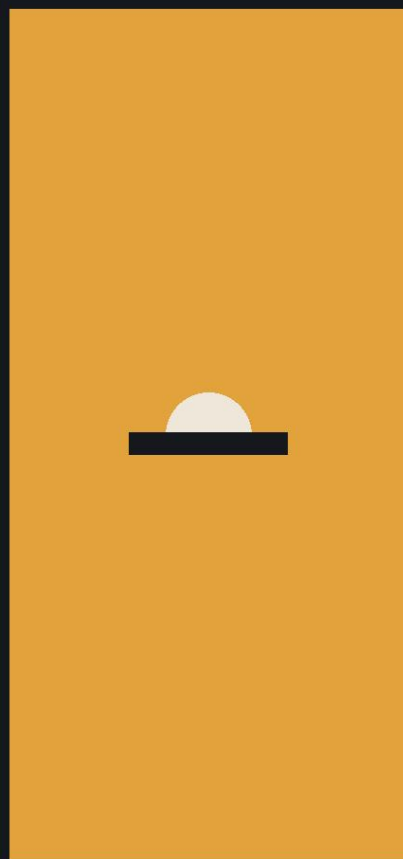


Who's Collecting at the Door

In the Age of Financialization,
You Are Not the Problem



Nebula Walker

@Mythogen Engine

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Nebula Walker (星忘塵) · @Mythogen Engine

Who's Collecting at the Door: In the Age of Financialization, You Are Not the Problem

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Preface: Structures Don't Need Villains

1. Four Headlines

Imagine that one day in October 2026 you pick up your phone and see four headlines.

One says AI will replace a large share of white-collar work, and anyone who doesn't learn it will be left behind. One says a long-established restaurant group and the partner it has worked with for more than fifty years have parted ways amicably, each taking what it needs. One says the myth of young people's micro-entrepreneurship has collapsed, and going back to a salaried job is the safe choice. And one is about an entertainer who was told by a show's host that she got the short end of things because she didn't have enough backbone.

Four headlines, four explanations: technological progress, an amicable split, naive founders, a flaw in someone's character. Each explanation is partly true. But they have one thing in common: none of them tells you where the money went.

Four of this book's nine chapters start from these four headlines (see Chapters 1, 2, 7 and 9).

2. Seeing How Money Flows

I have come to believe that life is, to a large degree, a game of strategy. The game itself is not what should frighten you. What should frighten you is not knowing who else is at the table, who wrote the rules, and who takes a cut of every hand.

And the story follows the money. The side collecting the money always has a reason to tell a pleasant story: transformation, upgrading, professionalization, win-win. The side paying hears a different story most often: you didn't try hard enough, you aren't tough enough, you can't keep up with the times. Nobody necessarily invents either story on purpose. Wherever the money flows, someone there is willing to tell the story a little more smoothly.

So this book uses a single method. Each time you hear an explanation, don't ask first whether it is right. Ask: where is the money flowing from, and to where? Whichever exit you take, who is standing at the door collecting?

That doesn't mean every explanation is false. AI really is useful, just as computers and the internet really were useful. The technology is real and the story is real; they happen at the same time, but they are not the same thing (see Chapter 1). Seeing how money flows is how you tell the two apart.

3. Where I Stand

I have worked in R&D, written embedded systems, solved customers' problems in the field, and later worked in corporate strategy. Some of the companies I worked for were expanding, some were buying up others, and some were slowly shrinking. As a child I grew up next to my family's small trading business; I watched it expand, and I watched it fall into infighting because it could not collect what it was owed. Many of the examples in this book were seen from those positions.

But I have to be clear about something. I spent most of my career in companies that were growing, and I ran into real backstabbing only once. Part Two will argue that where a person stands decides what they see (see Chapter 4). I am a position too, a single sample.

So you need not take everything I saw on trust. A better way to read this book is to take its questions and check them against what you have seen yourself.

4. What This Book Is Not

It does not teach you how to win. There are already plenty of books and courses that do, and most of them assume you are standing on a fair stage. This book is about the places where that assumption fails.

It is not against technology, and it is not against making money. Someone else doing well has not necessarily taken anything from you; the world is not zero-sum everywhere (see Chapter 4).

Nor does it hunt for villains. This is the point I most want to make up front. Very few of the companies, platforms, hosts and HR departments in this book set out to do harm. Each of their steps is a rational response to the step before; but once the loop is complete, the result lands on someone who did nothing wrong. Structures don't need villains. Precisely because they don't need villains, they are hard to see, and easy to describe as your own problem.

5. How to Read This Book

The book has three parts, and each asks one question.

Part One (Chapters 1 to 3) asks: what shape is this structure? From an R&D department quietly replaced inside a company, to chicken that no longer tastes like chicken, to the entry fee charged at every exit.

Part Two (Chapters 4 to 6) asks: why can you see it when others can't? And the reverse: why can others see it when you can't?

Part Three (Chapters 7 to 9) asks: once the cost of a structure lands on one person, how does it get described as that person's flaw?

The conclusion tries to answer: knowing all this, what can you do?

Almost every example in the book carries a date, most of them in 2026. This is deliberate. Ten years from now, the companies in this book may have gone public or been sold, the shops may have closed, the platforms may have been renamed, and AI may have been replaced by the next round's name. By then these examples will have become a record: the world as one person saw it in 2026.

What you should take away is not the examples but the method. Many chapters end with a few questions that can be asked without any inside information, and that will not stop working because a platform or a technology changes its name. It doesn't matter if you don't know the people in this book or never heard of the controversies. The examples are a record; the method is a tool. Records age; tools don't.

Each chapter can be read on its own; chapters point to one another with "(see Chapter X)". Sources and my other articles are cited by numbered notes, all collected at the back of the book.

The title comes from a question in Chapter 9: whichever exit you take, who is standing at the door collecting? The subtitle is the conclusion's answer. The nine chapters in between are the road from the question to the answer.

Part One: What Shape Is the Structure?

Chapter 1: What Financialization Cuts Is Not R&D, but the Word “No”

Prologue: An Overlooked Sequence

Most people believe companies cut R&D because they run short of money. That explanation is too clean, and too safe.

The real sequence has one more layer. First, the R&D department shifts from developing new things to maintaining old ones. The industry calls this PE (Product Engineering): patching existing systems, troubleshooting customer problems, fine-tuning specifications. The shift happens quietly. It needs no announcement and never shows up in the financial statements.

By definition, the US accounting standard ASC 730 actually excludes routine improvements, troubleshooting and adapting existing products for customers from R&D. But the company draws that line itself, and external disclosure requires only a single total, with no split between “developing new products” and “maintaining old systems.”¹ At many companies the line on the income statement is already called “research, development and engineering.” The result is that a company can show R&D spending rising steadily for ten years without developing a single new thing, and no outsider can tell.

The hollowing-out comes before the layoffs.

By the time the layoffs begin, the people being cut are no longer doing research. They are people doing maintenance work under an R&D title. “Slashing R&D” sounds alarming, but the department stopped doing R&D long ago.

Even that is not the decisive step. This chapter is about what financialization actually wants to remove: not R&D, but the word “no.”

1. The Veto Is the Target

There is a capability inside companies that is scarcer than the ability to develop things, and more dangerous: the ability to say “no.”

The most fundamental function of a technical team is not writing code or drawing circuit diagrams. It is having the standing, the data and the confidence to say “this can’t be done” when management commits to a timeline.

Once that sentence is spoken, the numbers stop looking good.

The quarterly outlook looks worse, the story for investors looks worse, and so does the CEO’s roadmap for earnings per share (EPS). The whole cycle of “announce, watch the share price react, deliver, announce again” breaks at the first step.

So the problem is not that R&D staff are expensive, though they do sit near the top of the payroll. The problem is that their very presence is an institutional veto on unrealistic promises. As long as these people are there, every grand roadmap hits a wall internally: someone can answer the question “how long will this take, technically?”

Worse, when this veto succeeds, it leaves no evidence. A bad promise that was stopped never happened, the accident never happened, so there is no way to count what was avoided; yet every delay and every instance of “not cooperating” it caused is recorded in full. The success of prevention cannot be verified, while failure can be counted. Chapter 6 returns to this asymmetry of measurement (see Chapter 6).

Pure cost-cutting layoffs keep the cheapest engineers. Layoffs aimed at the veto clear out the whole group that can speak up.

2. Replacement, Not Deletion

In 2013, I watched one complete version of this operation at a company.

First the original R&D team was laid off in full. Then a group of project managers was brought in to manage R&D, and people from lower-cost regions were hired to do the actual development work.

Once those three steps were done, the R&D department still existed on the org chart. Headcount was about the same, and spending may even have risen: project management costs money too, and the communication overhead of working across several locations does not show up under R&D in the accounts. Every external indicator looked normal.

Only one thing was gone.

Project managers are trained to judge not “can this be done” but “when can it be delivered.” A schedule can be revised, extended, recommitted, but it never says “this cannot be done at all.” Putting project managers in charge of R&D swaps the veto for the power to schedule.

And the execution layer hired from low-cost regions was cut off from the decision-makers by language, culture and even time zones. This is not a flaw in execution but a structural effect: distance itself acts as a firewall, keeping the signal “it can’t be done” from reaching the people who need to hear it. The top can promise; the bottom just does the work; the feedback loop is broken.

That was 2013, nearly ten years before ChatGPT appeared.

3. The Numbers You Can See

If this were a one-off case, it would not be worth writing about. It is worth writing about because the whole trend shows up in numbers.

The economist William Lazonick has spent years tracking how S&P 500 companies distribute their profits. Between 2003 and 2012, the 449 companies that stayed listed spent 54% of their earnings on share buybacks and 37% on dividends, leaving less than a tenth for every other use, productive investment included.²

In the twelve months to September 2025, S&P 500 buybacks hit a record of about US\$1.02 trillion; dividends over the same period also set a record at about US\$664.9 billion, for total shareholder return of about US\$1.685 trillion.³

A more precise indicator is the share of companies whose buybacks shrank the share count used to calculate EPS by more than 4% in a year. That means buybacks large enough to lift earnings per share by themselves, even when actual profit doesn't grow. In the third quarter of 2025, that share was 17.1%; a year earlier, it was 13.6%.³

The numbers are rising.

In a 2000 paper, Lazonick and Mary O'Sullivan named this shift: from "retain and reinvest" to "downsize and distribute." Lay off experienced, and usually more expensive, employees, and distribute the cash to shareholders.⁴ This is not a side effect they observed; it is their definition of the shift itself.

4. Promises Settle Later Than Promotions

Once you understand the logic of the veto, a deeper structure comes into view.

Say that in companies like this, a promise takes eighteen months to blow up, while promotions come round every twelve. The person who made the promise is always standing one floor above their own ruins.

No one needs to plan this. All it takes is two mismatched cycles. Announce a grand technology roadmap, watch the share price react, get promoted; by the time the roadmap fails to deliver, the person who promised it is no longer in that seat. The successor inherits the mess, and the fix is to announce a new roadmap.

IBM's "Roadmap 2015" is the textbook case of this cycle. In 2010, then-CEO Sam Palmisano promised operating earnings per share of "at least \$20" by 2015, and said about 70% of free cash flow would go back to shareholders, roughly \$50 billion in buybacks and \$20 billion in dividends.⁵ Note that "operating earnings" was itself a company-defined non-GAAP measure that excluded acquisition-related charges and some pension costs.⁶

In October 2011, IBM announced the succession; in January 2012, Ginni Rometty became CEO. She refused to abandon the target and kept it alive through financial engineering: buybacks, a lower tax rate, layoffs and business sales. In the second quarter of 2013 alone, IBM booked about \$1 billion in charges for “workforce rebalancing,” that is, layoffs.⁷ On October 20, 2014, in a disappointing quarterly report, IBM formally admitted the \$20 target could not be met.⁵

Look at the timing. The person who made the promise left the CEO’s chair in early 2012, just as the person who would swallow its consequences took over; four years passed between the promise and its formal abandonment.

This is not a metaphor. It is a case with public dates.

5. The Highly Credentialed Over-Promiser

Once the veto is removed and promises lose their calibration, another kind of person comes in.

