not, they never seem to advance their political institutions beyond loosely knit collectives of player guilds. Even when guilds become powerful, their use of power rarely feels legitimate in the sense of being in the service of the community as a whole. Rather, they tend to act like a family of mighty people whose projection of their own power happens, coincidentally, to keep the peace on occasion.

What's missing?

Suppose a community of players, angered by the capricious actions of a powerful guild, or those of corrupt customer service representatives, or simply upset at the state of anarchy, decides to form an actual legitimate government. They design a series of offices and declare a set of rules for election to those offices, with voting rights being granted to all players. Suppose some leader emerges from that process and is not, by that event, empowered to dismantle the process itself to

become Leader for Life. Rather, the leader is now required to serve the public interest in some way in order to maintain office. What can the leader do?

Nothing, really. Suppose the problem has been a capricious, powerful guild. The democratic leader can send the guild leader a cease-and-desist order, but that's about it. In a PvP world, the leader could ask players to form an army voluntarily and attack the guild; but if it were easy to get people to volunteer for that kind of campaign, it would have happened without needing to elect a leader. The leader could send a message to the customer service representatives asking them to send a message to the guild leader, or perhaps ban the entire guild from the world. To refer to any of these measures as an effective projection of power is laughable. If the problem person were himself a customer service representative, of course, there would be even less likelihood of change (unless the customer service representative was already considered corrupt in the eyes of the coding authority itself, in which case he would have been removed anyway). If the problem was general anarchy, what could the leader do to get the players to be nicer to one another? Asking politely is the only enforcement mechanism at hand.

Thus, while the policies of an elected leader may be thoroughly legitimate, merely being the representative of the community does not grant access to any tools that can provide effective governance. In contemporary synthetic worlds, these tools do not exist. The leader cannot tax. The leader cannot sue. The leader cannot commandeer or seize. The leader cannot levy a police force or an army. The leader cannot arrest, try, or imprison. The leader cannot deport. The leader cannot attack.

As a general rule, no players are allowed to do any actions that governments do. The customer service representatives are the only ones who can do such things, and, as mentioned, they usually do not do them. In PvP worlds, there are some options for players to attack one another, but recall that "death" in these worlds is really just a harassment. "Killing" someone does not remove them forever from the scene, it only transports them a few miles away and slightly lessens their power. They will be back. Thus even in PvP worlds, governance cannot happen. In synthetic worlds, no single player, even an elected one, is able to command the resources necessary to impose a policy on another player.

### Choosing Authority

While politics is always happening whenever a community exists, it is not necessary that governmental authority emerge. Many in the games industry have wrestled with the problem of inducing a responsible player-run government, indeed

often in the hope that this would reduce the costs of running a world. If players could regulate their own community, the need for those expensive, overworked customer service representatives would diminish. It seemed at least conceivable that allowing PvP combat would be sufficient impetus to the emergence of social order. The de facto emergence of worse chaos in PvP worlds represents a major setback to this line of thinking.

Establishing government requires more than giving players greater powers to harass one another. First, it requires the establishment of institutions of collective decision-making. The Enlightenment and the revolutions of the eighteenth and nineteenth centuries happened for a reason. A point was being made. The point was that only collective decision-making institutions are legitimate. (That same history also showed that illegitimate governmental institutions don't last; world-builders ought to take this lesson to heart.) Synthetic worlds will only grow player governments when governing institutions are allowed. If you don't have a general-suffrage parliament, you will never have a player government.

Second, government requires that the governor has power. The leader of parliament must be able to tax, arrest, and deport. Yes, these are awesome powers, but that's only a problem if the route to leadership is somehow illegitimate. If the parliament is a legitimate institution, then the leader chosen by the parliament is a legitimate leader, and therefore he not only can wield awesome powers, he should. He *must*. The common good demands it.

