

“Chinese Goldfarmers Must Die:”

WHY CHINA SHOULD WORRY ABOUT THE GROWTH OF SINOPHOBIA ONLINE

By Anant Raut* & J. Benjamin Schrader**

Introduction

The description of the video read like the script of a snuff film. A group of individuals banded together to ambush and kill a Chinese menial laborer. The reason? The Chinese worker’s low-wage labor posed a threat to their economy. The individuals recorded and posted their attack online, where it has been viewed tens of thousands of times. Most shocking, online forums discussing this and similar attacks not only approved of the mob’s actions, but also shared tips for waylaying and attacking other Chinese laborers.

No police investigation was ever launched and no charges were ever filed, because the “murder” at issue took place in the virtual world of the online game World of Warcraft (referred to by players as “WoW”).¹ The victims are Chinese players who collect virtual currency as a reward for performing simple tasks in gameplay and resell the virtual currency for real cash in online exchanges (referred to derisively as “goldfarmers”). Other players, frequently American, saw this as a violation of game ethic with a deflationary impact on their virtual economy. The reaction has been one of anger mixed with (virtual) violence.

The actions by gamers against goldfarmers have been described by some as hate crimes. In this paper, we examine the practice of goldfarming in the context of two historical examples of American backlash against East Asian incursion into the U.S. economy. We conclude with some observations as to how the xenophobia underlying these actions may influence the United States’ near-term economic policy towards China.

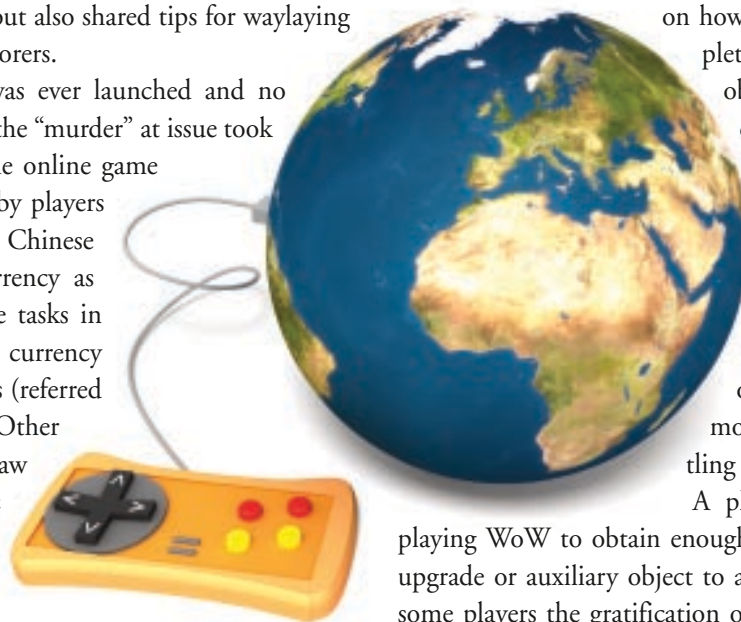
What is goldfarming?

WoW is the most prominent example of Internet-era video games known as Massive Multiplayer Online Role-Playing Games (“MMORPGs”).² MMORPGs like WoW and EverQuest feature rudimentary economies that revolve around proprietary virtual currencies based on real world precious metals. In both

games, a fixed number of copper pieces translates into a fixed number of silver pieces, which in turn translates into a fixed number of gold pieces. By completing certain tasks, a player earns additional currency. And while completing a “quest” (a task or series of tasks which reward the player upon completion with an increase in currency, an increase in his/her character’s “level,” or both) is considerably more difficult than performing a more mundane task, the game places no limit

on how many times a player may complete the same task. The currency obtained from these tasks or quests can then be used in the online environment to purchase a wide variety of items to enhance a player’s character,³ and serve as the means by which a player may ultimately participate in the more challenging aspects of the game (such as undertaking more sophisticated quests or battling more powerful foes).⁴

A player could spend many hours playing WoW to obtain enough currency to purchase a desired upgrade or auxiliary object to advance his or her character. For some players the gratification of such prolonged labor validates that effort. Others see it as an obstacle to their real goal: participation in advanced quests that character advancement affords.⁵ Often these gamers include working professionals who lack the leisure time to invest in such advancement.⁶ To that end, a number of gamers attempted initially to circumvent the labor-intensive approach by purchasing other players’ gold in exchange



