

An Ethnography of a Virtual World:  
The Political Economy of EVE Online  
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## **Introduction**

Virtual worlds have been proliferating for years. From the MUDs of the 80s to the MMORPGs with millions of players, virtual worlds have grown to proportions unimagined when they began. From the blistering deserts of Kalimdor in *World of Warcraft* to the cold empty space of *EVE Online* to even the isometric pixel-world of *Habbo Hotel*, all of these virtual worlds have one thing in common: social human interaction.

These virtual worlds are sometimes better known as social games. They involve massive amounts of users logging into the server at once and playing the game usually together. For example, in *World of Warcraft*, one could conceivably play the game without interacting with anyone, but it would hardly be effective. To be able to play the game to the fullest, with all of the dungeons and the bosses and the player versus player battles, one must join a guild.

Guilds are the basis for any social structure in virtual worlds. They are organized and run by players and they have different purposes. Some guilds aim to complete all of the high-level dungeons, feats that require the utmost practice and precision. Some guilds aim to help out low level characters, to make it so they have an easy time learning the world. Some guilds are even just made up of low level characters, helping each other out to eventually become one of the high-level dungeon guilds.

How do players form these kinds of groups? Do natural leaders begin groups, or is it simply players who have more time to invest in the game? Are guilds age-restrictive? Gender restrictive? There are so many questions pertaining to how players organize and operate within guilds, it requires an ethnographic approach to really understand how these social structures are formed.

## **Why *EVE Online***

In the massively multiplayer world of *EVE Online*, guilds are called Corporations. In this virtual world, players begin in the training corporation and quit it when they are ready to join a player-run corporation. The focus on large, player-run corporations is one of the things that set *EVE Online* apart from other virtual worlds.

*EVE Online* is unique in the virtual world space due to the open-world sandbox nature of the game. Although it could be argued that worlds like *Second Life* have more sandbox capabilities, *EVE Online* provides a framework for the play. If *Second Life* is a big, open field, *EVE Online* is a big field with play structures in it, clearly defining the purpose of the area. *EVE Online* can be considered an open-sandbox world because of the high level of player power. A large portion of the game world is left

without any kind of protection from Non-Player Characters (NPCs), and that leaves it open for powerful corporations to set up bases in that area. Those bases can be contested, and corporations can lose control of a star system just as quickly as they gained it.

The corporation system goes one step further as well: any corporation can join an *alliance*, which is several corporations who band together mainly for the purpose of mutual protection of both ships and real estate. One might think that there isn't really that much danger, but again it's the players that present the danger to other players. Rival corporations vying for power or space can attack each other or declare war at a price per week to the fictional policing body in-game, CONCORD. When there are over 30,000 players online in the same world at once, one could find it hard making it alone.

With all these factors practically forcing players into corporations and alliances, *EVE Online* is the perfect virtual world to learn how these guilds are formed, governed and run from day to day.

## **My Experiences In the Virtual World**

### **Beginnings**

Upon beginning the game, I was tasked with creating a character to play with. I created a character with the professions of Mining and Engineering (I thought it would be useful), and named him Don Doak. Once in the game, I made one observation: This was complicated. The game UI was vastly detailed with many buttons and lights. I was accustomed to the simple setup of *World of Warcraft*; this array of controls was confusing to me. This is important to note because due to the high learning curve of this game, it would tend to drive away younger players, which might help the corporation-founding efforts as younger players may be less co-operative when trying to work together.

After stumbling through the tutorial, I found myself at a station and I noticed that there was a recruitment station (advertisements in a list) for different corporations. I would later learn that the corporations actually needed to pay to place these ads here, so recruitment was serious just as it is when recruiting for an available position at a workplace. At the recruiting station, I browsed through the corporations until I found something called "VR Corp". Their advertisement read:

"The perfect corp for rookie pilots. We are recruiting only rookie miners, manufacturers, traders, fighters and mission runners now. Join this young but ambitious and fast-growing corp right now as a founding member and help us shape the corp's future. We are all rookies learning about EVE and how to run a [sic] corporation, so you won't be looked down on as a new player but will be seen as a colleague and an equal. We have no tasks that members are required to

perform for the corporation and all participation is voluntary. We can help with supplying ships and equipment and advice. Join us now and we can all learn and have fun together.”

