

Virtual World Economies

"Is it possible that virtual world economies might make a gross impact equivalent to that of a real country? Actually, yes. Virtual worlds are already that big, economically speaking."

~ Virtual World Economy: It's Namibia Basically

"Ed Castronova, considered to be at the top of a very short list of the world's leading economists on virtual worlds, discusses the relevance of synthetic world economies as it relates to, and impacts the real world.

Ed points out that about a third of all online gamers spend more time in their virtual worlds than in the real world. He further discusses the correlation between what is going on inside the games and what's going on in the real world culturally and socially, income level wise, and more. Some players have actually stated that they live in the synthetic world, and simply spend some time here in the real world. Within these virtual worlds, they are productive and although life may not always be rosy inside the games, it is a world where players may wish to remain.

Virtual worlds can be a great incubator to see the results of political studies such as seeing how democracy plays out in a given region, as well as other educational studies. Ed shares his thoughts on commercial applications and the cost of building virtual worlds. He has some very profound things to say about synthetic worlds and what they might mean to the future for us as a species and the way we experience the world." ~ Gold From Thin Air: The Economy of Virtual Worlds

Anshe Chung Studios is preparing to launch a virtual financial market, financial products and a set of services that are going to, for the first time, allow direct capital flow and investment across virtual world boundaries. This step will be the first of many in the creation of an open, cross platform Metaverse economy that transcends individual virtual worlds.

"Some virtual worlds like Second Life (R), Entropia Universe (R) and IMVU (R) have demonstrated the enormous economic potential that exists when key sectors of a virtual world economy such as content creation, trade, banking and services are privatized. This has led to a boom in each of these worlds that has yet to be matched by any other economy, real or virtual", says founder Ailin Graef a.k.a. Anshe Chung. "Now the time is right to go further and link these exciting spaces together, to begin with the creation of the global Metaverse."

"In the real world, the flow of capital and investment across national borders has always been a driving force for political progress, economic reforms and the emergence of a global conscience and economy", adds Guni Graef, CEO. "We believe that allowing residents in a virtual world, no matter which one they have chosen to live in, to easily diversify their portfolio of virtual investments into other virtual worlds is going to lead to a paradigm shift. At ACS we are convinced that once capital is flowing freely, people, goods and services will follow and eventually we will see incentive and pressure for the emergence of open tools and standards. It is our vision that one day even traveling across virtual worlds and taking your belongings with you should become as easy as a mouseclick."

The new financial market will allow Second Life residents to invest their Linden DOLLARS (L\$) directly in ventures such as banks, malls or biospheres in Entropia Universe while those who earned their fortunes in Entropia dollars will be able to easily diversify their investments into assets such as Second Life virtual land funds, virtual game development businesses or the IMVU fashion design industry.

Currently the trading platform and ATM links are operational and undergoing testing with a select group of investors. The public launch is slated for early June with several high profile virtual company IPOs to lead the way to a new culture of cross platform virtual investment.

No real money trades will be involved.

While not widely publicized, ACS and Anshe Chung have been a driving force behind the establishment of a financial sector in Second Life from the very beginning, funding services such as SLExchange, the World Stock Exchange as well as providing over a hundred million L\$ of investment to more than 50 virtual enterprises in Second Life. With AnsheX, the Anshe Chung Studios operate the largest virtual currency exchange for IMVU and the second largest exchange for Second Life currency. The recent acquisition of one of only five existing banking licenses in Entropia Universe makes ACS a major player in the financial markets of Entropia, rivaling real life banks and established resident tycoons in that space.

Entropia Universe, created by the Swedish company Mindark SA, is the first major virtual game world that introduced an open economy: legalizing real money trades (RMT) and privatizing major economic sectors such as trading, banking and virtual real estate.

Second Life, developed by San Francisco based Linden Lab (R), has broken new ground as a widely open ended collaborative virtual space that is almost entirely driven by user created content and third party developers. Imagined and created by its residents, the Second Life world has experienced an explosion of creativity and entrepreneurship that makes it even reminiscent of open platforms such as the World Wide Web or Microsoft Windows.

Since 2004, the Anshe Chung Studios (ACS) has been the global leader in virtual real estate development on open virtual world platforms. Originally founded by Anshe Chung as an entirely virtual business in Second Life, it has evolved into a real company with more than 60 full-time employees turning over millions of dollars per year with virtual real estate, content development and virtual financial services. In 2007, ACS received high profile venture capital investment and has begun to branch out into additional virtual worlds. Besides thousands of virtual world residents and pioneers, ACS helped key clients such as Fortune 100 companies, churches and governments to benefit from virtual worlds."