Implementing player government is, in fact, a design decision. One cannot retain all significant power in the hands of the coding authority and then simply declare, "Players! Make your own government!" unless one wants nothing more than a rubber-stamp body. To date, most world-builders have shied away from allowing players to form governments with real teeth. It surrenders too much control to the community of players. Some experiments with participatory democracy were tried early on (Curtis 1997; Dibbell 1999), but it has not become common practice. One exception is the fascinating *A Tale in the Desert* (eGenesis), which has instituted a player referendum system. It also has created the office of Demi-Pharaoh; this head of state has the power to permanently ban up to seven players—that is, he or she will actually be able to govern.<sup>6</sup> A second successful example is Nexon's *Dark Ages*, a world that is completely unlike the era it is named after, mostly because it has a sophisticated government system with division of powers and mechanisms for handling the rapid rollover of player populations. Good governance is feasible.

It is clear that designers are aware of the political pressures that form in the worlds they create, but they are generally not comfortable handing over power. Raph Koster is one of the most influential world-builders and is also the author

of a Declaration of the Rights of Avatars, a document with a number of interesting ideas about the political relationship between users and world-builders, not all of which have actually been implemented in any world to date.<sup>7</sup> Dibble (1999) reports on the various phases of user democracy in LambdaMOO. The coding authority in that case became fatigued at dealing with user issues all the time and tried to draw a line between technical and political issues, turning the ostensibly political issues over to the users. Over time it emerged that even this system failed to keep everyone happy; the coding authority then retook command and declared autocracy. If there is a line beyond which players can have control, it is not easy to draw.

Is there a middle ground? Imagine a world that has fairly clear and easily defended territorial boundaries, in which players have the ability to form governments with real powers. By design, different governments rule the different territories. Some governments are better than others; indeed, some territories are anarchic. This is a good thing; many players find anarchy to be great fun. Even players who enjoy order probably appreciate it most when they are able to escape into it from anarchy. Having diversity in political structures is probably fun for everyone. It also prevents problems in the governing system from hurting the coding authority's bottom line. While one government may be abysmally bad, not all of them will be. If a bad government gives citizens the urge to migrate, they would only have to leave the territory, not the world. They would still be happy, paying customers.

Another option that has not been attempted (to my knowledge) is to integrate the NPC faction system with a player faction system. In other words, use AI citizens to supplement human citizens in their political structures. Suppose anyone at any level needs to be on good terms with the Temple of Life faction to obtain certain items and services—basic transportation, for example. And suppose that your Temple of Life faction could be ruined not only by killing NPC members of the temple, but also by killing players who have high Temple faction. While it would be possible to recover faction by doing good deeds for the Temple priests, killing many temple-aligned players would make a player's faction impossibly negative, and that player would no longer be able to travel. Further, making a policy of killing players at random would result in gradual erosion of faction standing with every faction in the game; eventually, every player and every NPC would be an enemy, and the player would never be able to go anywhere in the world without be attacked on sight by everything that walks. The entire world, in effect, would turn its back on the marauder, as it should. To further refine the system, one could implement a player-run reputation system that allows players to affect one another's faction standing in the same way that user-moderators affect the

standing of posts to discussion boards. Unlike a reputation system, board-moderator schemes seem to be impervious to teams of dedicated exploiters.

As with economics, designers must determine the proper role of AI in structuring the politics of the worlds they are building. Certainly, long-run competition among worlds will probably provide innovations in the political systems, and users will eventually be offered a portfolio of governmental choices. Some worlds will be anarchic and they will attract chaos-loving users. Others will impose order and law, and they will attract the law-abiding. Some worlds will allow players a great deal of input into the way the world works, while others will remain autocratic. The free movement of peoples across synthetic borders will undoubtedly ensure that most people get the politics they deserve. And whatever one may say about the surrealistic quality of such an outcome, it certainly has advantages over the sovereignty systems we have on Earth, where most people are basically stuck forever (or for a very long time) with the government of the region of their birth. One wonders what a free and open migration system would do to the quality of government on Earth. But on reflection, we only have to wait; in a few generations, that question will be answered in the pattern of governing institutions in synthetic worlds.