The environment in which PhDs learn to estimate has one feature: you control the problem’s definition, the scope can be negotiated all the way to the deadline, and the cost of failure is deferred and diffuse. Research genuinely cannot be estimated accurately. That is not a character flaw but the nature of the work.

The break comes with migration. They carry the estimating habits of research into delivery, and delivery requires accurate estimates.

In an organization where the veto still exists, over-promising gets stopped; the technical team says “that timeline is impossible.” Once the veto has been replaced, over-promising is not only allowed but rewarded, because a promise is booked the moment it is announced, while failure settles eighteen months later.

One layer deeper: financialized companies need credibility. Once the technical team has been hollowed out, the company loses the ability to judge internally whether technical promises are real, and needs an external, verifiable, third-party-certified credibility to stand in for it.

What is the cheapest credibility you can buy? An academic credential.

It is issued by a third party, it is on the public record, and laypeople are in no position to question it. Putting a doctorate in the CTO or chief scientist’s seat costs far less than actually sustaining an engineering team, and the market may react just as well.

The organizational sociologists James Westphal and Edward Zajac studied a phenomenon they called “symbolic management”: a company formally adopts a program, while actual commitment is decoupled from it, more symbol than substance. They found that the stock market reacts

positively to governance measures that signal alignment between the CEO and shareholders, even when those measures are never actually implemented.⁸

If the market rewards announcing rather than executing, companies have a systematic incentive to buy credibility itself. That is how academic credentials get bought: not as research capacity, but as a signal.

As far as I can tell, the literature has studied “symbolically adopting a policy” but not “symbolically adopting a person.” That is a gap.

6. A Loop

Put all these parts together and you get a loop.

Falling returns on real investment bring on a focus on shareholder value. Companies shift from retaining earnings for reinvestment to downsizing and distributing. The most expensive technical staff, who are also the most experienced, leave first. The remaining R&D starts vetoing unrealistic numbers, and the vetoes make the numbers look bad. So R&D is replaced wholesale: not cut, but swapped for a group without the ability to veto. Promises lose their calibration; outside credibility is needed to replace internal judgment, and the highly credentialed are hired as a signal. Their training makes them habitually underestimate what delivery requires, and the organization’s incentives reward over-promising. Delivery fails; more layoffs make up the numbers; back to the start.

The loop also has a self-protecting mechanism. People who see through it usually don’t stay; those who remain either can’t see it or benefit from it. So the fact that “no one with enough weight ever objected” becomes evidence in its own right, and that evidence was manufactured by the departure of those who objected. Critics who do stay meet another response: “you’re just jealous.” How that move works, and why it is so hard to refute, is left for Chapter 7 (see Chapter 7).

The defining feature of this loop is that every step is a rational response to the step before, and no step requires anyone to be a villain.

That is the part most worth recognizing. No one designed this system with bad intent; the system completes the loop on its own.

7. Every Round of Technology Comes With a Story

Same Name, Different Contents

The R&D department is still there. Headcount is about the same; spending may even have gone up. R&D’s share of revenue in the annual report is stable, and analyst reports still praise the company’s “R&D strength.”

But what goes on inside is no longer R&D.

I have seen the same technique applied to language: the name stays, the contents are swapped, and outsiders can't tell. Passing off fake R&D as real and passing off a replaced language as the original are structurally the same thing.

AI's role here is not that it drove this shift, but that it gave the shift a respectable name. In 2013 you could not say out loud, "I laid off the entire R&D team and replaced them with people who don't know the work." By 2024, "we are using AI to replace R&D labor and improve efficiency" could not only be said aloud but put into an investor presentation. In "The Efficiency Trap: Sequel" I wrote one line about this: AI is not the cause; it is the license.⁹

The Technology Is Real, and So Is the Story

Let me be clear first: AI really is useful. Just as computers were really useful, the internet was really useful, and the railway, 180 years ago, was really useful. Saying that AI is only packaging with nothing inside is not true.

This chapter is saying something else. Every round of genuine technological progress arrives together with a financial story. The technology is real and the story is real; they happen at the same time, but they are not the same thing. Only by seeing this can you tell which changes come from the technology itself and which come from distribution carried out in the technology's name.

Start with the railway. Andrew Odlyzko, a mathematician and financial historian, considers Britain's railway mania of the 1840s one of the largest technology manias in history. The railway transformed Britain; there is no doubt about that. But reliable figures already existed at the time showing that the projected traffic on many new lines could not support the promised revenues, and investors bought anyway, among them Charles Darwin and John Stuart Mill.¹⁰ The bubble burst in the late 1840s. The railways stayed; many of the shareholders did not.

Then the computer. In 1987 the economist Robert Solow left a famous line: you can see the computer age everywhere but in the productivity statistics.¹¹ The productivity computers brought did not show up in the numbers until the late 1990s; before that, they had already become a story. In 1990 Michael Hammer published "Reengineering Work: Don't Automate, Obliterate" in the *Harvard Business Review*, and "reengineering" quickly became one of the most common banners for the layoff waves of the 1990s.¹² The shift Lazonick described, from "retain and reinvest" to "downsize and distribute," rolled out in full during exactly that period.

Then the internet. In 1998 and 1999, a company had only to announce that it was changing its name to include ".com" for its shares to earn an average abnormal return of about 74% over the ten days around the announcement, regardless of how much the company actually had to do with the internet.¹³ After the bubble burst in 2000, the same researchers found the reverse also held:

dropping “.com” from a name lifted the share price too, with abnormal returns of about 64% over the sixty days around the announcement.¹⁴ The internet itself did not disappear; over the next twenty years it reshaped the entire economy. But in 1999, what the market paid for was often not the technology but the name.

This is the mirror image of the case at the start of this section. The R&D department keeps its name while its contents are swapped out; the .com company keeps its contents while a new name is swapped in. Both say the same thing: the market looks at the label, and the reckoning comes many years later.

Why This Round Is So Fast

Each round has moved faster. In Britain, about ten years separated the first railway boom of the mid-1830s from the great mania of the mid-1840s. From the spread of computers to Solow’s remark to the productivity finally showing up took more than ten years. From Netscape’s IPO in 1995 to the bubble bursting in 2000 took about five.

AI took six months. ChatGPT launched in November 2022; in May 2023, IBM CEO Arvind Krishna told Bloomberg that about 30% of the company’s roughly 26,000 back-office roles that don’t face customers, around 7,800 jobs, could be replaced by AI and automation within five years, and that hiring for those roles would be paused or slowed.¹⁵ A company spokesman later added that there was no blanket hiring freeze. This is the same IBM known for “Roadmap 2015” in Section 4.

Speed is itself a mechanism. The technology’s benefits take years to verify, but the story is booked on the day it is announced. This is the same asymmetry as Section 4’s “promises booked at once, failures settled later.” The faster a technology arrives, the further verification falls behind; before the numbers are in, the layoffs, restructurings and revaluations are already done. By the time anything can actually be settled, the people who made the announcements have usually moved on.

So speed is not just a feature of this round; it is also a ruler. When the next technology arrives, measure how long it takes from launch to the first layoff announcement that cites it. The shorter the gap, the further the story is running ahead of the technology.

A Pessimism Misread Twice

The mainstream view says AI, like earlier automation, will eliminate some jobs and then create more new ones, and the people displaced will eventually be absorbed. Every so often a report announces how many tens of thousands of jobs have vanished, how many more tens of thousands have appeared, and that the net gain is positive.

I am pessimistic about this. But this kind of pessimism is often filed under Luddism: fear of technology, resistance to progress. That is a misreading, and it is a misreading twice over.

The first misreading is of the Luddites themselves. Around 1811, textile workers in the English Midlands and North smashed machines, but they were not against machines; many of them already operated machines. What they opposed was how factory owners *used* the machines: to bypass the guilds' quality standards, push down wages, and replace skilled workers with cheap labor that had served no apprenticeship. They were attacking the way the machines were deployed and the way the gains were distributed. "Luddite" was later simplified to "anti-technology," and that is the version written by the winners.¹⁶

The second misreading is of my argument. I am not saying "technology puts people out of work," but "financialization puts people out of work through technology." The difference lies in one key mechanism.

Economics has what is called the compensation mechanism: the costs saved by automation turn into lower prices, new investment and new wages, which create new demand and so absorb the people displaced.¹⁷ That is roughly how the industrial era worked. But this channel rests on one premise: the money saved flows back into the real economy.

Financialization cuts the channel. The savings no longer go into reinvestment; they flow into buybacks, dividends and propping up share prices, which is exactly Lazonick's "downsize and distribute." In other words, AI is not the starting point, only an accelerator: a system that long ago stopped distributing has been handed a more powerful tool.

As for the figures on "how many lost, how many created," they count the number of jobs, not their quality, and certainly not who fills them. The economist David Autor has studied job polarization: middle-income work gets hollowed out, and most of the people squeezed out move down into low-paid service work, not up.¹⁸ A large share of the so-called new jobs is only an illusion that keeps people competing ever harder while they slide downward.

Daron Acemoglu has another concept, "so-so automation": technology that replaces labor without raising productivity much.¹⁹ It doesn't make the pie bigger; it only moves income from one group's hands into another's.

To be fair, the mainstream's strongest rebuttal is that every pessimistic prediction in history has been wrong, and that most of today's occupations didn't exist a few decades ago. So the focus of this debate should not be "are there enough jobs" but "where does the money go." The first is the mainstream's question; the second is mine.

AI did not invent this playbook. The railway, the computer and the internet have all played the same part, and the next round will have a new name.

8. How to Check

If all of the above is only an argument, another argument can refute it. So it needs methods of verification that can actually be carried out. Here are four, none of which require inside information.

First, the gap between product generations. How many years separate two generations of the same product line. A lengthening gap is direct evidence that development capability is draining away. The data is public, checkable and comparable across companies.

Second, patent structure. The ratio of first filings to continuations and improvements. A rising share of continuations is PE's fingerprint: you are maintaining old inventions rather than creating new ones.

Third, the wording of job ads. No one dresses up a job description for investor relations; it is a direct projection of real internal need, it carries a timestamp, and it can be collected over long periods. When a company's senior engineer postings shift from "architecture design, building from scratch" to "maintaining existing systems, troubleshooting customer issues," that is first-hand evidence of hollowing-out.

Fourth, the wording of senior appointment announcements. If a press release spends most of its length on degrees, alma maters and publication records rather than on the specific deliverables the person will be responsible for, the appointment itself is a signal to the outside, not an arrangement for the inside.

9. Two Objections to Address

First, PE is sometimes normal. A mature product line scaling back development and moving into maintenance is a reasonable allocation of resources. The line between pathology and normality lies not in any single product line but in scope: one product line going PE is normal; every product line going PE at once, while the company still tells the world it is a technology company, is the symptom.

Second, every company's failure can be given a technical explanation. IBM was too late moving to the cloud, Intel misjudged its process technology, Boeing's 787 outsourcing strategy failed. None of these explanations is wrong. But they can explain "why it failed," not "why, while failing, it was still buying back shares and paying dividends on a large scale." These are two different questions: technical error answers the first, financialization answers the second.

Separate the two questions and the argument holds.

Summary

Looking back over this chapter, PE, the veto, replacement, the roadmap and academic credentials all come down to one thing: in an organization built around numerical promises, the word “no” has no place. Clearing out the people who say “no” requires no villain, only a structure that rewards announcement and defers settlement; and every new round of technology gives that structure a name it can say out loud. This round, the name is AI. The technology is real, and so is the story; only by separating the two can you see what is actually happening in the world.

This chapter looked inside companies: how the money saved drains away from R&D and from employees. The next chapter looks outside companies: how the same savings leave their mark on the food you eat every day.

As for how the people pushed out of such a structure should see themselves, that question is left for the conclusion.