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for real money on auction sites like eBay and Yahoo! Auctions.⁷ When the games' creators persuaded those sites to curtail trading of this online currency, gamers turned to other sites to make these purchases, or to transacting in the gaming environment itself.⁸

Feeding this demand is a class of players known in the industry as "goldfarmers." Goldfarmers are players whose exclusive purpose is the repetition of mundane tasks in order to resell or trade to other gamers the currency obtained by such performance. These players serve as the springboard to upper levels for those who have neither the time nor the desire to perform such mundane tasks themselves.

Goldfarming has swelled into a well-organized business in China. The business practice was thoroughly described in a June 2007 *New York Times Magazine* article, but had been examined in-depth as early as 2005.⁹ The *Times* profiled a Chinese goldfarmer who spent twelve hours every night of the week (from 8 p.m. to 8 a.m.), with only a few nights off per month, performing the same task in World of Warcraft, "[slaying] enemy monks" and gathering "a few dozen virtual coins" in return.¹⁰ According to the *Times*, the goldfarmer referred to as Li reported the night's haul to his supervisor, and was paid in full at week's end, along with his nine co-workers.¹¹ "For every 100 gold coins he gathers, Li makes 10 yuan, or about \$1.25, earning an effective wage of 30 cents an hour ..."¹² The boss, in turn, receives \$3 or more when he sells those same coins to an online retailer, who will sell them to a final customer (an

American or European player) for as much as \$20."¹³ Recent estimates of the total number of goldfarmers in China range as high as 500,000.¹⁴

Many gamers have decried the practice, claiming that goldfarming unfairly advantages those who buy their online currency rather than earn it over time in the gaming environment.¹⁵ Critics argue that the practice renders meaningless the long-term, personal investment element of such MMORPGs and waters down the experience of other users.¹⁶ WoW-related message boards and forums have featured rants from players decrying the inflationary effect on WoW currency as a result of goldfarming.¹⁷ And some of this criticism, based on the assumption that most or all goldfarmers are Chinese, has been expressed in anti-Chinese rhetoric bordering on the racist or xenophobic.¹⁸ Players have posted videos on YouTube documenting their systematic murder of Chinese goldfarmers.¹⁹ Message boards trade tips on how to identify presumed Chinese goldfarmers, based upon the name of their character or their inability to communicate properly in English.²⁰ Other online postings are simply rants against these Chinese players.²¹

Japan-bashing and the Chinese Exclusion Act

This is not the first time that such anti-East Asian rhetoric has found a place in the American economic dialogue, however. The most obvious parallel is to the "Japan-bashing" of the 1980s. Japan's economic prosperity during the 1980s coincided with a slumping dollar and a recession in the United States in the early part of the decade. Japan enjoyed a \$50b trade deficit surplus with the United States,²² as low-cost Japanese mass-manufactured consumer items, ranging from televisions to stereos to cars,