**Exhibit 1 Star Wars Galaxies End User Licensing Agreement****TERMS OF USE FOR STAR WARS GALAXIES™: AN EMPIRE DIVIDED™**

1. Accounts are available only to adults or, in their discretion, their minor child. If you are a minor, your parent or guardian must complete the registration process, in which case he or she takes full responsibility for all obligations under this Agreement. By clicking the "I Accept" button, you represent that you are an adult and are accepting this Agreement either on behalf of yourself or your child. You may not transfer or share your Account with anyone, except that if you are a parent or guardian, you may permit one child to use the Account instead of you (in which case you may not use that Account). You are liable for all activities conducted through the Account, and parents or guardians are liable for the activities of their child. Corporations and other entities are not eligible to procure Accounts.

2. To play the Game, you must: (i) purchase the Software (as defined below in Paragraph 7) for Star Wars Galaxies: An Empire Divided; (ii) have a fully paid Account; (iii) have a valid credit card (or, if we wish to make it available, a paid game card); and (iv) have an Internet connection (which we do not provide or pay for) to access your Account. In addition to any fees described herein, you are responsible for paying all applicable taxes (including those we are not required to collect) and for all hardware, software, service and other costs you incur to access your Account. Neither this Agreement nor your Account entitles you to any subsequent releases of the Game and/or the Software, any expansion packs nor similar ancillary products. You understand that we may update or otherwise enhance the Game and/or the Software at any time and in doing so incur no obligation to furnish such updates to you pursuant to this Agreement. You understand that online games evolve over time and, accordingly, system requirements to play the Game may change over time.

3. We may amend this Agreement at any time in our sole discretion. Amendments shall be communicated to you at the time you log into your Account. Such amendments shall be effective whenever we make the notification available for your review.

4. In the Account registration process, you will be required to choose a login name and a password. While you are encouraged to use a pseudonym, especially if you are a minor, you may not choose a login name that violates anyone's trademarks, publicity rights or other proprietary rights. You may not disclose your password to any third party. We never ask you for your password by email, and you should not disclose it via email if someone asks you to do so. There may be an additional charge to reissue lost passwords. Although we may offer a feature that allows you to "save" or "remember" your password on your hard drive, please note that third parties may be able to access your computer and thus your Account.

5. We describe our fees for playing the Game and billing procedures related to the Account on the web at a hotlink located at [starwarsgalaxies.station.sony.com](http://starwarsgalaxies.station.sony.com) ("the

Game Site"). The fees for the Game and billing procedures set forth on the Game Site are incorporated herein by reference and are subject to change at any time. All fees are stated in U.S. dollars unless otherwise specified. All fees are prepaid and non-refundable. Upon your acceptance of these terms, we have the right to automatically charge your credit card the Account fee plus any applicable taxes we are required to collect, and you authorize us to do so.

6. We may terminate this Agreement and/or suspend your Account immediately and without notice: (i) if you violate any provision of this Agreement; (ii) if you infringe any third party intellectual property rights; (iii) if we are unable to verify or authenticate any information you provide to us; (iv) if you violate any of the player rules of conduct located at the Game Site or The Station (as defined below in Paragraph 9) rules of conduct located at [www.station.sony.com/en/termservice.jsp](http://www.station.sony.com/en/termservice.jsp) (either of which we may amend or supplement from time to time, in our discretion), or (v) if you engage in gameplay, chat or any player activity whatsoever which we, in our discretion, determine is inappropriate and/or in violation of the spirit of the Game. If we terminate this Agreement or suspend your Account under these circumstances, you will lose access to your Account for the duration of the suspension and/or the balance of any prepaid period without any refund. We may also terminate this Agreement if we decide, in our sole discretion, to discontinue offering the Game, in which case we may provide you with a prorated refund of any prepaid amounts.