I was really excited to join the corporation because it sounded interesting to me, and seemed like a corporation where I might have a better chance of seeing how it worked from the inside. A few days later, I received an EVE-mail from VR Corp's CEO, Val Vherosan. I was in.

## **Being Accepted**

From here on in, it was about getting to know the corporate structure and how it worked. First thing that the CEO told me was that we were in a war, and whether I was a miner or a fighter. This organized approach was needed especially when corporation sizes grew. Val (the CEO) also told me that most of the players in the corporation were either students, or had full-time jobs, so a lot of people played at uncommon hours. This was interesting to me because I had expected most people to be on during the hours of 8pm-midnight religiously, as it had been in *World of Warcraft*.

A few days later, I struck up a conversation in the corporate chat channel to the only fellow online corporate, Danni Levy. Danni told me that we were at war with a pirate corporation. These kind of corporations are made up of players who wish to play as aggressively and ruthless as possible, and to be prepared for the big leagues, they would train their rookies by declaring war on small corporations and having them attack whenever possible. As a small corporation, VR Corp had no space to defend, the only thing the Pirates could take was our ships' remains and our dignity. As an Engineer/Miner, I posed to Danni how I could help the war effort. She suggested that I create certain types of ammo for our fighters to use. I knew doing so would increase my reputation, so I began to gather the necessary blueprints and materials.

EVE-Mail has a dedicated section where one can read messages sent from co-workers to the rest of the corporation. Much of what I learned about the corporation came from correspondences through that system. The first major information break I received from EVE-Mail was the following:

“BlakDice has accepted the position of Admiral of the Fleet and help develop our pvp [*player-versus-player combat*] tactics and experience. He has been fulfilling that role anyway in recent times. That will give me the opportunity to focus more on the business and industrial side of the corp.”

This was a major breakthrough because this meant that there were multiple roles within a corporation. As an *ex-World of Warcraft* player, I had never seen this level of organization. I wondered if it could be

an issue of demographic that stopped *World of Warcraft* from being this organized.

Val was working towards putting VR corp on the map, and he had begun 'talks' with other corporations to form an alliance. He has offered a cash prize (in game funds) for the player who suggests the best name for the corporation. I would imagine that not many corporations choose their alliance names in this way; it might be a product of the easygoing nature of both the CEO and the corporation as a whole.

As in real life, the corporations in *EVE Online* are public companies, and have stocks that can be traded. Although there is no stock exchange one might visit in space, Val Vhersosan sent out an EVE-Mail to the entire corporation, offering shares for purchase to the corporation employees. He said that it was a way of building up capital to fund the creation of the Alliance, and that the shares entitle you to power to vote on decisions for the corporation, and share in the corporate profits through dividends.

Apart from shares, the other way that corporations gain currency is through taxes. On every in-game mission a player completes, a percentage of their reward money is given to their corporation. The percentage is usually around 10%, but VR Corp asks for 5%. This tax is mandatory, and automatically deducted by the game. However, taxes are not automatically withdrawn if a player sells items to other players. This kind of tax is not paid automatically, and according to VR Corp, is a voluntary donation. With all these corporations amassing such huge sums of currency, this opens up a host of new possibilities... what about embezzlement? Corporate theft? Could this happen?

It actually could. A player-run bank in EVE had actually lost over 100 billion ISK (*EVE Online's* currency) to embezzlement by the former investments manager (Egan, 2009). While a player can hit their first million within a week of play or so, to accumulate 100 billion would be a lot of hours lost. One would think that this would actually turn people off the game, but this kind of scandal excites most players, and helps subscription numbers, according to one of the developers (John, 2009).