Chapter 2: Maxim's

Prologue: The Taste of Chicken

“When Cantonese people eat chicken, what matters most is that it tastes of chicken.” The line came from a Hong Kong television food show years ago and was later passed around online forums as a joke: of course chicken tastes of chicken. In 2007, the food writer Chua Lam shot an advertisement for the Macau bakery Koi Kei’s almond biscuits, took a bite and said, “the biscuit tastes of biscuit.” The laughter was louder this time; reportedly, after the ad played in a cinema, someone in the audience said “that’s meaningless,” and the advertiser soon cut the line.¹ Two years later, his co-host on a show exclaimed, “what a strong taste of pork!” and became a punchline too.¹

Even then, some people online pushed back: a biscuit tasting of biscuit, like chicken tasting of chicken, is not something you can take for granted.¹

They were right. Once a chicken has been cut up, chilled, shipped long distances and divided into bags, little of its fresh flavor is likely to remain.² Hong Kong’s New Territories still have twenty-odd licensed chicken farms,² but locally raised live chicken has become steadily rarer, and most people now eat chilled chicken (shipped cold, not freshly slaughtered). The free-range chickens of my childhood and birds raised fast and fattened for market taste like two different things. Pork is the same: most people can no longer say what today’s pigs are fed. In the budget market, chilled meat is the norm and reconstituted meat has started to appear. So with *char siu*, Cantonese barbecued pork: the old open-fire hanging ovens have all but disappeared, and the best char siu in Hong Kong today relies mostly on its sauce. To eat it the traditional way, you probably have to go to Australia or Canada and find an old master who emigrated. Chua Lam died in 2025,³ and the lines people once laughed at sound less and less like nonsense.

Flavor is hard to put into a financial statement. It is not on the balance sheet, yet it is a restaurant business’s real foundation. Maxim’s fast-food outlets went from good to bad; Maxim’s Cantonese restaurants were good twenty-odd years ago. None of this is news. It is simply something many Hong Kong people know in their bones.

On September 30, 2026, Maxim’s and Jardine Matheson split. When I first heard the news, I thought Jardines had paid Maxim’s an extra HK\$2.6 billion and that Maxim’s was going it alone with cash in hand. When I checked, the direction turned out to be the exact opposite: it was the Maxim’s side that paid.

A deal in which even the direction of the money is easy to misread is the right test of whether the structure described in Chapter 1 can travel beyond the tech industry. The original draft of this chapter was written on October 3, 2026, three days after the deal was announced; the deal itself is

not expected to close until the end of the first quarter of 2027. So this is not hindsight but a forecast on file: write down the script first, then watch how reality plays out.

Here are the chapter's three points up front. First, when capital takes over a company, its moves follow a recurring sequence. Second, the costs those moves save end up where consumers can't see them: what used to be the passing grade becomes a luxury you pay extra for. Third, because every generation takes what it first saw as normal, few people notice the loss. Maxim's is this chapter's example, not its subject; change the company and the city, and the three points still hold.

1. A Four-Step Script

Chapter 1 looked at a loop inside one company. Pull the camera back, and capital's moves after taking over a company also follow a recurring script. In *What Is the Capital Game Playing?* I used Sony and Microsoft's Xbox as cases and summed it up in four steps:⁴

1. **Personnel replacement:** install management with a finance background.
2. **Dilution through acquisition:** change the ownership structure through mergers or new shareholders.
3. **Precision layoffs:** cut the units whose returns don't look good enough.
4. **Narrative packaging:** explain it all with a new story. Each round's story has a new name; in tech, this round it is called AI (see Chapter 1).

The fifth step is **narrative laundering**: through reposting and translation, these moves get described as "transformation," "restructuring," "win-win." The sequel, *Who Says Games Can't Be Made?*, asked a further question: once hollowed out, how long can a shell survive?⁵

Each section below opens with one sentence restating the relevant step, so there is no need to flip back.

2. The First Round Is Already Over

First, the deal itself. The Maxim's brand was founded in 1956; from 1972 it has been a joint venture between the Wu family's Hong Kong Foods and Jardines, with Jardines holding half through DFI Retail Group. The September 30, 2026 deal is DFI exiting Maxim's: Maxim's hands over Coffee Concepts, its Starbucks franchise business covering more than 1,100 stores in seven Asian markets, and DFI also receives about US\$340 million (about HK\$2.65 billion) in cash. The Wu family thereby becomes the sole owner of Maxim's.⁶

In other words, the Wus bought back the other half of their own company with their steadiest cash cow plus a sum of cash.

The Most Valuable Thing Wasn't Theirs

Maxim's is not just a restaurant group; it is also a brand franchisee. Mainland Chinese media have called it the restaurant world's "trendy-brand buyer": Starbucks, Genki Sushi, Ippudo and Shake Shack all opened in mainland China with Maxim's behind them.⁷ The advantage of franchising is that you don't have to build the brands yourself; the drawback is that the brands aren't yours. Starbucks, which was taken away in this deal, is exactly such a brand.

This matters for the second round. The value of a franchised brand can walk away with the contract. What Maxim's actually owns are its own brands, such as its mooncakes, its bakeries, Maxim's MX and Jade Garden, plus the capability to operate foreign brands under franchise. Whether Maxim's later brings in private equity, lists or sells, a buyer's first question will be whether it is buying brands or a stack of contracts.

What Jardines Did

The direction from which the deal was launched deserves attention. Jardines chairman Ben Keswick has been pushing a group restructuring in recent years, turning Jardines from a traditional "owner-operator" into a portfolio company that recycles capital.⁸ DFI described the deal as a key step from portfolio company to focused operating company: the Starbucks business immediately lifts revenue and operating margin, the cash strengthens the balance sheet, and the payout ratio for 2027 rises to 80%.⁹ After the announcement, DFI's share price jumped 6.6%.⁸

Take the best asset, collect cash, raise the dividend, and the market applauds. Anyone who has read Chapter 1 will find this familiar.

A Listed Company's Illness Without a Listed Company's Life

Maxim's position over the past fifty-four years was unusual. It was not listed and did not have to publish accounts; but its profits flowed into DFI's books under the equity method,¹⁰ and DFI had to answer to public shareholders. The rhythm and pressure of a listed company came down to it through its shareholder; the benefits of being listed, such as raising money in the market, liquid shares and a market valuation, it had none of.

The more fundamental constraint was the 50/50 split. Day-to-day operations were run by the Wus, but selling a brand, bringing in a new shareholder or a large-scale transformation could be held up by either side. An ownership structure like that is almost impossible to sell: no buyer wants half a company plus a partner with a veto.

So my judgment is this: the first round of the capital game is over. The player was Jardines, and Maxim's is the part left behind. Only one question remains: will the Wu family start a second round?

3. The Four Steps, Matched

To apply the four-step script to Maxim's, each step needs a signal that tells the cases apart. The reason is simple: the restaurant industry itself is shrinking, so many moves could be part of the script or just normal business. A comparison that can't tell them apart is only forcing a framework onto the facts.

Personnel Replacement

The script's first step is installing management with a finance background. At present, Maxim's chairman and managing director is Michael Wu, with the family at the helm.

Signal to watch: after the deal closes, will Maxim's parachute in a CEO or CFO from private equity, investment banking or finance? The family continuing to run things itself is a counter-signal.

Dilution Through Acquisition

The second step is changing the ownership structure through mergers or new shareholders. This time Maxim's went the opposite way: from 50% back to 100%.

But the opposite direction is precisely the precondition for the next step. The media have already speculated that with a simpler ownership structure, bringing in a private equity fund or a strategic shareholder, or even listing, will be much easier; and with many Hong Kong brands falling into mainland Chinese hands in recent years, whether Maxim's will be sold is being watched too.⁸

Signal to watch: does a private equity or strategic investor buy in, even a minority stake? Is any individual brand sold or licensed separately?

Precision Layoffs

The third step is cutting the units whose returns don't look good enough. In early 2026, Maxim's had already closed the Tseung Kwan O branch of Jade Garden.¹¹

But closing a restaurant is not evidence in itself. The whole Cantonese restaurant sector is shrinking, and closing a loss-making branch is what any operator would do.

Signal to watch: are the branches Maxim's closes losing money, or "profitable but not returning enough"? The first is stopping the bleeding; the second is dressing up the books for the next buyer. Another signal is central functions: are departments that don't directly produce revenue, such as R&D, purchasing and chef training, cut sharply?

Narrative Packaging

The fourth step is explaining everything with a new story. In tech, this round's story is AI; the restaurant industry's equivalent is "expanding into Southeast Asia," "Greater Bay Area growth,"

“digitalization.” In the deal announcement, Michael Wu already said Maxim’s would seize growth opportunities in mainland China, Hong Kong, Macau, Southeast Asia and beyond.⁶

Signal to watch: after the story, does real money follow? Capital spending on new stores, new factories and new markets is the operator’s route; a story without spending is packaging.

4. The Fifth Step: A Misread Deal

The fifth step needs no waiting; it can already be seen.

On the evening the deal was announced, the media used much the same words: “split,” “business realignment,” “each takes what it needs,” “amicable parting,” and some described DFI as “generously raising its dividend.”¹² None of these words is wrong, but they share one effect: they describe a transaction as two equal partners parting on good terms.

The actual structure is not symmetrical. One side takes a stable cash cow plus cash, and its share price rises that day; the other keeps its brands and control but loses its steadiest cash flow, and may have to renegotiate the favorable leases it enjoyed in Jardine-linked properties.⁸ Who paid and who was paid is invisible in the word “split.”

I am the evidence myself. When I first heard the news, I thought Jardines had paid Maxim’s. If someone who has followed capital moves for years can misread the direction of the money, what an ordinary reader takes from “split” is probably just a warm impression: two old partners of fifty-four years, going their separate ways.

That is not to say anyone set out to mislead. Narrative laundering never needs a conspiracy, only that everyone who passes the story along chooses the smoothest word. As with Chapter 1’s loop, no step needs a villain.

5. A Shop, Not a Shell

At this point it would be easy to write Maxim’s up as the shell from *Who Says Games Can’t Be Made?* That would be wrong.

After the deal, Maxim’s still has more than 1,000 restaurants and bakeries across eight markets.⁹ More persuasive are DFI’s own numbers: DFI acknowledged that the deal will initially dilute earnings per share, because it will no longer book profits from Maxim’s restaurants and mooncake business under the equity method, a gap of about US\$35 million to US\$40 million in the first year.¹⁰ That is a net figure and cannot be used to work out directly how much Maxim’s earns; but it shows that, without Starbucks, Maxim’s remaining businesses still make money.

As for the Starbucks business that was taken away, it has annual revenue of more than US\$800 million and an operating margin of about 7% to 7.5%.¹⁰ Steady, but not a windfall. What Maxim’s lost is the stability of its cash flow, not its entire lifeline.

Which Part Is Really Shrinking

The impression that “every restaurant in Hong Kong is closing” also needs taking apart. In the first quarter of 2026, total restaurant receipts in Hong Kong were 7.2% lower than in the same period of 2018, but Chinese restaurants were down 27.9%; over eight years, the number of Cantonese restaurants fell from 1,790 to 1,500.^{11 13} Mak Tsui-choi (麥萃才) of Hong Kong Baptist University has pointed out that the restaurants hit hardest by “northbound consumption,” Hong Kong people crossing the border to spend in Shenzhen and elsewhere, are the mid-priced ones, while high-end and budget dining have been relatively stable.¹⁴

This is a K-shaped split, not a total collapse. The most exposed part of Maxim’s is precisely its mid-priced Cantonese restaurants; fast food, bakeries and mooncakes face a different kind of competition.

Freshness Became a Performance

Maxim’s cost control did not start after the split. As far as I have observed, Maxim’s turned many of its dishes into semi-finished products years ago; dim sum is still steamed in the restaurants, but it has long since stopped being made there. So the decline in flavor is not the result of the capital game; it was already the background in the 50/50 years. The real question after the split is whether this cost-saving road stops, continues, or speeds up.

But Maxim’s has more than one road. In March 2026, Maxim’s Palace opened a new restaurant of more than 12,000 square feet in Mong Kok’s MOKO mall, recreating the dragon-and-phoenix banquet hall and the hand-pushed dim sum trolley, and for the first time installing an open kitchen that roasts suckling pig on the spot; press coverage placed it against the rise of nostalgic Cantonese restaurants.¹⁵ In other words, Maxim’s is itself K-shaped inside: the mass-market line keeps saving, while the flagship line sells “freshly made,” a piece of common sense that has become a luxury.