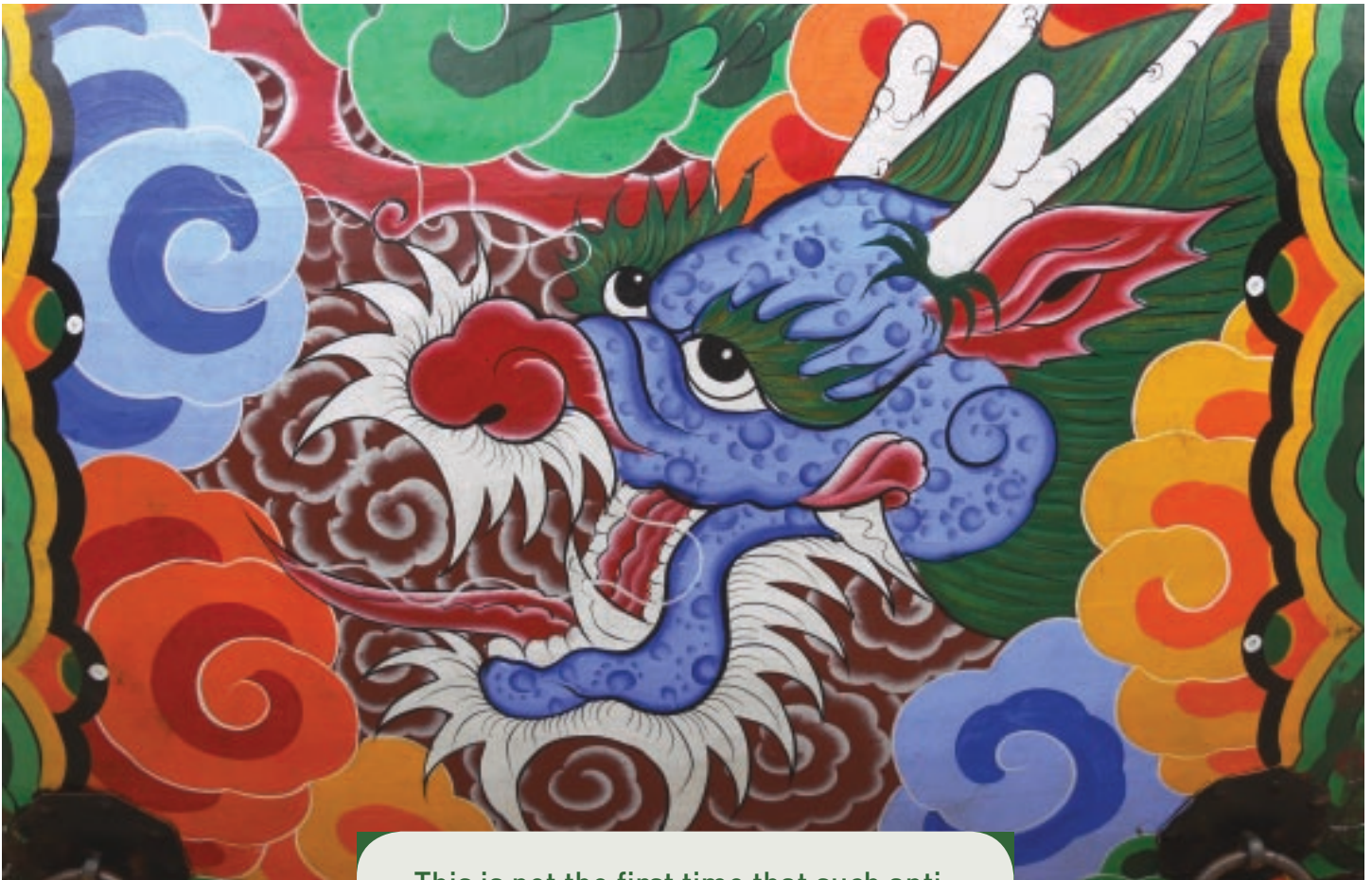
entered the American market and took the market share from domestic manufacturers. As the U.S. economy continued to sour during the '80s, Japan became an increasingly convenient target.

The backlash began with gestures of economic protectionism. Both the press and Congress criticized Japan for closing its markets to American companies.²³ Members of the United Auto Workers, a

labor union, tore apart Toyota Corollas.²⁴ On July 2, 1987, nine Republican members of Congress held a press conference on Capitol Hill in which they destroyed a Toshiba cassette player with a sledgehammer.²⁵

Japan and the Japanese were characterized in increasingly negative terms. Japanese investment in American companies (the Mitsubishi Group's acquisition of Radio City Music Hall and

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Sony’s purchase of CBS Records and Columbia Pictures, to cite but two examples) was characterized as a “threat” and part of Japan’s attempt to “take over” American industry.²⁶

But the backlash morphed into something uglier. Former Treasury Secretary Nicholas Brady referred to Japanese derisively as “Japs.”²⁷ In Detroit in 1982, Highland Park, Michigan resident Vincent Chin was violently beaten to death with a baseball bat. His attackers were two recently laid-off autoworkers who thought he was Japanese and thus complicit in the loss of their jobs.²⁸ The punishment for this crime was mild. The perpetrators were charged with and pled guilty to manslaughter and each received three years probation and a \$3,000 fine.²⁹