7. You acknowledge that you are bound by the terms and conditions of the Software License and Limited Warranty that accompanies the Game. You acknowledge and agree that you have not and will not acquire or obtain any intellectual property or other rights, including any right of exploitation, of any kind in or to the software, artwork, music, and other components included in the accompanying CD-ROM (the "Software") or the Game, including, without limitation, in any character(s), item(s), coin(s) or other material or property. You may not use any third party software to modify the Software or to change gameplay. You may not create, facilitate, host, link to or provide any other means through which the Game may be played by others, such as through server emulators; additionally, you may not engage in matchmaking for multi-player play over unauthorized networks. You may not decrypt or modify any data transmitted between client and server; you may not use or distribute macros or other programs which would allow unattended gameplay. You may not take any action which imposes an unreasonable or disproportionately large load (as determined by us) on our infrastructure. You may not buy, sell or auction (or host or facilitate the ability to allow others to buy, sell or auction) any Account or any Game characters, items, credits or copyrighted material or any other intellectual property owned or controlled by us or our licensors.

8. As part of your Account, you can upload content to our servers in various forms, such as in the selections you make for the Game, in-game posts and chat, and in chat rooms and similar user-to-user areas (collectively, your "Content"). If we, or our licen-

sors, can reasonably construe that your Content contains any material that infringes any of our respective or collective intellectual property interests (hereafter, such Content shall be referred to as "Derivative Content"), you hereby acknowledge and agree that any such Derivative Content is owned by our licensors or us. For any of your Content that is not a Derivative Content, you hereby exclusively grant and irrevocably assign to our licensors and us all rights of any kind or nature throughout the universe to such Content (including all ancillary and subsidiary rights thereto which include, without limitation, merchandising and interactive media rights) in any languages and media now known or not currently known. To the extent that any of the rights assigned herein cannot presently be assigned under applicable law, you hereby exclusively grant to our licensors and us a universal, perpetual, irrevocable, royalty-free, sublicenseable (through multiple tiers) right to exercise all rights of any kind or nature associated with your Content, and all ancillary and subsidiary rights thereto, in any languages and media now known or not currently known. You hereby appoint our licensors and us as your attorney-in-fact, which appointment is coupled with an interest and is irrevocable, to act on your behalf (either jointly or separately) and to execute, deliver, record and file such documents necessary to document, perfect, protect and enforce the rights granted to both our licensors and us under this Agreement. Your Content shall not: (i) infringe any third party intellectual property, other proprietary or publicity/privacy rights; (ii) violate any law or regulation; (iii) be defamatory, obscene, child pornographic or harmful to minors; or (iv) contain any viruses, trojan horses, worms, time bombs, cancelbots or other computer programming routines that are intended to damage, detrimentally interfere with, decrypt, intercept or expropriate any system, data or personal information. We may take any action with respect to your Content if we believe it may create liability for our licensors or us or may cause us to lose (in whole or in part) the services of our ISPs or other suppliers.

9. We cannot ensure that your private communications and other personally identifiable information will not be disclosed to third parties. For example, we may be forced to disclose information to the government or third parties under certain circumstances, or third parties may unlawfully intercept or access transmissions or private communications. Additionally, we can (and you authorize us to) disclose any information about you to private entities, law enforcement or other government officials as we, in our sole discretion, believe necessary or appropriate to investigate or resolve possible problems or inquiries. You acknowledge and agree that we may transfer such information (including, without limitation your personally identifiable information or personal data) to the United States or other countries or may share such information with our licensees and agents in connection with the Game. Furthermore, if you request any technical support, you consent to our remote accessing and review of the computer you load the Software onto for purposes of support and debugging. You agree that we may communicate with you via email and any similar technology for any purpose relating to the Game, the Software and any services or software which may in the future be provided by us or on