With this kind of backstabbing possible, it is easy to see how players are slow to trust one another. One might wonder how a world ( the economy in particular) can function if everyone is suspicious of everyone else? A system of "contracts" is a way for both players and corporations to make agreements that will be honored. The contract system is able to diffuse a lot of potential double-crossing by including a neutral third party: the game itself.

The contract system is a hard-coded feature in *EVE Online* that allows for players to create binding agreements with other players. Contracts can come in many different forms, including

auctions, courier services, item exchange, loan and freeform. Auctions allow players to auction off items to the highest bidder, with no fear of the bidder not paying or making off with their goods. At the beginning of the auction, the game will remove the auctioned items from the auctioneer's inventory, and will remove the currency from the highest bidder's wallet. The transaction is completed through the game, so both parties don't need to worry that they're going to be ripped off. Courier contracts are a way of having other players shuttle items across the virtual universe for a fee. The player can put out a contract asking another player to deliver X item to Y location, for Z sum. The way the player knows they won't be cheated by the delivery player is the inclusion of collateral. Collateral is an amount of ISK set by the player requesting delivery to be paid to the 3<sup>rd</sup> party (the game again). Upon successful delivery of the package, the collateral is returned by the game. If the delivery player fails to complete the contract, their collateral is given to the player requesting delivery. Collateral is often over five times more expensive than the net worth of the package, so double-crossing is unlikely. Item exchange is a way of trading outside of the market (which is a secure transaction already), and loan is exactly what it claims to be. Freeform contracts can be anything; it's a way of ensuring that an agreement will be honored, and it allows for great levels of flexibility that are often required in high-level corporate contracts.

### **Attending Events**

The first corporation event I attended was a mining operation. It began about a week before the date, when Val sent out an EVE Mail message seeing if anyone would like to participate in a mining operation on an upcoming Saturday. The purpose of the mining operation is to raise money and resources for the corporation by having most players mining while one player makes trips between the nearest station and the asteroid field, bringing back the harvested ore. I definitely wanted to know how the operation would work, so I replied in the affirmative via EVE Mail, and then waited for Saturday. On Saturday, I logged in at the set time, and there were only three corporates online: Val, myself and a third player. More players were expected, so the three of us decided to wait until more players logged in.

I had believed that the mining operation was going to be really organized and regulated, but I was wrong. Everyone was fine with waiting for everyone else to show up, even if some people were up to 45 minutes late. Everything was very low-key, and Val was very patient in explaining the facets of the mining operation. What I did find odd, however, was when the event was in full swing, no one

seemed to be talking. I was used to the very chatty nature of players on *World of Warcraft*, and this awkward silence was deafening. I wasn't sure if people were on TeamSpeak (a third party voice over ip client) or if they were simply not speaking to one another. After an hour or so of mining I did a final pass with my cargo of minerals, said goodbye and logged off.

The mining operation turned out to be the apex of my experience in *EVE Online*. From this point forward, I had hoped to do more events, but my school and work schedule would not permit it. What I did hear about being run was a fleet training event, which I found very interesting. Speaking with Val Vherosan, I learned that another corporation was holding a meeting to train the fighters in their fleet, and our corporation had been invited to attend. Unfortunately, I was not able to make the event, but the very description of it gave a new level of depth to the level of social interaction found within this virtual world. In *World of Warcraft*, I had known of guilds doing lower-level dungeons to teach their guild how to work as a team, but that always profit the experienced players through items and in-game currency obtained in the level. To have a set time where some players will teach other players, without any promise of reward, how to be better at the game, is unheard of.

That was the final bit of research I conducted within *EVE Online*. Due to time restraints, I was unable to interact more with the players, but I did get a good sense of how they operated in-game. However, in-game is only half of the interactions that guilds/corporations have. There is also interactions outside the game, which I will be detailing in the next section.

### **Otherworldly correspondence: The VR Corp website**

In addition to all of the events in-game, VR corp runs a website that is complementary to the in-game corporation. At the website, there is a calendar, forums, news posts, and ways to connect to players outside of *EVE*. This website serves as a hub for those who cannot get online due to being at work, at school, or otherwise away from their computer.

