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Ogre to Slay? Outsource It to Chinese

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FUZHOU, [China](#) - One of China's newest factories operates here in the basement of an old warehouse. Posters of World of Warcraft and Magic Land hang above a corps of young people glued to their computer screens, pounding away at their keyboards in the latest hustle for money.

The people working at this clandestine locale are "gold farmers." Every day, in 12-hour shifts, they "play" computer games by killing onscreen monsters and winning battles, harvesting artificial gold coins and other virtual goods as rewards that, as it turns out, can be transformed into real cash.

That is because, from Seoul to San Francisco, affluent online gamers who lack the time and patience to work their way up to the higher levels of gamedom are willing to pay the young Chinese here to play the early rounds for them.

"For 12 hours a day, 7 days a week, my colleagues and I are killing monsters," said a 23-year-old gamer who works here in this makeshift factory and goes by the online code name Wandering. "I make about \$250 a month, which is pretty good compared with the other jobs I've had. And I can play games all day."

He and his comrades have created yet another new business out of cheap Chinese labor. They are tapping into the fast-growing world of "massively multiplayer online games," which involve role playing and often revolve around fantasy or warfare in medieval kingdoms or distant galaxies.

With more than 100 million people worldwide logging on every month to play interactive computer games, game companies are already generating revenues of \$3.6 billion a year from subscriptions, according to DFC Intelligence, which tracks the computer gaming market.

For the Chinese in game-playing factories like these, though, it is not all fun and games. These workers have strict quotas and are supervised by bosses who equip them with computers, software and Internet connections to thrash online trolls, gnomes and ogres.

As they grind through the games, they accumulate virtual currency that is valuable to game players around the world. The games allow players to trade currency to other players, who can then use it to buy better armor, amulets, magic spells and other accoutrements to climb to higher levels or create more powerful characters.

The Internet is now filled with classified advertisements from small companies - many of them here in China - auctioning for real money their powerful figures, called avatars. These ventures join individual gamers who started marketing such virtual weapons and wares a few years ago to help support their hobby.

"I'm selling an account with a level-60 Shaman," says one ad from a player code-named Silver Fire, who uses QQ, the popular Chinese instant messaging service here in China. "If you want to know more details, let's chat on QQ."

This virtual economy is blurring the line between fantasy and reality. A few years ago, online subscribers started competing with other players from around the world. And before long, many casual gamers started asking other people to baby-sit for their accounts, or play while they were away.

That has spawned the creation of hundreds - perhaps thousands - of online gaming factories here in China. By some estimates, there are well over 100,000 young people working in China as full-time gamers, toiling away in dark Internet cafes, abandoned warehouses, small offices and private homes.

Most of the players here actually make less than a quarter an hour, but they often get room, board and free computer game play in these "virtual sweatshops."

"It's unimaginable how big this is," says Chen Yu, 27, who employs 20 full-time gamers here in Fuzhou. "They say that in some of these popular games, 40 or 50 percent of the players are actually Chinese farmers."

For many online gamers, the point is no longer simply to play. Instead they hunt for the fanciest sword or the most potent charm, or seek a shortcut to the thrill of sparring at the highest level. And all of that is available - for a price.

"What we're seeing here is the emergence of virtual currencies and virtual economies," says Peter Ludlow, a longtime gamer and a professor of philosophy at the University of Michigan, Ann Arbor. "People are making real money here, so these games are becoming like real economies."

The Chinese government estimates that there are 24 million online gamers in China, meaning that nearly one in four Internet users here play online games.

And many online gaming factories have come to resemble the thousands of textile mills and toy factories that have moved here from Taiwan, Hong Kong and other parts of the world to take advantage of China's vast pool of cheap labor.

"They're exploiting the wage difference between the U.S. and China for unskilled labor," says Edward Castronova, a professor of telecommunications at Indiana University and the author of "Synthetic Worlds," a study of the economy of online games. "The cost of someone's time is much bigger in America than in China."

But gold farming is controversial. Many hard-core gamers say the factories are distorting the games. What is more, the big gaming companies say the factories are violating the terms of use of the games, which forbid players to sell their virtual goods for real money. They have vowed to crack down on those suspected of being small businesses rather than individual gamers.

"We know that such business exists, and we are against it," says Guolong Jin, a spokesman for N-Sina, a Chinese joint venture with NC Soft, the Korean creator of Lineage, one of the most popular online games. "Playing games should be fun and entertaining. It's not a way to trade and make money."

Blizzard Entertainment, a division of [Vivendi Universal](#) and the creator of World of Warcraft, one of the world's most popular games with more than 4.5 million online subscribers, has also called the trading illegal.

But little has been done to halt the mushrooming black market in virtual goods, many available for sale on [eBay](#), [Yahoo](#) and other online sites.

On eBay, for example, 100 grams of World of Warcraft gold is available for \$9.99 or two über characters from EverQuest for \$35.50. It costs \$269 to be transported to Level 60 in Warcraft, and it typically takes 15 days to get the account back at the higher level.

In fact, the trading of virtual property is so lucrative that some big online gaming companies have jumped into the business, creating their own online marketplaces.

[Sony](#) Online Entertainment, the creator of EverQuest, a popular medieval war and fantasy game, recently created Station Exchange. Sony calls the site an alternative to "crooked sellers in unsanctioned auctions."

Other start-up companies are also rushing in, acting as international brokers to match buyers and sellers in different countries, and contracting out business to Chinese gold-farming factories.

"We're like a stock exchange. You can buy and sell with us," says Alan Qiu, a founder of the Shanghai-based [Ucdao.com](#). "We farm out the different jobs. Some people say, 'I want to get from Level 1 to 60,' so we find someone to do that."

Now there are factories all over China. In central Henan Province, one factory has 300 computers. At another factory in western Gansu Province, the workers log up to 18 hours a day.

The operators are mostly young men like Luo Gang, a 28-year-old college graduate who borrowed \$25,000 from his father to start an Internet cafe that morphed into a gold farm on the outskirts of Chongqing in central China.

Mr. Luo has 23 workers, who each earn about \$75 a month.

"If they didn't work here they'd probably be working as waiters in hot pot restaurants," he said, "or go back to help their parents farm the land - or more likely, hang on the streets with no job at all."

Here in coastal Fujian Province, several gold farm operators offered access to their underground facilities recently, on the condition that their names not be disclosed because the legal and tax status of some of the operations is in question.

One huge site here in Fuzhou has over 100 computers in a series of large, dark rooms. About 70 players could be seen playing quietly one weekday afternoon, while some players slept by the keyboard.

"We recruit through newspaper ads," said the 30-something owner, whose workers range from 18 to 25 years old. "They all know how to play online games, but they're not willing to do hard labor."

Another operation here has about 40 computers lined up in the basement of an old dilapidated building, all playing the same game. Upstairs were unkempt, closet-size dormitory rooms where several gamers slept on bunk beds; the floors were strewn with hot pots.

The owners concede that the risks are enormous. The global gaming companies regularly shut accounts they suspect are engaged in farming. And the government here is cracking down on Internet addiction now, monitoring more closely how much time each player spends online.

To survive, the factories employ sophisticated gaming strategies. They hide their identities online, hire hackers to seek out new strategies, and create automatic keys to bolster winnings.

But at some point, says Mr. Yu, the Fuzhou factory operator who started out selling computer supplies and now has an army of gamers outside his office here, he knows he will have to move on.

"My ultimate goal is to do Internet-based foreign trade," he says, sitting in a bare office with a solid steel safe under his desk. "Online games are just my first step into the business."