The open kitchen deserves a second look. Suckling pig can be roasted on the spot; dim sum can’t. Dim sum masters in the old restaurants started work at two or three in the morning and kept going until six; each day’s dim sum was made that day, and whatever didn’t sell was not kept for the next. The costs of doing it that way were night-shift labor and daily waste, which are exactly the two things hardest to afford today. Customers can see the roasting oven; what they can’t see is where, and when, the dim sum was made. Freshness has gone from a step in the process to something put on display.

That doesn’t mean the dim sum at MOKO isn’t fresh; I have no evidence of that and won’t claim it. What I want to point out is this: when freshness has to be displayed, it has usually stopped

being the norm. This is the restaurant industry's version of narrative packaging, and the hardest of Section 3's signals to read: the investment is real, but what it invests in may be the story itself.

In early October 2026, the same week the deal was announced, another closure in Hong Kong showed the price of this common sense. Five Guys, a premium fast-food chain built on burgers made to order and hand-cut fries, closed its branch at apm in Kwun Tong; within a year it had closed four outlets, in North Point, Causeway Bay, Citywalk in Tsuen Wan and Kwun Tong, leaving five in all of Hong Kong.¹⁶ It had launched an HK\$99 set meal, breaking with its long-standing à la carte model, and then an HK\$80 kids' meal; neither saved it.¹⁷ apm and Citywalk are malls that office workers pass through; there, the reference point for a burger's price is McDonald's, not one shop's costs.

This bears directly on Maxim's. Maxim's is Shake Shack's franchisee in Hong Kong, opening together in 2018; when Maxim's announced it would take the brand to Thailand, it was already running 24 Shake Shacks in Greater China.¹⁸ Shake Shack sells itself on natural Angus beef and sits in the same price band as Five Guys; Maxim's has also closed its Shake Shack at Elements in Hong Kong, officially because the lease expired.¹⁹ The wall Five Guys hit has one of Maxim's brands standing in front of it too.

6. Why Common Sense Became a Luxury

The sections above keep saying freshness has become expensive without saying clearly why. For what used to be the most basic thing to become almost impossible to eat again, at least five layers of cost have stacked up.

Five Layers of Cost

First, narrowed supply. Hong Kong's live poultry is tightly controlled under avian flu policy; since early 2016 no live chickens have been supplied from mainland China, only twenty-odd local farms remain, and total stocking is capped.²⁰ The industry told the Legislative Council that after mainland supply stopped, the supply of live chickens halved and prices rose accordingly.²¹ This layer has nothing to do with capital; it is the price of public health policy.

Second, labor. Old-style dim sum needs masters who start before dawn; roast meats need someone to tend the oven. Night shifts and craft skills are the hardest and most expensive labor to hire today.

Third, space. Preparing food on site needs kitchen floor space, and space is Hong Kong's most expensive factor of production. Central kitchens are not only about saving labor; shop rents are too high to fit a proper kitchen.

Fourth, waste. Fresh ingredients keep for days; misjudge sales and the whole batch is thrown away. Frozen ingredients keep for months. During the pre-made-food controversy at the mainland Chinese restaurant chain Xibei, pictures circulating online showed some frozen ingredients in its stores with shelf lives of 9 months, and lamb chops of 24 months.²² When the margin for error differs by a factor of dozens, so do the costs.

Fifth, scale. When most competitors switch to frozen and pre-made food, freshness becomes niche; a niche can't spread fixed costs, so its prices only rise. Meanwhile, prices in the budget market have long been capped by Hong Kong's standard of *ping, leng, jing*: cheap, good-looking, authentic. A burger is compared with McDonald's, dim sum with the neighborhood teahouse.

Add the five layers together and the answer is clear: original flavor is not impossible to produce; it is that no price band has room for it. The budget band can't afford it, the mid-priced band is shrinking, and only the top band is left, selling it as a luxury, even as a show.

Nor is this only a Hong Kong story. In the US, someone posted Five Guys receipts from 2011 and 2025 side by side: a bacon cheeseburger had risen from US\$5.79 to US\$11.17; Five Guys' explanation was that prices follow ingredient costs, and when suppliers raise prices, the register follows.²³ In 2022, the same combination of a burger, fries and a soda cost about US\$6.19 at McDonald's and an average of US\$19.95 at Five Guys.²⁴ Fresh beef, never frozen, peanut oil: the same principles have become a luxury in the US too.

Of the five layers, labor, waste and scale are shared worldwide; what Hong Kong adds is a live poultry supply narrowed by policy, extremely high shop rents, and a mid-priced clientele taken away by northbound consumption. So Hong Kong is not an exception; the same trend has simply moved faster and further there.

Inflation That Isn't Counted

Nor is this only about Cantonese restaurants. A burger that insists on fresh meat, prepared to order, has become a selling point. The McDonald's I ate as a child and the McDonald's of today differ in size and in taste. When I used to have dinner at Café de Coral in Hong Kong, the steak was a whole cut of meat; there was no such thing as reconstituted meat then. Today, a tender steak cut from a whole piece is a premium luxury.

As long as you don't mind, life doesn't seem to have got worse. But if you want to buy back the same service at the same quality, much of it is now astronomically expensive. Many people sense this vaguely without being able to say what is wrong. There are at least three reasons.

First, official figures don't capture it. Inflation statistics measure the price of "a steak," but a whole cut and reconstituted meat may both count as "steak" in the basket. Shrinking portions (shrinkflation) at least have a chance of being counted; declining quality (sometimes called

skimpflation) is almost invisible. The figures say prices rose only a little, but buying back the same thing has long since moved to another price level.

Second, there is a pattern to what gets cheaper and what gets dearer. Things that can be copied at scale, such as electronics, information and entertainment, really have become much cheaper; things that need real materials, labor, time and land, such as freshly cut meat, handwork, housing and education, keep getting more expensive. Compare this with the five layers above and nearly all of them fall into the second group: labor, space and waste are exactly the costs financial statements most want to cut. So the market splits in two: basic quality is upgraded into a “premium product,” and the mass market is left with substitutes.

The third reason is memory itself. That is left for this chapter’s last section.

So has the world got better? The honest answer is that it depends on which basket you count. Phones, medicine and access to information really have got better; but on the side of “real things,” many people maintain an appearance of unchanged living standards by accepting substitutes. The costs companies save here go to the same place as the savings taken from R&D departments in Chapter 1 (Chapter 3 will connect the two lines).

7. The Brand’s Other Old Account

When Maxim’s comes up, the first thing many Hong Kong people think of may not be flavor but a remark from 2019. That November, Annie Wu, the eldest daughter of Maxim’s co-founder James Tak Wu, told the *Global Times* in an interview that society had lost two whole generations of young people, and that she would give up on them.²⁵ Earlier, in September, after she spoke at the UN Human Rights Council, many Maxim’s outlets were spray-painted and vandalized; Maxim’s quickly issued a statement that Annie Wu held no position in the company and had no part in its management.²⁶

What is most worth recording here is not her political position but governance. A family member with no position and a limited shareholding could directly move the value of the whole brand, because the brand carries a surname, not a share percentage. This old account also weighs differently on the two roads: on the operator’s road, Maxim’s has to face Hong Kong’s next generation of customers; on the capital road, how heavily this mark weighs may vary widely from buyer to buyer, and that can only be speculation.

But I don’t treat it as the main cause of Maxim’s decline. The effect of 2019 is tangled up with falling quality, northbound consumption and the shrinking of mid-priced restaurants, and there is no data to separate them. My judgment remains: the problem is first and foremost that the food isn’t good enough.

8. The Framework's Limits

Here I have to admit honestly that the four-step script fits Maxim's badly in three places.

First, the players are different. The cases in *What Is the Capital Game Playing?* involve outside capital taking over a company with no attachment to its long-term survival. Maxim's is controlled by its founding family, with seventy years of brand and reputation at stake; its incentives are entirely different from a private equity fund's.

Second, the assets are different. A game company's assets are IP and talent, which can be packaged and sold; a restaurant's assets are its premises, its staff and its flavor, most of which can't be moved and won't fetch a good price. The taste of chicken in the prologue is exactly this kind of asset.

Third, the reasons for shrinking are different. Tech companies lay people off amid record profits, so the layoffs are themselves evidence of the script. Maxim's is in a sector that is genuinely shrinking; its contraction may not be the script at all, only survival.

So the only reliable test of the framework here is Section 3's signals: is each contraction meant to keep Maxim's alive, or to make Maxim's easier to sell?

9. Two Roads

"Saving Maxim's" needs defining first. It cannot return to the glory of its partnership with Jardines; but as long as it remains a chain, even a smaller one, that is better than shrinking down to a single shop that survives in name only.

Seen this way, Maxim's has two roads before it. One is the operator's road: cut the mid-priced restaurants, put resources into the businesses that can still compete, and shrink without dying in a shrinking market. The other is the capital road: clean up the ownership, dress up the books, bring in new shareholders or break it up for sale, and let the family exit at the best valuation.

I have always opposed involution, the endless race to outdo each other for no real gain. But Maxim's is already in the game, with no option of not competing. Not competing leaves only the capital road. Choosing the capital road is not necessarily a bad business decision; it is just a pity.

The Most Likely Path: Private Equity First, Then a Listing

As it is structured today, Maxim's really is an attractive shell: clean ownership, a famous brand, still profitable. That is a different thing from the hollowed-out shell of *Who Says Games Can't Be Made?* The question is not whether it can be sold, but how.

A direct listing is not easy in the short term. A Hong Kong main-board listing generally requires a three-year track record, and Maxim's figures for the past three years include Starbucks; once the

prospectus came out, investors would see a big chunk of revenue missing, explained only by pro forma figures. The cleaner approach is to spend two or three years producing standalone results without Starbucks, which means 2029 or 2030 at the earliest.

Listing also means inviting the illness back. The Wus have just paid HK\$2.65 billion in cash plus Starbucks to free themselves of a shareholder that answered to public investors; once listed, the pressure would come straight from public shareholders, and every branch closure and every quarter's profit would have to be disclosed. And listing is not an exit but a slow one: founders face a lock-up and can then sell down only in stages. If the aim is a clean exit, a private sale to a strategic buyer or private equity is much faster, and the price includes a control premium; the cost is one more headline about "a Hong Kong brand falling into mainland hands."

So my estimate is that the most likely road lies in between: bring in private equity as a minority shareholder, let it send in a CFO, clean up the accounts and write a good growth story, list in three to five years, and have the private equity investor exit at the listing.

What makes this road interesting is that it runs the four-step script from start to finish. Personnel replacement, dilution, precision cuts, narrative packaging: every step can be explained as "preparing for the listing," with no one needing bad intentions. The script need not be carried out by predators; it can also be a standard procedure that passes for "professionalization."

There is, of course, another possibility: the family sells nothing and keeps collecting dividends. They have just paid real money to buy back full ownership, so this is far from unlikely. Which road it takes depends on the family's succession plans and its need for cash, neither of which outsiders can see. The earliest signals will be whether Maxim's hires an investment bank, and whether it brings in a CFO with listing experience.

What to Watch a Year On

The deal is expected to close by the end of the first quarter of 2027. These are the signals to watch in the first year after it closes:

What to watch	Operator's road	Capital road
Management	Family stays in charge	A CEO from private equity or finance parachuted in, or a CFO with listing experience
Outside advisers	No investment bank involved	Investment bank hired to prepare a restructuring or listing
Ownership	Stays wholly owned	Private equity brought in as minority shareholder, listing

What to watch	Operator's road	Capital road
		in three to five years; or an outright sale
Financial reporting	Unchanged	Standalone results excluding Starbucks prepared, paving the way for a prospectus
Brands	Kept together	Individual brands sold or licensed separately
Closures	Loss-making branches closed	Profitable but low-return branches closed
Central functions	R&D, purchasing and chef training kept	Departments that don't directly produce revenue cut sharply
Capital spending	Real investment in new stores, factories, markets	Growth story without spending

If it matches, the script can travel beyond the tech industry; if it doesn't, a founding family's choices in a shrinking market can't be explained by the same framework. Both outcomes are worth writing down.

10. Baseline

When it comes to money, Hong Kong people's most common standard is *ping, leng, jing*. Few remember that original flavor was once just the passing grade, not something you paid extra for. Today, that it can't be had again is taken for granted; in Hong Kong a boycott can break out over one remark, but rarely over pre-made food or a plate of dim sum that has lost its taste.

