THE NAKED WIKI

Dear Linux Magazine Reader,

Through all the recent financial crisis, one term echoed with eerie familiarity: naked short selling. This cryptic term is admittedly eerie in its own right, but I was still sure I'd heard it before. Then I remembered – I wrote about it right here in this very space.

My February 2008 column mentioned a tiff that was brewing within the Wikipedia community over a disagreement in "…the propriety of a specific trading practice used in the financial markets." Although I didn't mention it at the time, that practice was naked short selling. This is a high-tech pub – not a financial magazine – so I didn't spend a lot of quality time talking about the details of this trading maneuver. And I don't want to spend a lot of space on it here either, but, just so you know, short selling is something about selling stock you don't own yet, and naked short selling is selling stock you haven't even made any arrangements to borrow or buy. The practice was in the news recently for allegedly helping to bring down the giant US banking firm Lehman brothers, and in the wake of that scandal, it was quite suddenly banned in the United States.

My focus in February was less on Wall Street and more on Wikipedia. According to reports in the Register, a very intense dispute had broken out between two Wikipedia contributors – or would-be contributors – who had very different opinions on the practice of naked short selling. A pro-naked-short-selling contributor, who was apparently better situated with regard to the Wikipedia power structure, had apparently succeeded in getting an anti-naked-short-selling contributor banned from the Wikipedia page, thus silencing his dire warnings about the dangers of the practice. (For the record, the pro-naked-short-selling guy was also banned a few months later.)

That was a more innocent time, back in February 2008. Former US Federal Reserve Bank chairman Allen Greenspan recently admitted that he was shocked by the inability of the financial markets to regulate themselves. Many other kingpins and opinion makers share his surprise, but one would-be Wikipedia author wouldn't have been shocked – at least when it comes to this naked short selling practice that went from routine business to a Federal crime in a matter of weeks.

It would be easy to look back on this episode and land hard on Wikipedia for missing the chance to warn the world about the dangers of naked short selling. What I find most fascinating, though, is not that Wikipedia ended up on the wrong end of this arcane editorial brawl, but that, even while working to avoid controversy, the Wikipedia editors still touched off a firestorm, and that firestorm did indeed shine light on a questionable practice. In fact, the whole episode would have served as an early warning if anyone in government had been paying attention.

The irony is, if everyone had just left these naked short selling commentators alone, and if they had both played nice and stated their differing opinions with collegial goodwill, it would have simply been another Wikipedia page. (Check out the page on Software Patents sometime if you're looking for a lesson in bland diplomacy.) But in this case, the real controversy didn't even make it to the page.

The world is still figuring out how to use Wikipedia. This vast global cheat sheet is often derided for its superficiality, but it is important to remember that Wikipedia isn't just a document – it is also a forum. I'm guessing you could learn a lot about the state of the world by looking past the front page articles and rooting around behind the Discussion tab and the Recent Changes link. In fact, you might even find some of next year's headlines.

Joe