### **The Forums**

First order of business is the elephant in the corner: The forums. Online forums have been a staple of the gaming community for longer than I can remember. Their ease of use and simple set-up attracted everyone from the smallest guild to the largest corporation. Forums allowed for scheduling events, discussing news topics, and making decisions that would affect the entire guild.

At the VR Corp website, the forums are a major part of the out-of-game discussion. The forums

are broken into two major sections: general and divisions. The general section is for general discussions on any topic relating to the corporation, while the divisions section is for discussing topics relating to the different “departments” of the corporation.

In general, there are three sub-sections: Open, Secure, and Allies. The Open section is available to be viewed by anyone who is a registered forum user, the Secure section is open only to corporate members in-game, and the allies section is open to VR Corp members and any allied corporations' members. The reason for all these levels of security is that as it has been mentioned earlier in this paper, security is an issue in *EVE*. If rival corporations get information on when and where VR corp is doing a mining operation, they may be able to stage a surprise attack. During these mining operations, the ships are poorly equipped for battle, and are very vulnerable. As such, it is necessary for some topics to remain a secret.

Open General Discussion is mainly filled with simple and somewhat lighthearted topics. There is a thread for introductions for new players, helpful tips on how to play the game, and game update news discussions. Secure General Discussion covers many of the internal issues of the corporation. Events are scheduled, corporate structure and goals are questioned and discussed, and otherwise secret information is discussed. Allies' General Discussion is where Val Vherosan has been working on the alliance constitution. It's interesting how far and how formal players can get when they inhabit this virtual world. The constitution itself describes things such as shared principles and values, an executive council, a senate, rights and duties, and more. This proves that although I have spent many days exploring these social structures, I have but scratched the surface.

The other main section of the forums is the Divisions section. The corporation is split into several divisions, all taking care of a particular aspect of the corporation. These sections are: Corporate, Mining, Fleet, Manufacturing, Trading, and Research.

The first section, Corporate, reveals another interesting development that I've missed while I have been out of the game. There is a thread there outlining the impending vote for a new Corporate Director. The thread called for nominations for new players to the position, and players posted their picks for who would make a good director. This is the same kind of democracy one would have found in older, smaller real-life communities. A vote of hands, as it were, has changed to a vote of clicks in this new online universe. More on the polling system will be detailed later.

The Mining section mainly focuses on upcoming mining operations, the Fleet section includes security messages, game tips for combat, and lists of in-game characters to avoid. The Research,

Trading, and Manufacturing sections all deal with tactics for doing new research (obtaining blueprints for items), creating the items using the blueprints, and selling those items at top price.

The forums prove that this isn't simply a game. This virtual world has real traction on the players' lives, because they feel they should communicate with their in-game friends outside of the game world. Although the forums are the main attraction of the website, there still are some sections that are interesting to be examined.

### **The Polls**

The VR Corp website has a section devoted solely to polls. In this section, one can vote on issues that require a referendum in the corporation. Topics in the Polls section ranged from the simple questions such as “how do you like the new website” to more complex and serious questions such as the Director Election and deciding on new corporate tax rates. These polls are critical to be able to get a judge of how the entire corporation feels about a certain topic. It's very interesting to note that even with such a limited form of communication (text only), these groups can organize themselves to the point that they have a functioning democratic system.

### **Contributing News**

The final section that is worth mentioning is the section that enables one to submit news for the website. As with the democratic practices of the polls, and the open discourse of the forums, players are able to submit news stories for approval by the moderators who are the high-ups of the in-game corporation. This freedom of participation is key in making the corporation a welcome place for new players and unemployed players.

### **Conclusions**

In my time in the virtual world of *EVE Online*, I've met many people. Some were from North America, some were from Europe. Some were old, but some were young. The mask of the virtual world is key in allowing widespread acceptance and connection where there would otherwise be none. I had a strong idea of what I may experience coming into *EVE*, but once I arrived, my opinions radically changed.