At the peak of Japan-bashing, the White House and Congress imposed a number of trade restrictions on Japan. The 1986 semiconductor trade agreement between the two countries required the Japanese government to help U.S. semiconductor companies increase their sales in Japan and set a five-year, 20 percent foreign manufacturer penetration target for the Japanese semiconductor market.³⁰ In addition, the U.S. imposed 100 percent tariffs on computer and television imports from Japan and 45 percent duties on motorcycle imports, pressuring Japan

to negotiate export restraints on cars and steel.³¹

Antagonism to Chinese competition, by comparison, dates back more than a century, to the immigration of Chinese nationals on the West

Coast. Chinese immigrants, arriving initially to help build a national railroad, eventually began to settle permanently on the West Coast and take other similarly high-labor and low-paying positions, including providing domestic services.³² As the West Coast economy receded after the Gold Rush, many local residents — who were themselves immigrants from Ireland or mainland Europe — found in the willingness of the Chinese to take jobs at low wages a convenient scapegoat for the region’s slumping economy. Their complaints resulted in Congress’ 1882 passage of the Chinese Exclusion Act³³ — long regarded as one of the most overtly racist pieces of legislation in American history — which drastically reduced the annual volume of Chinese immigration.³⁴ This ban would not be lifted until World War II, when the United States sought to develop relations with China as a bulwark against the Axis-allied Japanese.³⁵

Analysis

So what is the significance of the antagonism towards

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goldfarming? It strains credulity to argue that the murder of goldfarmers is tantamount to a hate crime. Although other commentators have made much of the videos referenced above, it is poor scholarship to view them in isolation. As the title of the game itself suggests, *World of Warcraft* centers on acts of fighting and killing. The videos of murdering goldfarmers are but one of the thousands of videos posted online showing players killing a variety of WoW characters, many of whom are not goldfarmers.³⁶ The videos are hunting trophies of a sort. Any attempt to focus solely on the goldfarming videos at the exclusion of the others miscasts the general environment for these types of videos.

The true significance of the anti-goldfarming movement lies in the racist postings on Internet forums and message boards. They are a bellwether of an environment ripe for the passage of harsh trade restrictions against China. What the historical examples above demonstrate is that when the U.S. economy is souring and operating at a deficit against a strong East Asian trading partner, there is a demand for economic protectionism from the disadvantaged segment of the American economy. As that prosperity gap deepens over time, the economic protectionism legitimizes naked xenophobic hostility, creating an environment in which elected officials gain cheap political capital by passing harsh trade restrictions against our East Asian trading partner.

The stage for China-bashing has been set much as it was for Japan in the 1980s. China enjoys a large trade surplus against the United States, and the U.S. market is currently flooded with Chinese mass-manufactured consumer items. The U.S. economy appears to be in the early stages of a recession and the dollar has lost value on the world market. Product failures (including poisonous pet food and children's toys coated with harmful chemicals) have generated calls for trade protection against China that are already tinged with broader, anti-Chinese sentiment.³⁷ The racist language in the message boards, while not out of place in the type of off-color trash talking that takes place regularly between the adolescents who are the game's most loyal users, is but another indicator of the naked Sinophobia creeping into the national dialogue about the United States' trade relationship with China.

Politicians, businesspeople, and market watchers have predicted an expansion of the Western presence in the Chinese consumer market over the next several years. But our Chinese counterparts, expecting reciprocity, must be cognizant of a potential backlash from our native work force. The United States has long prided itself on its staunch adherence to free-market

determinism, and China's most recent economic history is one of socialism. Yet where East Asian countries have tried to exploit free-market economic niches, time and again, American workers have demanded socialist-style market protection.