Mainland China, by contrast, has seen one. In September 2025, the entrepreneur Luo Yonghao complained that the restaurant chain Xibei served almost entirely pre-made food; Xibei's business fell off a cliff, and one Beijing branch had 5 occupied tables out of 43 at lunch.²⁷ But the outcome was that Xibei cut prices across the board by 20 to 40 percent,²⁷ and later was reported to be closing 102 branches at once.²⁸ Consumers' anger ended up landing on price, not on flavor.

This is the third reason left over from Section 6. The fisheries scientist Daniel Pauly proposed the idea of the "shifting baseline": each generation takes the ocean it first saw as normal, so the fish keep dwindling and no one feels there are fewer.²⁹ Flavor is the same. People who have eaten a whole-cut steak find reconstituted meat a step backward; for people who grew up on reconstituted meat, it is normal. Those who never ate free-range chicken don't feel chilled chicken is missing

anything; those who never ate dim sum made fresh at dawn don't feel central-kitchen dim sum lacks anything. The loss exists only in the people who remember.

Children today grow up on chilled chicken; for them, "the taste of chicken" has no reference point. "The biscuit tastes of biscuit" was once dismissed as nonsense precisely because everyone took original flavor for granted; by the time the joke became true, no one remembered what original flavor was. When no one remembers, no one asks for it; when no one asks for it, no one needs to save it.

As for the taste of chicken, probably neither road will bring it back.

Afterword: The Clock on This Forecast

The original draft of this chapter was written on October 3, 2026. The table above has two checkpoints: October 2027, a year after the draft, when the deal may have just closed; and around the end of the first quarter of 2028, a year after closing, when the signals in the table will have completed one full round. When this book is published, neither checkpoint will have arrived. So the table is not a conclusion but a scorecard handed to the reader: when you read this, you can look up the news yourself and see which column Maxim's has followed. I will also publish my own comparison on the Mythogen Engine website, whether it matches or not.

Summary

Looking back over this chapter, the Maxim's split, the four-step comparison, the five layers of cost and the inflation no one counts are, in the end, what Chapter 1's structure looks like on the dinner table. Inside the company, what gets cleared out is the people who say "no"; outside it, what gets cleared out is original flavor. Neither needs a villain, neither shows up in the accounts, and the loss stays only with the people who remember.

But the chapter leaves a question unanswered. If original flavor really has no price band left to hold it, why are there still small shops in the world that keep selling cheap, honest, delicious food?

The answer is not in the flavor but in something more fundamental. The next chapter begins with a few small shops on Bentenjima, in Japan.

Chapter 3: Every Exit Charges the Same Entry Fee, and It Is Called a Floor

Prologue: The Small Shops of Bentenjima

In 2019, I visited Bentenjima, in Hamamatsu, Shizuoka Prefecture. It has plenty of small family-run Japanese restaurants, each kept by one family, serving tourists and locals alike. The food was cheap, the portions generous and the flavor good; in Hong Kong terms, *ping, leng, jing*: cheap, good-looking, authentic.

Most of these shops were run out of the family's own house. With no rent being drawn off, costs stayed low; they had no need to expand or chase growth to keep going. They didn't make much money, but making a living was no problem. To me it looked like a kind of contentment, everything in its proper place.

But there were hardly any young people. I was told they had all left to find work.

This chapter starts from those three things. The cheap, honest shops remind us what "normal" used to look like; the houses they owned explain how they could step out of the game; and the young people who left show where this exit ends.

Here is the conclusion up front: every road that seems to lead out of the game charges the same entry fee, a floor you can afford to fall onto, something that lets you lose without going under. Education, housing, credit and low desire: this chapter tests that claim against each one.

1. Two Lines Already Drawn

The first two chapters have already drawn two lines. Here I only join them.

The first line is work. Technological progress is real, but every round comes with a financial story; what takes away jobs is often not technology itself but distribution carried out in technology's name (see Chapter 1). What economics calls the compensation mechanism is the costs saved by automation turning into lower prices, new investment and new wages, which then absorb the people displaced; its premise is that the money saved flows back into the real economy. Financialization cuts that channel: the savings flow into buybacks and dividends, and most of the people squeezed out move down into low-paid service work, not up.

The second line is consumption. Whole-cut steak becomes reconstituted meat, chicken loses its taste, and the decline in quality never appears in inflation statistics; things that can be copied at scale get cheaper, while things that need labor, time and land get more expensive (see Chapter 2).

Here the two lines merge. The costs companies save go back neither to employees nor to consumers; they go into the profit margin. People pushed downward can afford only the downgraded version; the market for the downgraded version is large enough to give companies

even more reason to keep downgrading. Involution on the production side and downgrading on the consumption side feed each other.

In such a world, some people can still step out and some can't. This chapter asks what makes the difference.

2. Education: A Race Burned by the Middle Class

Education has one deeply absurd feature: it is crammed with useless content, its fees have gone sky-high, and everyone still has to compete harder and harder to keep up. In practice, it punishes the poor for being born to the wrong parents.

The education people actually need is not complicated: a foundation in their own language, English and mathematics, plus the eye to teach themselves and the habit of thinking critically. Collective, standardized rote education not only fails to provide these but wastes students' time and leaves them no chance to encounter them.

Several strands of scholarship support this judgment. The economist Bryan Caplan argues that most of the return on education comes from "signaling" rather than skills: a diploma proves you are obedient, persistent and clever enough to get through the whole system, while much of what you learned is never used once you leave.¹ The sociologist Randall Collins called this, much earlier, "the credential society."²

Why does education keep getting more competitive and more expensive? Fred Hirsch's image fits well: in a stadium, the people in front stand up to see better, so the whole crowd stands up; in the end nobody sees any better, but everyone is tired.³ A degree is a positional good; its value lies only in being higher than someone else's, so there is no ceiling on what people put in. That is where the arms race of tutoring, elite schools and extracurricular activities comes from.

The Ones Fighting Hardest Are Not the Poor

The rich don't need to win this exam; they have another way in. The poor often know early that they can't catch up, or lack the resources to try, and are pushed half out of the race. The most anxious, hardest-fighting layer is the one in the middle, because it has something to lose.

Barbara Ehrenreich called this mentality the "fear of falling": middle-class status cannot be passed on directly; each generation has to earn it again, so education becomes the only insurance against falling, and the premium has no cap.⁴

Where does the money end up? In *The Two-Income Trap*, Elizabeth Warren and Amelia Tyagi examined why American middle-class families with two incomes were more stretched than the previous generation with one. A major cause was parents competing to buy homes in good school districts, so that the extra income turned entirely into house prices.⁵ The price premium on homes

in Hong Kong's "elite school nets" and the size of its tutoring industry are the same story: the middle class's sacrifices did not become the next generation's actual ability; they flowed to property owners and the education industry.

The hardest part is that participating is rational for every single family. If you alone don't compete, your child loses; if everyone competes, no one gains. This is a classic prisoner's dilemma, which is why advice like "just don't compete yourself" is useless: no one can lay down their weapons unilaterally.

The Top Has Its Own Track

The truly wealthy are not in this stadium at all. In a 2023 study of admissions to elite US private universities, Raj Chetty and his colleagues found that among applicants with the same test scores, children from the richest 1% of families were more than twice as likely to be admitted as middle-class children.⁶ The gap came not from the tests but from legacy preferences for alumni children, donations, and recruitment for sports that only the rich can afford to play. The exam is only the middle class's track; the top has its own entrance.

This track is hard to notice for two reasons. The people on it are few, and their lives are completely separate; and people usually compare themselves only with the layer nearby. Looking up, the middle class sees professional families a little better off than themselves and takes that for the top. All the competition is sideways; the real top is out of sight.

The irony is that what that track provides is precisely "the education people actually need" described above: exposure, connections, direct contact with decision-makers, and most important of all, a safety net that lets you fail. Rich children can experiment, change course, fail at a start-up and try again, because losing won't make them fall. For them, education is experience and networks; for everyone else, it is an exam they cannot afford to fail.

And this invisibility is what keeps the whole game running. If everyone could see clearly that the top gets in without sitting the exam, the story of "study hard and change your fate" could no longer be told, and the middle class would not pay its premiums so willingly.

Standardization Is Not the Culprit

There is a trap to avoid, though. Standardized tests have historically been one of the few upward routes for the poor. When admissions switch to "holistic review," with interviews and portfolios, families with resources play the game better, because they can afford consultants to package their children. Several elite American universities dropped standardized testing and then brought it back, and one of their reasons was that test scores actually helped them find talented applicants from disadvantaged backgrounds.⁷

The cognitive scientist Daniel Willingham also points out that critical thinking cannot be trained apart from knowledge: you have to understand something before you can criticize it.⁸ Self-directed learning works best for children with family support; for those without it, the structure of school may be their only scaffolding.

So the problem is not standardization itself, but that standardized content is stuffed with filler that serves only as a signal, while positional competition forces everyone to pour in unlimited time and money. Aim at tearing down the standards, and the first to suffer may be the poor.

3. Housing: Life's Most Leveraged Bet, Packaged as the Most Conservative Move

People in their forties and fifties, even their fifties and sixties, who bought homes with heavy leverage when they were young are, in theory, quite carefree today. The ones in real trouble are those still paying off mortgages now, especially those who took out a second mortgage on top.

The same heavily leveraged purchase, completely opposite outcomes. The difference is not who was smarter or worked harder, but when they got in. Those who bought after the 2008 financial crisis, in the long era of low interest rates, were the ones who really caught the wave; those who bought at the peak before the 1997 Asian financial crisis got trapped just the same.

Many people who bought at Hong Kong's 1997 peak spent ten years in "negative equity," owing more on the mortgage than the home was worth; those who bought at the top of Japan's bubble fared even worse, and some never got their money back in their lifetimes. Leverage itself is neither good nor bad; it only amplifies the headwind or tailwind of the times. The "carefree elders" we see today are the ones who made it through, and that is survivorship bias in itself.

The Riskiest Decision, the Most Conservative Packaging

The cleverest thing about this story is that it packages life's riskiest decision as the steadiest, most proper step. Hong Kong people talk about "buying a home to settle down" and "getting on the bus early," meaning buying a first home, and it sounds like conservative financial planning. Mathematically, it is the largest, most leveraged bet an ordinary person will make in a lifetime.

A 90% mortgage means a 10% fall in house prices wipes out your entire down payment. Wages grow a few percent a year, in a straight line; one cycle of a leveraged asset's rise or fall can cancel out ten years of savings. The two scales are not remotely comparable. That timing decides the outcome is a matter of arithmetic, not attitude.

Why does the story always report the good news and never the bad? Because too many people benefit from it. Those who succeed tend to credit their own hard work and foresight; few say, "I was just lucky, I happened to get the timing right." Those who fail are described as not trying hard enough, or as too greedy.

The story that “hard work brings success” sustains two things at once: a workforce willing to endure hardship, unwilling to question the structure and easy to manage; and an endless supply of buyers to take over, holding up the banks, the developers and governments that depend on land-sale revenue.

What Effort Can't Buy

So does individual effort count for nothing? I used to think effort at least decided whether you could ride out bad timing: many of those who lost everything in 1997 were people who lost their jobs or couldn't keep up their mortgage payments and were forced to sell at a loss.

But that doesn't hold up either. When interest rates rise, monthly payments jump at once, which has nothing to do with how hard you work; when the economy turns, layoffs often arrive together with falling house prices, and whether you keep your job is mostly not up to you. Around 2024, negative equity cases in Hong Kong rose to roughly a twenty-year high.⁹

Whether you make it through depends in the end not on effort but on how thick your floor is: whether you have savings to cover a few years of mortgage payments, whether family can help, how big a down payment you made so the leverage isn't too high.

And the previous generation's floor was in large part a dividend of the times, yet it is described as a virtue earned through endurance. So the next generation chases it with the same method, work hard, borrow, buy, under completely different conditions, and bears all the risk alone.

More jarring still, the value of the previous generation's assets is partly propped up by the next generation's mortgages and rents. As with education, the game rewards those who entered early, and the cost borne by those who entered late is packaged as “you didn't try hard enough.”

4. Credit's Invisible Hand

If leverage in expensive areas is so dangerous, why not buy somewhere cheaper?