This open world is unstructured and untamed. Whereas *World of Warcraft* is somewhat static when it comes to content, *EVE Online* is a dynamic, thriving world. Players are the chief architects of

culture in this world. Players decide they wish to begin a corporation and they can recruit through several venues. Once they begin to get members, they can schedule events and set short and long term goals for both players and the corporation as a whole. As corporations grow, other corporations will be growing as well and they will prove to be either allies or rivals in this virtual world. It's like some kind of parallel history of humanity. Civilizations form from small groups of people banding together for economic and defense purposes, and as they grow they may ally or clash with other civilizations.

In *EVE*, the social aspect is huge. Theoretically, one could play the entire game alone, simply doing missions for NPCs (Non-Player Characters), but this would become tedious at best. There are no NPC vendors in the entire game. The market is run for the players, by the players, and prices are set dynamically based on demand and supply of the current region, so one would have nowhere to sell items that one acquires. Furthermore, there is the security issue. There is safety in numbers, and a single player trying to do their business in zero security space is a deathwish in itself. Corporations are a necessity for this world to function, and even if the feature wasn't hard-coded into the game, players would form these groups on their own.

The corporate structure is both complex and simple. At it's simplest form, there is a CEO with some employees beneath them. At it's most complicated, it involves executive councils, taxes, meetings, external communications, annual reports and everything associated with real-life corporations. There are wars and alliances, there are trade agreements and anything that a contract could support. In the same way as real life, goal-oriented and organized players are able to successfully create corporations, and eventually claim a bit of space as their own.

For *EVE Online*, I know that my research has only scratched the surface of this massive world. I have not examined the finer points of the corporate structure, I have not seen how corporations act towards each other in alliances, and I've not seen how a corporation operates when trying to defend space they occupy.

### **Suggestions for Further Research**

As I've said numerous times in this paper, studies of virtual worlds, and especially *EVE Online*, are lacking in today's academic scope. The universe and inhabitants of *EVEi* are a goldmine for social researchers; the social groups players form, the interactions they have, are all worth understanding and studying. For further research I would recommend firstly a longer stay in the game world as well as a more involved stance in the corporate structure. At my position, I got but a glimpse of what influenced

the CEO to make the decisions he did, but more time and effort invested in this world would have gone a long way. Secondly, I would also recommend a much broader study that encompassed more than one corporation. A study that could span multiple corporations and alliances would be a perfect way to understand the social workings of such a rich and diverse universe.

### **Social Implications of this research**

Although some may believe this kind of research to have no bearing on the offline world, it is a completely false assumption. Studies made in this world could be used to simulate situations where conventional power structures were lost and humanity was forced to regroup again. Of course it's difficult to say whether people would take the same degree of chances in a real world situation as opposed to a virtual one, but the same laws apply.

First is the issue of democracy. In the absence of law or social structures, would humanity reform as an overall democratic society? If this research is to be used as a model, then yes it would. There are no mandates or even features in the game software to allow democratic participation within corporations, but as it stands, VR Corp opened up democratic discussion and polls for all to discuss the future of the corporation.

Also, on the topic of democracy, does this prove that online democracy could work? Many have argued for and against the possibility of online democracy, and the fact that players voluntarily vote and discuss the politics of the corporation would lead one to believe that online democracy could be possible.

Second is the issue of discrimination. In online worlds, your gender, race, age and physical appearance is hidden to the rest of the online world. A player can decide what others see them as. This kind of interaction is a way of breaking down discrimination by eliminating first impressions based on visual cues such as skin tone or gender. How would people act if racism, sexism, and ageism did not exist? It's important to see how these prejudices affect society from day to day.

One cannot discount the importance of using these virtual worlds as a research setting. Often, researchers will dismiss these worlds as being simple “games” and being inapplicable to larger situations. They refuse to attempt any kind of understanding of these worlds, and in that respect, they lose. There is so much to be learned from these social ecologies and all a researcher needs to do is log in. Ironically, this is often the most difficult step.

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