Conclusion

The most recent round of economic Sinophobia — which has found its voice in the virtual arena — arose in response to attempts by Chinese gamers to inject additional gold, or a new means of access to that gold, into virtual gameplaying markets. There is an irony in comparing this to the Sinophobia of the past. Just as destitute gold prospectors on the West Coast objected to the influx of Chinese labor in the prospecting market, so too do modern gamers object to the prospecting of virtual currency by Chinese laborers abroad. The West Coast prospectors of the nineteenth century resented Chinese laborers for flooding the market, and often recovering large quantities of gold as a result.³⁸ But their real sin, according to their critics, was not that they were taking their gold, but that they were taking it out of the U.S. economy — and sending it back to China. **BLB**

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¹ See *China's 'Gold Farmers' Play a Grim Game*, NPR.ORG, Jan. 9, 2008, available at <http://www.npr.org/templates/story/story.php?storyId=10165824> (describing a "murderous online rampage" culminating in the "hunting down and killing [of] goldfarmers").

² The popularity of these online games has grown exponentially over the past decade, and shows no signs of slowing down. See Jonathan Dee, *Playing Mogul*, N.Y. TIMES, Dec. 21, 2003 (noting that the long-term revenue potential of online games "is generally viewed as bottomless").

³ See *World of Warcraft*, Online Armory, <http://www.wowarmory.com/item-search.xml> (last visited Jan. 9, 2008) (These items vary from the simple, like basic armor, to the more complex and nuanced, like sophisticated spells a player might later use against an enemy).

⁴ Notably, such virtual currencies and properties have begun to take on characteristics of real currencies and properties. A Dutch teenager was arrested in November 2007 for stealing 4000 euros worth of virtual furniture while playing "Habbo Hotel," a three-dimensional social networking site. See "Virtual theft leads to arrest," BBC NEWS, Nov. 14, 2007, <http://news.bbc.co.uk/2/hi/technology/7094764.stm>. The growing influence of such virtual property has generated a robust dialogue on the issues involved; in June 2007, for example, Stanford hosted a "Virtual Goods Summit" (program available at <http://www.vgsummit.com/index.php>) focusing on the "emerging market opportunity for virtual goods and economies".

⁵ See Julian Dibbell, *The Life of the Chinese Gold Farmer*, N.Y. TIMES, June 17, 2007 (noting that gamers refer to this lengthy and tiresome effort collectively as, "the grind").