our behalf. You may choose to visit [www.station.sony.com](http://www.station.sony.com) ("The Station"), SOE's website, if The Station offers services such as a Game themed chat room or other services of interest to you. You are subject to the terms and conditions, privacy customs and policies of SOE while on The Station. Since we do not control other websites and/or privacy policies of third parties, different rules may apply to their use or disclosure of the personal information you disclose to others. Solely for the purpose of patching and updating the Game and/or the Software, you hereby grant us permission to: (i) upload Game file information from your computer; and (ii) download Game files to you. You acknowledge that any and all character data is stored and is resident on our servers, and any and all communications that you make within the Game (including, but not limited to, messages solely directed at another player or group of players) traverse through our servers, may or may not be monitored by us or our agents, you have no expectation of privacy in any such communications and expressly consent to such monitoring of communications you send and receive.

10. SOE EXPRESSLY DISCLAIMS ALL WARRANTIES OR CONDITIONS OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF TITLE, NONINFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Some states do not allow the disclaimer of implied warranties, so the foregoing disclaimer may not apply to you. This warranty gives you specific legal rights and you may also have other legal rights which vary from state to state.

11. WE DO NOT ENSURE CONTINUOUS, ERROR-FREE, SECURE OR VIRUS-FREE OPERATION OF THE SOFTWARE, THE GAME, YOUR ACCOUNT OR CONTINUED OPERATION OR AVAILABILITY OF ANY GIVEN SERVER. FURTHER, WE CANNOT AND DO NOT PROMISE OR ENSURE THAT YOU WILL BE ABLE TO ACCESS YOUR ACCOUNT WHENEVER YOU WANT, AND THERE MAY BE EXTENDED PERIODS OF TIME WHEN YOU CANNOT ACCESS YOUR ACCOUNT. YOU ASSUME THE ENTIRE RISK AS TO THE RESULTS AND PERFORMANCE OF THE SOFTWARE AND THE GAME IN CONNECTION WITH YOUR HARDWARE, AND YOU ASSUME THE ENTIRE COST OF ALL SERVICING, REPAIR AND/OR CORRECTION OF YOUR HARDWARE. WE ARE NOT LIABLE FOR ANY DELAY OR FAILURE TO PERFORM RESULTING FROM ANY CAUSES BEYOND OUR REASONABLE CONTROL.

12. IN NO EVENT SHALL SOE, ITS LICENSORS, THEIR PARENTS OR AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS BE LIABLE TO YOU OR TO ANY THIRD PARTY FOR ANY LOST PROFITS OR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (HOWEVER ARISING, INCLUDING NEGLIGENCE) ARISING OUT OF OR IN CONNECTION WITH YOUR ACCOUNT, THE SOFTWARE, THE GAME OR THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, DAMAGE TO PROPERTY AND—TO THE EXTENT PERMITTED BY APPLICABLE LAW—DAMAGES FOR PERSONAL INJURY, EVEN

IF SOE, ITS LICENSORS OR THEIR PARENTS OR AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LOSS. THE LIABILITY OF SOE, ITS LICENSORS OR ANY OF THEIR PARENT OR AFFILIATED COMPANIES TO YOU OR ANY THIRD PARTIES IS LIMITED TO \$100. YOU AGREE TO WAIVE ANY RIGHT TO EQUITABLE RELIEF INCLUDING, WITHOUT LIMITATION, INJUNCTIVE RELIEF AGAINST SOE, ITS LICENSORS, THEIR PARENTS OR AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS TO ENFORCE THE TERMS HEREOF; HOWEVER, THE FOREGOING SHALL NOT PRECLUDE SOE AND/OR ITS LICENSORS FROM SEEKING ANY INJUNCTIVE RELIEF. SOME STATES DO NOT ALLOW THE FOREGOING LIMITATIONS OF LIABILITY, SO THEY MAY NOT APPLY TO YOU.

13. You shall comply with all applicable laws regarding your use of the Software, your access to your Account and your playing of the Game. Without limiting the foregoing, you may not download, use or otherwise export or re-export the Software except in full compliance with all applicable laws and regulations.