By 2026 I had lived in Taiwan for five years, and I never quite understood this. Many people would rather borrow more to buy in Taipei City; plenty of Taiwanese don't even want to live in Tamsui. People whose family home is in Chiayi won't buy there either. If moving to Taoyuan meant borrowing much less, wouldn't that solve a lot of problems? Hong Kong is small; however inconvenient a place is, it is never that far. Taiwan is different.

Locals give several reasons. Jobs are heavily concentrated in Taipei, and outside Greater Taipei the metro network thins out; many places depend on cars or scooters, and the time and cost of commuting shoot up. Taipei City home prices usually hold up better in a downturn and are easier to resell, so many people choose by the logic of an “asset” rather than a “home.” Taipei City is in better fiscal shape, with richer education resources and subsidies, and comes with a status label.

As for people whose family home is in Chiayi, the family often already has an old house or land, so there is no need to buy; and young people can't stay because there are few jobs there, much as on Bentenjima.

Some people are in fact pursuing another choice. Since the 2010s, the populations of Taoyuan and Linkou have grown fast, many of them families who couldn't afford Taipei and chose lower leverage in exchange for a longer commute. In theory, "rent where you work, buy somewhere cheap to retire" is perfectly reasonable too.

The Cheaper the Place, the Harder to Borrow

But there is a deeper structure here: you can't borrow in the countryside.

When banks lend, they look at whether the collateral can be sold. For remote areas, old houses, farmland or small units, bank valuations are usually low and so are loan-to-value ratios; sometimes you need a down payment of 50 or 60 percent. In other words, the cheaper the place, the more cash you need; the more expensive the place, the easier it is to borrow.

As a result, credit flows only to places that are already expensive, making them more expensive still; cheap places, where you can't borrow, have few buyers, so they stay cheap and stay hard to resell. On the surface, where to live is a personal choice; in reality, the financial system has already made half the choice for you.

On top of that, you still have to pay rent where you work. Trying to avoid heavy leverage by splitting the two means carrying rent and a large down payment at the same time, and in the end only people with a thick floor can manage it.

People usually assume the distribution of house prices is set by supply, demand and personal choice. Few realize that where you can borrow is the invisible hand pushing people into expensive areas.

5. Low Desire: Liberation, or Resignation?

Japan is often described as having become a "low-desire society," a term coined by Kenichi Ohmae.¹⁰ Some see it as a collective choice to escape a distorted model: not pursuing expansion, not chasing growth, holding on to an asset already paid off, and living a contented life.

The small shops on Bentenjima are the physical version of this "low-demand safety net." The premises are their own, no rent is drawn off, and costs are low enough to stand without expanding. They did not win the game; they used an asset already paid off so that they wouldn't have to play.

But the line "there were hardly any young people" shows this model's limit: it can last one generation but can't be copied to the next. The owners' premises were accumulated between the postwar years and the bubble era. Young people who can't inherit have to rent if they want to

open a shop in the countryside, which means falling straight back into a structure where rent is drawn off. (The beef noodle shop in Gongxi, Taoyuan, in Chapter 9 is the Taiwanese version of the same thing.)

Add to that the concentration of jobs, income, social life and potential partners in the cities, and leaving is the rational choice for the young. In 2014, Japan's "Masuda Report" estimated that more than 800 municipalities across the country were at risk of disappearing.¹¹ Many small shops that still made money eventually closed because no one took over, not because they were losing money.

"Low desire" itself also has an ambiguity worth probing. Ohmae used the term with concern; in Japan, some also call the younger generation the "satori generation," people who don't chase cars, brands or romance. Have they found contentment, or have they fallen into the shifting baseline described in Chapter 2, adapting to stagnation and then telling themselves they never wanted more?

The same behavior can be liberation or resignation. I think the dividing line is whether there was a choice. People with assets and a way out who choose low desire have found contentment; people without assets or a way out who are forced into low desire have only given resignation a nicer name.

Summary

Looking back over this chapter, education, housing, credit and the small shops of Bentenjima all come down to the same thing: a floor. People with a floor can afford low desire, can experiment, can ride out a downturn; people without one have to win at everything, and one loss leaves no chance to recover. Every road that seems to lead out of the game charges the same entry fee, and it is called a floor; and that floor is usually left by the previous generation.

So the real question is not how to win, but how people without a floor can build one for themselves. That question is answered in the conclusion.

Before that, another question has to be asked: in the same world, why can some people see these structures while others can't?

Part Two: Why You Can See It and Others Can't

Chapter 4: Ten Lunch Boxes, a Hundred Students

1. The Steakhouse Downstairs

Below my apartment there is an upscale dry-aged steakhouse where a steak costs several thousand dollars. I normally can't bring myself to eat there, but there are always people going in. Whether they are genuinely rich or only putting on a show, they eat their feast, and it has no effect on how I live my day. Whether that restaurant exists, and who eats there, doesn't touch me.

The reverse holds too: when you see someone living simply, there is no need to look down on them. As long as they aren't blocking your doorway, if they eat pan-fried buns or bread at every meal, that is their choice and their rhythm. Their eating pan-fried buns doesn't automatically make my food better.

Does someone else doing well really mean your resources have been taken? If this restaurant closes, you can eat at another. Someone else eating a top-grade steak doesn't leave you to starve; when they eat steak, you can order steak too, and if you don't want steak, there are pork chops, ramen and every other kind of choice. In such a world, comparison is meaningless, because other people's abundance doesn't directly lower the quality of your life.

Yet at school and at work, most people are intensely absorbed in peer rankings and internal competition, caught in the grind of "flattering those above and trampling those below." Many people would say this is because everyone is petty and can't let things go. I used to think so too. Later I found that explanation was only half right.

2. Ten Lunch Boxes, a Hundred Students

Imagine a school tuck shop with only ten lunch boxes at noon and a hundred students. If someone else buys one, you really do go without. This is structural scarcity: capacity is fixed, places are limited, and someone else's gain is your loss.

In a place like this, comparing yourself to others is an accurate reading of your situation. Telling the student fiftieth in line "don't compare yourself with others, just live your own life" is telling them to keep their dignity on an empty stomach.

So comparison and anxiety actually have two sources. One is applying a zero-sum frame to a world that isn't zero-sum: someone else eats steak, and you feel robbed. The other is that you really are standing in a tuck shop with only ten lunch boxes. The first can be solved by letting go; the second can't.

The difficulty is that there is a third case, more common and harder to recognize: a place that wasn't zero-sum, remade into one.

3. Two Prices Under One Roof

Suppose the owner of one kitchen hangs up two signs: one restaurant goes upscale and charges ten times as much; the other is cheap. The two have the same décor, the same seats, and serve the same food from the same supply chain. The rich go into the upscale one; everyone else goes to the cheap one.

In this case, no one is jumping anyone's queue. The rich paying more for a name and convenience is, at bottom, a kind of market fairness. The two restaurants run separately and their capacity doesn't overlap; when the upscale one is full, the cheap one is not one second slower.

But do it another way and things change. The owner merges the two restaurants into one queue under one roof and gives customers ordering from the expensive menu absolute priority: ten groups of high-paying customers are seated in a row before one group of budget walk-ins. The food that goes into everyone's stomach is identical and the service is no different; the only difference is that the others paid extra for the right to cut the line.

At this point, what the restaurant is selling is your waiting time; the food is incidental. Seats are fixed, so every step forward for a high-paying customer is a step back for a budget one. The "speed" the rich buy is in fact paid for by the people in line, with their time.

The most important step is this: how much priority is worth depends on how long the ordinary line is. The longer the ordinary line, the easier the fast lane is to sell, so the restaurant has an incentive to deliberately slow the budget side down, for instance by letting in only one group in ten. The economists Raymond Deneckere and Preston McAfee studied this tactic and called it "damaged goods": deliberately making the cheap version worse to push people to upgrade.¹ Same food, same service, and yet you must wait, precisely because the wait is itself the product.

This practice is not rare. Theme park fast passes and paid express lanes on American highways follow the same model. The philosopher Michael Sandel devotes an entire chapter of *What Money Can't Buy* to this kind of paid queue-jumping.²

Real life has an even more refined version: membership tiers. Spend a certain amount in a year and you are upgraded to a gold, platinum or diamond card, and the order of the queue follows card tier. Diamond members barely queue; customers without a card have to show up hours early to get a number.

This version differs from paid queue-jumping in one key way: priority is bought not with the money spent on this meal but with past accumulated spending. Airlines take this furthest: at one large Taiwanese airline in 2026, for example, members of the top tier board even before passengers in the highest business class.³ The person paying the most right now can't get ahead of the person who paid the most in the past.

And once you have a tier, it is hard to lose. Few members are downgraded for falling short in a single year; usually it takes several years of missing the threshold, or missing it by a wide margin. In the pandemic years of the early 2020s, many members couldn't come close to the threshold, and businesses didn't dare touch their tiers. In other words, card tier is a stock: those who accumulated early keep their position even if they stop spending; newcomers have to climb from the bottom. This is Chapter 3's floor, only in the form of a card.

For the business, this privilege costs almost nothing. The time diamond members save is paid on their behalf by cardless customers at the door; the business rewards its regulars with other people's waiting.

Membership cards have another layer: price. Member days, birthday gifts, double points, member prices; the labels are endless, and people without a card get none of them. Even closing-down farewells are tiered: before one Japanese barbecue chain closed a branch, its member rebate was about 5% for basic members, 15% for silver, and as much as 20% for gold.⁴

This looks reasonable: regulars come more often and get a bit more back. But the same price structure can be described two ways. A member price can be "a discount for regulars" or "a surcharge on non-members"; the only difference is where the "original price" is set, and the business sets it. In the early days, American credit card companies insisted that if a shop charged differently for card and cash, it could only call the difference a "cash discount," never a "credit card surcharge"; the behavioral economist Richard Thaler used this example to show that the same price gap, described differently, feels completely different.⁵

So to judge whether a member price is fair, the question is not how big the discount is but what the baseline is (see Chapter 6): has the "original price" paid by people without a card been raised, compared with competitors or with before the membership scheme? If so, it is another version of the queue, where non-members pay not with time but with money.

Of course, membership schemes have a fair version too: you collect points by spending and exchange them for food or discounts. The key is that the reward is linear: every dollar earns the same points, whether it's your first day or your tenth year. Such a scheme doesn't touch the order of the queue or make anyone pay with their time; at bottom it is a deferred discount, and like the two separate restaurants, what you get doesn't affect anyone else.

Tiered schemes are different. The higher your tier, the more each dollar earns and the further forward you stand; the reward grows with past spending. Linear points reward the money you spend this time; tiers reward the position you have accumulated.

Even with points, two things deserve a look: whether the “original price” has been raised to pay for the rewards, and whether the points expire before most people can redeem them. Points that can’t be redeemed are income for the business and only a promise for the member.

Many people think all this is fair. Others can buy a membership, and so can you; others can buy a fast pass, and so can you; no one is stopping you. That argument holds for two separate restaurants, because whether you buy has no effect on anyone else. In a single queue it fails: the fast lane is fast because most people haven’t bought it. If everyone bought it, everyone would be back in the same line and nobody would be any faster. This is exactly Hirsch’s stadium from Chapter 3: the whole crowd stands up and no one sees any better. For something that is valuable only when most people don’t buy it, “you can buy it too” is a promise that never has to be kept.

The French writer Anatole France made a famous ironic remark: the law, in its majestic equality, forbids rich and poor alike to sleep under bridges, to beg in the streets and to steal bread.⁶ No one stopping you from buying the fast lane is the same kind of fairness as no one stopping you from sleeping under a bridge.

My strategy with businesses like this is simple: judge it by its high price, and seriously ask whether the meal is worth that much. If I have to wait at the door until everyone willing to pay big has eaten and left before my turn comes, that is simply a waste of my life.

4. Zero-Sum by Design

Put the steakhouse and this restaurant side by side, and the answer is clear: zero-sum is not necessarily the nature of the world; it can be designed. Put consumption that had nothing to do with each other into one limited capacity, then sell places in the queue, and other people’s abundance really does become your waiting.

School and work are exactly such places.