- ⁶ See Posting of gamergranny to The Daedalus Project, http://www.nickyee.com/cgi/MT/mt-comments.cgi?entry_id=1469 (Oct. 20, 2005, 22:20) (“I am in the 30+ category and have purchased gold two or three times over the last 5 years. Between work, raising children, and keeping up with household chores, my gaming time isn’t abundant and the last thing I feel like doing is grinding for gold”).
- ⁷ Dibbell, *supra* note 5; see also Robert Shapiro, *Fantasy Economies: Why Economists are Obsessed with Online Role-Playing Games* SLATE, Feb. 4, 2003, <http://www.slate.com/id/2078053/> (finding that real-world exchanges for online goods in EverQuest grew out of inadequacies in that game’s virtual bartering system).
- ⁸ Shapiro, *supra* note 7.
- ⁹ David Barboza, *Ogre to Slay? Outsource It to China*, N.Y. TIMES, Dec. 9, 2005.
- ¹⁰ Dibbell, *supra* note 5.
- ¹¹ See *id.*
- ¹² See *id.*
- ¹³ See *id.*
- ¹⁴ See *The Real Price of Virtual Gold*, MTV.COM Jan. 9, 2008, <http://www.mtv.com/overdrive/?id=1545907&vid=120059> (noting that “[h]alf a million Chinese laborers spend their days killing ‘World of Warcraft’ monsters for actual income”).
- ¹⁵ See, e.g., *Posting of Shade*, JFCentral.org, June 24, 2007, available at <http://www.jfcentral.org/forum/viewtopic.php?p=13920&sid=c120a13af01c9c592fd90b542each3d> (noting “What I dislike about gold buying is that it gives some players an unfair advantage over others. People who buy gold obviously need to spend less time farming it. And that is an unfair advantage”).
- ¹⁶ See posting of Jonas M. Luster to Metroblogging Azeroth, *On Gold and Gollums, an overview into the Gold Farming and Selling Industry*, May 11, 2006, http://azeroth.metblogs.com/archives/2006/05/on_gold_and_gollums_an_overvie.phtml (arguing that goldfarming distorts the economics of the virtual environment). But see Posting of Steven D. Levitt to The New York Times Freakonomics Blog, *Gold Farmers on the Web*, June 19, 2007, <http://freakonomics.blogs.nytimes.com/2007/06/19/gold-farmers-on-the-web/> (trumpeting goldfarming as virtual economic experiment mirroring the exercise of the free market in the real world).
- ¹⁷ See, e.g., *Gold Farmer*, WOWWIKI, Dec. 7, 2007, http://www.wowwiki.com/Gold_Farmer (citing argument that “gold farming does cause [virtual] inflation”).
- ¹⁸ See, e.g., webclips including, *Chinese Goldfarmers Must Die*, YOUTUBE.COM, Jan. 9, 2008, <http://www.youtube.com/watch?v=Tr08MtzRhrq>; *Chinese Farmer Extermination*, GAMETRAILERS.COM, <http://www.gametrailers.com/player/usermovies/4021.html?id=4021> (last visited Jan. 9, 2008); Posting of Divont da DRK, GAMEWINNERS.COM, <http://news.gamewinners.com/index.php/weblog/comments/3875/> (Dec. 22, 2007, 22:48) (“Death to those damned Chinese farmers who made my playtime hell”).
- ¹⁹ See *Die In a Fire U Gold Farmers*, YOUTUBE.COM, http://www.youtube.com/watch?v=uE9gDY_Vo6U; *Chinese Gold Farmers Must Die*, YOUTUBE.COM, <http://www.youtube.com/watch?v=Tr08MtzRhrq>; *Killing Green Dragon Bots/Gold Farmers*, YOUTUBE.COM, <http://www.youtube.com/watch?v=Me4j2eywnzQ>
- ²⁰ See, e.g., *Everything2.com*, http://everything2.com/index.pl?node_id=1776327.
- ²¹ See, e.g., *Chinese Farmer Extermination*, GAMETRAILERS.COM, [thread at http://www.gametrailers.com/player/usermovies/4021.html](http://www.gametrailers.com/player/usermovies/4021.html); <http://forum.rpg.net/archive/index.php/t-179099.html>.
- ²² See Elizabeth Dahl, *The Implications of Japan Bashing for U.S.-Japan Relations*, Vol. VIII No. 2 SWORDS & PLOUGHSHARES: A J. OF INT’L AFF. 1, 1 (Spring 1999).
- ²³ See Robert Z. Lawrence & Paul Krugman, *Imports in Japan: Closed Markets or Minds?*, 2 BROOKINGS INSTITUTION 518, 544 (1987) (noting that “[b]oth the House and Senate trade bills passed in 1987 would amend Section 301 of the Trade Act to require the U.S. Trade Representative to identify countries that ‘maintain a consistent pattern of market distorting trade practices,’ specifically identifying Japan as such a country”); see also Kent E. Calder, *Opening Japan*, 47 FOREIGN POL’Y, Summer 1982, at 93 (casting Japan as the target of a “rising crescendo of foreign pressure” and a contributor to the heated “rhetoric of a verbal trans-Pacific trade war” in the early 1980s).
- ²⁴ See Doron Levin, *Japan Bashing Out of Style, But Car Prejudice Persists*, INT’L HERALD TRIB., May 22, 2006 (stating that “When imported cars began to take off in the 1970s in the United States, some union locals in Detroit held Toyota-bashing contests—sledgehammers provided—so members and sympathizers might vent their rage against Japan”).
- ²⁵ See David Brock, *The Theory and Practice of Japan-Bashing*, Vol. 17 NAT’L INT. 29, 29 (Fall 1989).