14. This Agreement is governed in all respects by the laws of the State of California as such laws are applied to agreements entered into and to be performed entirely within California between California residents. The UN Convention on Contracts for the International Sale of Goods is expressly disclaimed.

15. If you have any questions regarding your Account or play of the Game, please contact SOE customer service at [swgsupport@soe.sony.com](mailto:swgsupport@soe.sony.com).

Source: <http://starwarsgalaxies.station.sony.com/content.jsp?page=Policies%20EULA>, retrieved July 4, 2003. Some language not relevant to the discussion here ("boilerplate") has been removed.

## Exhibit 2 Star Wars Galaxies Community Standards

### Community Standards

Play Nice Policies—Activity within Star Wars Galaxies™: An Empire Divided™

THE FOLLOWING ARE THE BASIC RULES OF CONDUCT THAT GOVERN PLAYER INTERACTION AND ACTIVITY WITHIN Star Wars Galaxies: An Empire Divided AND IN THE OFFICIAL STAR WARS GALAXIES FORUMS. FAILURE TO ACT RESPONSIBLY AND COMPLY WITH THESE RULES WITHIN STAR WARS GALAXIES AND THE OFFICIAL STAR WARS GALAXIES FORUMS MAY RESULT IN THE TERMINATION OF YOUR ACCOUNT WITHOUT ANY REFUND OF ANY KIND.

### Rules of Conduct

1. You may not harass or threaten other players.
2. You may not use any sexually explicit, harmful, threatening, abusive, defamatory, obscene, hateful, racially or ethnically offensive language.
3. You may not impersonate any Sony Online Entertainment, Sony Computer Entertainment of America, LucasArts, or Lucasfilm Entertainment Company employee, past or present, including any Customer Support personnel.
4. You may not violate any local, state, national or international law or regulation.
5. You may not modify any part of the Star Wars Galaxies client, servers, or any part of the Star Wars Galaxies website located at [www.starwarsgalaxies.com](http://www.starwarsgalaxies.com).
6. You may not arrange for the exchange or transfer of any pirated or illegal software while on Star Wars Galaxies or on the official Star Wars Galaxies website.
7. You will follow the instructions of authorized personnel while in Star Wars Galaxies or the official Star Wars Galaxies forums.
8. You may not organize or be a member of any player association or groups within Star Wars Galaxies that is based on or espouses any racist, sexist, anti-religious, anti-ethnic, anti-gay or other hatemongering philosophy.
9. You may not give false information or intentionally hide any information when registering for your Star Wars Galaxies account.
10. You will not upload or transmit, in Star Wars Galaxies or on the Star Wars Galaxies website, any copyrighted content that you do not own all rights to, unless you have the express written permission of the author or copyright holder.
11. You will not attempt to interfere with, hack into or decipher any transmissions to or from the servers running Star Wars Galaxies.
12. You will not exploit any bug in Star Wars Galaxies, and you will not communicate the existence of any such exploitable bug either directly or through public posting, to any other Sony Station member. You will promptly report such bugs via the /bug command in-game or by emailing [SWGSupport@soe.sony.com](mailto:SWGSupport@soe.sony.com). Exploitable bugs include, but are not limited to bugs that grant the user unnatural or unintended benefits in-game.

13. You will not attempt to play Star Wars Galaxies on any server, that is not controlled or authorized by Sony Online Entertainment, Sony Computer Entertainment of America, or its designees.

14. You will not create, use or provide any server emulator or other site where Star Wars Galaxies may be played, and you will not post or distribute any utilities, emulators or other software tools related to Star Wars Galaxies without the express written permission of Sony Online Entertainment or Sony Computer Entertainment America.

In addition to the general guidelines listed in the aforementioned article, players are also subject to these supplementary rules while playing Star Wars Galaxies. While by no means an all-inclusive list of the do's and don'ts in Star Wars Galaxies, it provides a suitable foundation by which the player can determine what activities are appropriate:

1. Again, foul language is not permitted, in any language. Excessive use of foul language in an inappropriate context, including swear words, real-world racial slurs, and other language that is not consistent with the fantasy environment and designed to hurt, will be considered a disruption. The existence of any chat/text filtering function is not a license to be profane.