A degree is a positional good whose value lies only in being higher than someone else’s (see Chapter 3). Rankings, quotas and top streams turn something everyone could learn on their own into ten lunch boxes for a hundred students. What cram schools sell is, to some extent, a fast lane: they don’t guarantee you will learn more, only that you will stand ahead of others in line.

The workplace is the same. In a company still expanding, the pie is growing and your colleagues are teammates; in a company that has stopped expanding, the pie is fixed, and the person sitting next to you is the one most directly splitting it with you (see Chapter 5). The root of “flattering those above and trampling those below” is that the structure puts everyone in the same line and hands the power to let people through to those above.

Platforms are the same restaurant. Organic reach is the budget line; ads and paid verification are the fast lane; the more organic traffic dries up, the better the fast lane sells (see Chapter 8).

So when facing comparison and anxiety, the first question should not be “why do you care so much about other people?” but “what kind of place are you standing in?”

5. Why Some See It and Others Don't

In the same world, some people feel it isn't zero-sum at all and others' anxiety is just overthinking; others feel everything is zero-sum and “let it go” is easy talk from the sidelines. Both are being honest; they are just standing in different places.

People inside the separate restaurant genuinely can't see the queue. They eat their steak, others eat pan-fried buns, everyone gets along, so they say: the world is big, why compare? People in the shared line watch others cut past them every day, so they say: the world is dog-eat-dog.

This is positional sampling. When your position lets you see only one kind of person and one set of rules, you think the world contains only that kind. The reverse is also true: people working at normal companies genuinely can't see the zero-sum games that have been designed, and think the critics are exaggerating.

There is a scene in the 2026 Hong Kong film *Night King* (《夜王》). After work, a hostess played by Wong Tan-ni (王丹妮) tells Sister V, played by Sammi Cheng, that this line of work pays well, but from now on she will never trust a man again. Sister V replies that it isn't as simple as not trusting men: happiness won't come to you that easily.⁷

The men they see every night are the kind who walk into nightclubs. From their position, no longer trusting men is a conclusion drawn from years of sampling, not an exaggeration at all; someone who has never set foot in a nightclub would hear it only as prejudice.

Sister V's line goes one step further than sampling. What your position changes is not only how you see others but what you think your own life can hold. See too much of one kind of person, and in the end even happiness is judged as something that won't happen to you.

Sampling has another limit. Many people's eyes stay fixed on their own small patch, imitating their bubble or people one or two rungs above them. All the competition is sideways; the people who actually set the rules of the queue are out of sight (see Chapter 3). If you only compare yourself with the person next to you, you can't see who is selling the fast lane.

That is what this part of the book is about: why you can see what others can't, and why others can see what you can't.

6. Three Questions

Next time you find yourself comparing yourself with others, ask three questions first.

1. Is there really a fixed capacity here? Or am I treating someone else's steak as my own loss?
2. If capacity really is fixed, who decided the rules of the queue? Are the quotas, rankings and priorities natural, or did someone design them?
3. Am I paying with money or with time? Who is collecting from my waiting?

If the answer to the first question is "no," then you really can let comparison go and live your own life. If it is "yes," it is a structural problem that attitude can't solve; telling yourself to let it go only recasts someone else's toll as a failure of your own character.

As for whether to stay in that line, my answer is the same as with the restaurant: judge it by its high price, and leave if it isn't worth it. Only remember that when every restaurant switches to the same queuing system, "leaving" is not so easy. Seeing clearly what kind of place you are standing in is the first step of choosing, not the last.

Chapter 5: You Didn't Meet a Villain, You Met a Structure With No Money to Share

Prologue: A Sentence Missing Its "Not"

In early October 2026, *CommonWealth Magazine* (《天下雜誌》), a Taiwanese business magazine, ran a translated workplace article on how successful people “take credit.”¹ It was drawn from CNBC and Inc., and the author was an executive coach who works with high performers at Google, Amazon and JPMorgan. She offered four techniques: say “we” before “I,” spell out the scale, make invisible work visible, and tie your work to company goals.

The third paragraph of the Chinese version contained this sentence: “You can absolutely claim the credit you deserve while trampling others underfoot.” The original surely meant “without trampling others”; the translation dropped the negative and reversed the meaning entirely.

It was only a typo, but in this article it told the truth. Look closely at the examples: “Eric built the back end; I handled the data issues and drove the launch.” The person who wrote the code and the person who coordinated are put side by side, but it is the coordinator who reports upward, and the coordinator who controls the story. “Yulan and Theresa put in extraordinary effort, which allowed me to design the strategy.” In one sentence, colleagues’ research becomes raw material for your strategy.

“Say ‘we’ before ‘I’” looks like modesty; in practice, it is a grammar for transferring credit. Your colleagues have names, but in your sentence they are stepping stones.

The deeper problem is that this advice assumes you are standing on a fair stage: credit can be debated in the open, and the better you tell it, the more you get. Only after working at several companies did I learn that this assumption holds in only one kind of structure. In the others, credit has been allocated long before you open your mouth.

Chapter 4 argued that in the same world, some people can see a zero-sum game designed into a place and others can't, because they stand in different positions (see Chapter 4). This chapter lays that out using companies I worked in myself: the same person, placed in different structures, sees completely different worlds.

1. The Test: Is There Real Money to Share?

What decides whether a company can pull together is not, in the first instance, its culture, or even whether it makes money. It is whether there is real money inside it to share.

Real money means cash in hand, not numbers on paper. While the pie is still growing, conflict is directed outward: winning other people's business, swallowing other companies. Internally, things

are relatively peaceful because there is something to share. When the pie stops growing, conflict can only turn inward.

The second axis is how the knife falls when a department has to be cut. Some companies make one clean cut: the decision is made at the top, the pain is concentrated and it has an end. Others refuse to cut and let employees wear each other down, which amounts to outsourcing the layoffs to infighting.

Cross these two axes and you get, roughly, four forms. The companies below are anonymized, because all of them are places I worked in or saw firsthand; but I believe that even if not these companies, the same structures play out elsewhere.

2. United in Expansion: A Small Team Inside the Acquirer

I spent most of my career in companies that were expanding. It may have been the times, or coincidence, but I didn't know then that this was luck.

One of them was a multinational distributor that kept growing through acquisitions. It had several hundred engineers, roughly one or two attached to each company it had bought. My unit was a branch under the Asia headquarters that had started life as a design house: the headquarters had only four engineers, one of them the manager; the regional engineers largely ran their own patches, and agents handled first-line contact and reporting.

A small team running a big company's processes. With so few people, each had their own territory; what you did was obvious at a glance, and no one could take it from you. The only people we had to deal with were sales and marketing, and our interests didn't clash much; if someone occasionally stuck a knife in, it never went down to the bone.

Integration had its shocks, of course, and people were laid off all along the way. But my unit was the one doing the integrating, not the one being integrated. The fighting happened between the heads of business units, on the org chart; the people laid off were in another city, at another acquired company, and I never met them.

Even if someone was replaced because of my existence, we were each just doing our jobs, and that felt a great deal more comfortable. But the comfort itself is worth noting: distance makes cruelty bearable and lets no one feel responsible. The people who decided never met the people laid off, and the people who stayed never met the people who left; the whole thing ran smoothly precisely because everyone was just doing their job.

None of this was visible from outside. Everyone used the same email domain and the same brand; to the outside world, it was one company. The real boundary was who headed each business unit, and that line was completely invisible from outside.

Expansion Doesn't Guarantee Unity

One point needs stressing here: expansion only provides the conditions for avoiding infighting; it doesn't mean there is none. Managers in expanding companies usually don't want infighting, because internal friction slows down the grab for territory; but structure only sets the conditions, and in the end it comes down to people.

I once worked with a large electronics manufacturer in mainland China that was keen on infighting even while expanding. They believed competition drives progress, so they set up a rival for every task and made employees compete; management only had to pick whoever did best and need not concern itself much with the rest.

This is not a fifth structure but a management choice: here infighting is not forced out by the structure but deliberately designed as a tool. It saves on the cost of managing, and the price is that employees never have teammates.

The model I consider ideal is simple: whatever people want to do, they do it well together, without comparing themselves to each other or fighting. Expansion gives that model room to exist, but whether to use it is management's choice.

3. Quick-Knife Plunder: A Group That Bought Up Contract Factories

The second company looked most like the villain. It bought up a large number of small and mid-sized contract manufacturers with idle capacity and then moved into integration: standardize the core processes, centralize R&D, close factories, sell land. It kept selling off assets and kept running a business story; put plainly, it was turning the company into a zombie step by step.

It had internal fights too, and used psychological manipulation to push people out. But it did one thing very well: when it wanted to cut a company or a department, it usually did so in one clean cut.

The reason is simple: it was an impatient financial operator. To it, a sale was a transaction, and the longer it dragged on, the more the assets lost value; the quick knife was the most efficient way. Psychological manipulation was only a means, used and then put away, never cultivated for years.

This is a counterintuitive conclusion: the company that plunders openly is not necessarily the cruelest. A clean cut at least means someone owns the decision; the pain is concentrated, and it ends.

4. Chronic Decline: A Multinational

What really taught me the meaning of dread was the last one: a multinational in chronic decline.

There, credit was not fought over in meeting rooms. The tests you ran and the plans you wrote would be compiled by someone else and handed to the boss's confidant to report first. Then came the race: who speaks first, who produces evidence first, and then lining up the vendors' story. By the time you spoke, the story was set, and any explanation from you only looked like jealousy or credit-grabbing. Why "you're just jealous" works so well is left for Chapter 7 (see Chapter 7).

What makes the vendors' account so deadly is that it looks like an independent third party. Your evidence is internal documents; theirs is "people outside say so too," and the boss naturally believes the latter.

Some would say: then keep stricter records, timestamped test reports, versioned plans, a paper trail for external communications. But in that environment even timestamps couldn't save you. Your email really was sent, but the other person would swap in a different version and have the vendor make that, and the vendor would make theirs, not yours. The record that counts is not who sent first but whose version the vendor built: what gets built becomes history, and your email becomes "a proposal that was not adopted."

Whom a vendor listens to is decided not by reason but by relationships. Whoever follows the project most closely, calls every day and goes out to dinner becomes the vendor's point of contact. Vendors want steady orders, so they choose the person who sticks closest to them. And so the chain closes: whoever controls the vendor controls execution; whoever controls execution controls the facts; whoever controls the facts controls the credit. However strict the internal rules, they govern only internal documents; they can't govern whom the people outside listen to.

A company like this can drag out infighting, attrition and psychological manipulation for years. Being able to drag it out requires conditions of its own: the company must be big enough, and its cash flow steady enough, to afford years of internal friction. The waste never hurts the balance sheet; the costs all fall on employees, so no one is under pressure to call a halt.

Dragged out long enough, the politics perpetuate themselves. When infighting becomes the way to survive, the people who play it well rise, and once risen they manage those below with the same methods. In the end the fighting no longer serves any purpose; it is simply how the organization runs.

This also explains how good friends who walk arm in arm can stab each other in the back. In an expanding team, the enemy is outside, and the people beside you are your only capital; in an organization that has stopped expanding, the enemy is the people beside you: the same territory, the same boss, the same vendors. The person nearest to you is the one most directly splitting your share of the pie. To report first and line up the story, you need allies; but your allies are also your rivals in the next round of shrinking. The arm around the shoulder and the knife in the back are two sides of the same relationship.

This is exactly the third kind of zero-sum from Chapter 4: zero-sum by design (see Chapter 4). The pie may not have been too small in the first place, but once everyone is put in the same queue, and the power to let people through sits with those above, the person standing next to you becomes your rival.

The cruelest part is that no one owns the decision to lay people off. No severance to pay, no one to hold responsible, little legal risk; the role of psychological manipulation is to make you believe that leaving was your own choice. Colleagues become executioners, and the victim becomes a “voluntary resignation.” How cruel it gets is proportional not to how greedy the capital is, but to how long the decision is dragged out.

5. Growing on Paper, Shrinking in Cash: A Family Trading Firm

The first three companies involved three different groups of people. The last case is different: it is one group of people who went through both the rise and the fall.

It was a small Chiu Chow (Chaozhou) trading firm that started in my grandfather’s generation. It kept expanding and took business from others, including the turf of the Fujianese and local trading groups. Its contracts all faced outward; when it expanded, the whole firm expanded together, so it was united inside, and deeply so. The enemy was outside; the family had no room for infighting.