- ²⁶ See James Barron, *Huge Japanese Realty Deals Breeding Jokes and Anger*, N.Y. TIMES, Dec. 18, 1989 (noting that New Yorker Charlie Caccioppo made the following comment on Japanese investment in New York City: “You want to know the truth, they’re getting back at us for the atomic bomb. . . .What we did to their cities, now they are trying to do to us by taking over our city”).
- ²⁷ See Opinion, *The Times and Japan-Bashing*, L.A. TIMES, Oct. 10, 2007.
- ²⁸ See Alethea Yip, *Remembering Vincent Chin*, ASIANWEEK, June 5–13, 1997, available at <http://asianweek.com/061397/feature.html>.
- ²⁹ See *id.*
- ³⁰ See KA ZENG, *TRADE THREATS, TRADE WARS: BARGAINING, RETALIATION, AND AMERICAN COERCIVE DIPLOMACY* 140 (University of Michigan Press 2004).
- ³¹ See Edward Alden, Jeremy Grant, & Victor Mallet, *Opportunity or Threat? The US Struggles to Solve the Puzzle of Its Trade With China*, FIN. TIMES, Nov. 4, 2003 at 11.
- ³² After completing their railroad labor, Chinese workers sought opportunities as cooks, launderers, and household servants. See CHINESE EXCLUSION ACT OF 1882, available at <http://www.asianamericans.com/ChineseImmigration.htm>.
- ³³ An Act to Execute Certain Treaty Stipulations Relating to Chinese, 22 Stat. 58 (1882).
- ³⁴ Judicial opinions of the era reflected this animosity. See Chae Chan Ping v. U.S., 130 U.S. 581, 595 (1889) (stating that “It seemed impossible for [the Chinese] to assimilate with [Americans] or to make any change in their habits or modes of living. As [the Chinese] grew in numbers each year the people of [California] saw . . . in the crowded millions of China . . . great danger that at no distant day that portion of our country would be overrun by them unless prompt action was taken to restrict their immigration”); see also Fong Yue Ting v. U.S., 149 U.S. 698, 717 (citing opinion of the government that “the presence within our territory of large numbers of Chinese laborers, of a distinct race and religion, remaining strangers in the land . . . might endanger good order . . .”); Chew Heong v. U.S., 112 U.S. 536, 542-43 (1884) (noting that it was the “opinion of our government that the presence here of Chinese laborers might be injurious to the public interests, or might endanger good order in our land . . .”).
- ³⁵ See *President Urges Congress Repeal Chinese Exclusion Act as War Aid*, N.Y. TIMES, Oct. 12, 1943 (in which President Roosevelt announced that “[t]here is now pending before the Congress legislation to permit the immigration of Chinese people into this country and to allow Chinese residents here to become American citizens. I regard this legislation as important in the cause of winning the war and of establishing a secure peace. . . . One step in this direction is to wipe from the statute books those anachronisms in our law which forbid the immigration of Chinese people into this country and which bar Chinese residents from American citizenship”).
- ³⁶ See, e.g., *wow — killing the boss*, YOUTUBE.COM, Jan. 13, 2008 <http://www.youtube.com/watch?v=WxHVJ1hbTtU>; *World of Warcraft: Orge (sic) killing*, YOUTUBE.COM, <http://www.youtube.com/watch?v=AlggTOI2bTI> (last visited Jan. 13, 2008); *wow killing elites*, YOUTUBE.COM, <http://www.youtube.com/watch?v=X5eobIIfXUE> (last visited Jan. 13, 2008); and *wow noob killing*, YOUTUBE.COM, <http://www.youtube.com/watch?v=8VrPF-DQx8U> (last visited Jan. 13, 2008).
- ³⁷ See Steve Sandy, *Letter to the Editor*, USA TODAY, Nov. 13, 2007 (asking “When is the U.S. going to ban all products made in China?...China is making billions of dollars, and it’s costing American lives.”); see also Henry Koepfle, *Letter to the Editor*, TRI-CITY HERALD, Dec. 25, 2007 (commenting “...why are our stores flooded with merchandise from Communist China? Who let this happen and why? There was a time when we only saw shoes and dishes come from China. Now China has invaded all markets — clothing, drugs, food, appliances, toys and etc. (sic) How can this be stopped? How can we ever bring those jobs back to America? There was a time when communism was the enemy of America. China still has a communist government and with its recent spying on the U.S. and working to have the largest army/navy/air force in the world proves it is still a very real threat to the U.S...”).
- ³⁸ See *Chase Chan Ping*, 130 U.S. at 594-95 (noting that “[t]he competition between [immigrant Chinese laborers] and our people [American citizens] was for this reason altogether in their favor, and the consequent irritation, proportionately deep and bitter, was followed, in many cases, by open conflicts, to the great disturbance of the public peace.”).