2. To expound upon the general guidelines, you may not harass other players. Harassment is defined as specifically targeting another player or group of players to harm or inconvenience them. Harassment can take many forms, as it goes to the state-of-mind of the person or Squad on the receiving end of the action. However, in order to account for those who are more sensitive than others, the CSR involved will make a determination as to whether or not the reported issue would be considered harassment and act accordingly.

3. You may not disrupt the normal playability of a game world area. Area Disruption is defined as any activity designed to harm or inconvenience a number of groups rather than a specific player or group of players. This includes things such as

Deliberately blocking a doorway or narrow area so other players cannot get past.  
Making excessive and inappropriate use of spatial communications.

4. You may not defraud other players. Fraud in all transactions between players will result in disciplinary action when confirmed by a CSR. Fraud is defined as falsely representing one's intentions to make a gain at another's expense. Examples of this activity include but are not limited to offering to drag the corpse of another player to safety but instead hiding it deeper in an area unknown or dangerous, as well as using flaws in a secure trade window to deprive someone of one or more of their items.

5. You may not operate a Player Association (Guild) that habitually violates these rules. Disciplinary issues involving Player Associations will also be addressed on a broader basis. Player Associations whose members habitually violate any of the Rules of Conduct or Play Nice Policies may be disbanded. In addition, monopolizing numerous spawn areas with the intent to exclude other players will not be permitted. If inves-

tigated and verified by a CSR, monopolizing will result in the disbanding of the Player Association.

6. You may not intentionally circumvent the player-versus-player combat features and cause another player to die, such as by “training” them. Training is defined as pulling/leading a hostile NPC or creature along behind you and attempting to get it to attack another player who does not desire that engagement. The intentional training of NPCs or Creatures will result in immediate disciplinary action when witnessed by a CSR. We are aware that accidents often happen causing unintentional trains, and will scrutinize each report of this activity closely.

7. You may not abuse other players, customer service representatives, or the game system. Though some of these actions are covered in part by other rules, they deserve their own note here. The following things would be considered an “abuse” in game:

- Hate Mongering—participation in or propagation of Hate literature, behavior, or propaganda related to real-world characteristics.
- Sexual Abuse or Harassment—untoward and unwelcome advances of a graphic and sexual nature. This includes virtual rape, overt sexual overtures, and stalking of a sexual nature.
- Attempting to Defraud a CS Representative—Petitioning with untrue information with the intention of receiving benefits as a result. This includes reporting bug deaths, item loss, or fraudulently accusing other players of wrongdoing.
- Impersonating a Customer Service Representative—falsely representing yourself to another player as a SOE CSR or other SOE/Lucas employee.
- CS Personnel Abuse—sending excessive unsolicited tells to a CS Representative, excessively using say or other channels to communicate to a CS Representative, making physical threats, or using abusive language against a CS Representative.
- Using Threats of Retribution by CSR Friends—attempting to convince another player that they have no recourse in a disagreement because favoritism is shown to one of the parties by the SOE or Lucas Arts staff.

8. “Roleplaying” does not grant license to violate these rules. Though Star Wars Galaxies is a roleplaying game set in the Star Wars universe, the claim of “roleplay” will not be accepted in defense of any of the anti-social behaviors mentioned above. As an example, you are in no case (PvP or otherwise) allowed to “train” a guard onto an enemy in protection of your homeland. In another example, a bounty hunter is not allowed to steal someone’s corpse under the guise of roleplaying a villain. By all means we want to encourage you to play your role, we just cannot allow that role-play to be done at another’s out-of-game expense.

Source: <http://starwarsgalaxies.station.sony.com/content.jsp?page=Policies%20Community%20Standards>, retrieved July 4, 2003.