By the later generation, roughly from the 1970s to 2010, the same firm still fell into infighting, because there wasn’t enough money to share. Its biggest problem was not that it made no money, but that its receivables could never be collected, and there was no one to sue. The old clients paid their bills; once the clients changed, the debts became impossible to recover. On paper it earned more and more; what actually came in was only small change.

This is the fourth form: growing on paper, shrinking in cash. It is the hardest to see, because from outside the company is still making money and still growing; but what everyone is fighting over is money that doesn’t exist. The ending is exactly the same as chronic decline.

This case corrects a common claim: what decides whether people pull together is not whether the company is expanding, nor whether it is profitable, but whether there is real money to share. And the size of the pie is sometimes entirely outside your control.

It is also the strongest evidence in this chapter. The same group of people pulled together when the pie was growing and fought each other when it emptied. The people didn’t turn bad; the pie changed.

6. Back to the Four Techniques

Back to the *CommonWealth* article. Saying “we” before “I,” spelling out the scale, making invisible work visible, tying work to company goals: these four techniques work only in the first

structure. In the other three, telling it well only gets you robbed faster. In a company in chronic decline, “make invisible work visible” fails completely, because by the time you speak, yours is already the second version.

Form	Real money to share?	How the knife falls	Where the fighting is
United in expansion	Yes, the pie is growing	On someone else	On the org chart, far from you
Quick-knife plunder	Cash from selling off assets	One clean cut	Brief, used and put away
Chronic decline	No, zero-sum	No cut, slow attrition	Sitting next to you, year after year
Growing on paper, shrinking in cash	On paper yes, in hand no	Dragged out until there isn't enough	Among your own people

So when you feel you have run into a villain, don't rush to study the other person's character. Ask yourself four questions first:

1. Is the company still expanding? Is it the business that's expanding, or only the books?
2. Can the money actually be collected?
3. When a department has to go, is it one clean cut, or slow attrition?
4. Who controls the record of credit and execution? Including whom the outside vendors listen to.

The answers will tell you which kind of structure you are in, and also which kind of human nature you are seeing.

The same person, placed in different structures, sees completely different worlds. What those workplace tips don't tell you is this: what you have run into is often not a villain, but a structure with no money to share.

Summary

The four companies in this chapter answer Part Two's question: why can you see what others can't? People who have spent most of their careers in expanding companies genuinely believe that “if you explain your work clearly, you get the credit”; people who have endured a few years in a company in chronic decline know that credit is allocated before anyone opens their mouth. Neither side is lying; they are just standing in different structures.

But position is not the only reason. Sometimes the truth is right there in the numbers, and plenty of people can read them, yet everyone who can has a reason not to check. The next chapter begins with a book published in 1954.

Chapter 6: How to Lie With Statistics

Prologue: A Fight Fought With Numbers

In September 2026, the online creator Ceylon (錫蘭) and the astrologer Tang Chi-yang (唐綺陽) got into a fight over astrology. On one side were the birth charts of 81 celebrities with romantic scandals, compiled by Tang's show; on the other, Ceylon produced about 40,000 questionnaires on a livestream and asked how big the other side's sample was.

Public opinion quickly boiled it down to "40,000 versus 81," as if whoever had the bigger number won. But both sides' data had the same flaw: each was produced by its own camp for its own audience. Ceylon's questionnaires came mostly from his viewers; Tang's cases were chosen and interpreted by people who believe in astrology. The numbers were not in conversation; they were taking sides.

Watching this fight, I thought of a book I read more than ten years ago: Darrell Huff's *How to Lie with Statistics*.¹ Published in 1954, it is a slim volume entirely about how statistics are used to mislead. By 2026, more than seventy years later, not one of its tricks has gone out of date. In the workplace I have met plenty of so-called senior executives who still don't understand the most basic statistics.

Chapter 5 was about how position decides what a person can see (see Chapter 5). This chapter is about another kind of not seeing: the numbers are right in front of you, plenty of people can read them, and yet no one checks. I'll first pick the five most common tricks in the book, each with a current example; then I'll take up a question the book doesn't address but which I think matters more: why, seventy years on, people still haven't learned.

1. The Biased Sample

If the sample doesn't represent the population, no amount of precise calculation helps. This is the book's first chapter, and the most common pitfall.

Tang's 81 people were celebrities findable in the news. What was being studied was not only "who is prone to romantic trouble" but also "who is likely to make the news." Fame, newsworthiness and whether the paparazzi were watching all affected who got included.

Ceylon's 40,000 questionnaires look huge, but if the respondents were mainly his viewers, it is a self-selected sample. People willing to spend time on a "star signs and personality" survey are already different from the general public; people who watch his channel even more so in their attitude to astrology.

A bigger sample doesn't make bias go away; it only makes it look weightier. The most famous counterexample in the history of statistics is the *Literary Digest* poll of the 1936 US presidential election: it collected more than two million questionnaires and predicted a landslide for Landon, and Roosevelt was re-elected by a landslide instead. Its mailing list came mostly from telephone directories and car registrations, which in the Depression meant a relatively well-off group.²

The workplace is the same. The people filling in employee satisfaction surveys are mostly those who haven't left; the truly dissatisfied voted with their feet long ago.

2. The Well-Chosen Average

"Average" can mean the mean, the median or the mode. Whoever reports the number picks the one that suits them best.

Suppose a company has ten people: the boss earns 10 million a year and nine employees earn 500,000 each. The mean is 1.45 million; the median is 500,000. A job ad saying "average salary over one million" doesn't tell a single lie.

Financial news uses the same trick every day. "Average wages hit a record high," yet most people's pay hasn't moved. Income distributions are skewed to the right; a few high earners can pull the mean up, and the median is closer to most people's situation.

When you see the word "average," ask two things first: which average? And what does the distribution look like?

3. The Undisclosed Data

The most dangerous number is often the one you don't see: how big the sample is, what it is being compared with, what the baseline was.

"Among 81 celebrities with romantic trouble, 15% have a certain chart configuration" sounds striking. The missing half is: among people without such trouble, how many have that configuration? If 15% of ordinary people have it anyway, nothing has been found at all.

The book uses a toothpaste ad as its example. "Use our product and get 23% fewer cavities"; what it doesn't tell you is that the test group was a dozen or so people. With a sample that small, a manufacturer that runs the experiment over and over will eventually get a good-looking result, and then publish only that one.

The workplace version is even more common. A slide says "revenue up 30% this quarter" without saying that the same quarter last year happened to be a low point. "Conversion rate doubled," without saying it went from 0.5% to 1%. Every number is true; the missing sentence is the point.

Chapter 1 noted that US accounting standards require only the total of R&D spending to be disclosed, with no split between development and maintenance (see Chapter 1). Same trick: no number is false; what's missing is the breakdown.

4. The Gee-Whiz Graph

You don't need to change a single number; just move the axis, and a flat line becomes a surge.

Start the vertical axis at 95 instead of 0, and a change from 96 to 98 fills the whole chart and looks like a doubling. Another trick is the "one-dimensional picture": when a quantity doubles, double both the height and the width of the icon. The area becomes four times larger, and the difference the eye sees far exceeds the number itself.

The bar charts in quarterly company presentations often don't start the vertical axis at zero. It isn't always deliberate deception; a lot of charting software rescales the axis automatically. But for the person looking at the chart, the effect is exactly the same.

Before you read a chart, look at where the axis starts.

5. Mistaking Correlation for Causation

Two things changing together doesn't mean one causes the other. It may be coincidence, there may be a third factor behind both, or the causation may run in exactly the opposite direction.

The most interesting thing about the astrology fight is precisely the question of direction. By the late 1970s, psychological research had already found that people familiar with astrology describe their own personalities in ways that drift toward their sign's description, while people who know nothing about astrology show no such tendency.³ Even if a "link between star signs and personality" were measured, it might only be that people read the descriptions and gradually lived up to them. The correlation is real; the cause is not in the stars.

That is a problem for both sides. When believers fill in the questionnaire, a link may "show up"; when non-believers fill it in, it is natural that none does. Using self-report questionnaires to test astrology can't answer the question it wants to answer, whether the result comes out positive or negative.

Back to each side's audience: Ceylon's viewers show no link; Tang's viewers very likely would. Both data sets are real, both sides can say "the data supports me," and what both have actually measured is only their own audience.

The workplace version: "employees who attend training perform better." Maybe the training works; maybe only people who were already motivated sign up.

6. Why, Seventy Years On, We Still Haven't Learned

This book has been reprinted for decades and translated into many languages, with every trick laid out. Yet in meeting rooms the charts still don't start at zero, and nobody asks which "average" a presentation means.

My view is that the problem is not that the knowledge isn't widespread enough, but that statistics inside organizations was never for inference in the first place. It is for endorsement.

Many decisions are made before the numbers appear. The numbers' job is to make the decision look grounded. Actually spelling out base rates, comparison groups and sample bias makes a report less "clean"; the conclusion has to shrink, and reporting upward gets harder.

So organizations reward the people who can produce numbers that support the conclusion, not the people who say "this data only supports us this far." The former are praised for execution; the latter are thought insufficiently positive and unable to see the big picture. It isn't that senior executives can't learn; they don't need to. Learning would get in the way.

Conclusion first, numbers second: that order is applied not only to numbers but to people too. Section 7 comes back to this.

The Veto You Hand Over Yourself

The most dangerous form of numbers-as-endorsement is not in presentations but in engineering.

Before developing a product, manufacturers carry out a Failure Mode and Effects Analysis (FMEA): list every place something could go wrong, score each for severity, likelihood and difficulty of detection, and any score over the threshold requires a design change. The engineers do the scoring themselves. Lower likelihood by one notch and improve detectability by one, and the risk drops below the threshold: no change needed, no shipping delay.

FMEA is the veto from Chapter 1, written out as a table: its purpose is to let engineers say "this won't do" on solid grounds before the shipping date (see Chapter 1). Chapter 1 described the organization taking the veto away from outside; scoring an FMEA low is engineers handing it over themselves. No one needs to be laid off and no team needs to be replaced; as long as the cost of saying "no" is high enough, the people who would say it will lower the scores on their own.

Outsiders can't spot this kind of manipulation, because seeing it requires expertise in the same field. The people who can see it are fellow experts inside; but their own FMEAs are mostly scored the same way, so exposing others means exposing themselves. Bring in outside experts to review? There is confidentiality, there is cost, and there is the line "we are the experts." So everyone capable of checking the numbers has a reason not to.

The lies in Huff's book can be seen through by a reader asking five questions. This kind can't. It hides behind a professional wall, and the cost of verifying it is so high that only insiders can afford to pay, and insiders won't.

The Normalization of Deviance

What does this add up to? The risk doesn't disappear because the score is low; it only moves off the paperwork, into the product, onto the users, into the future. Every time a low score passes without incident, the next low score feels more natural. Studying the Challenger space shuttle disaster, the sociologist Diane Vaughan called this process the "normalization of deviance": when departures from the standard repeatedly have no consequences, the departure becomes the standard.⁴ What new engineers learn is no longer how to analyze risk, but "this is how FMEAs are scored here."

Here, too, is the asymmetry of measurement from Chapter 1: when prevention succeeds there is no evidence, while every delay and every design change is counted precisely (see Chapter 1). The engineer who scores high leaves behind a delay; the engineer who scores low leaves behind a record of on-time shipping. At the year-end review, only the latter is visible.

Until one day something really does go wrong. Pull out the old FMEA, and there it is in black and white: "Analyzed; low risk." That document was never an analysis; it was an endorsement proving that everyone had done their duty.

This has the same structure as the astrology fight. Online, the audience is fans; inside a company, the audience is the boss and the board. In both places, data plays the same role: a badge of identity, not a tool of verification.

7. Numbers and Labels: A Combination Punch

Looking back at the astrology fight, one thing is easy to miss: what the two sides were really fighting over was not numbers but personality. Astrology is a system for labeling people's personalities; the 40,000 questionnaires and the 81 birth charts were arguing over whether those labels are accurate. The numbers were only called in to testify for the labels.

This is not unique to astrology. In the workplace, numbers and personality labels often appear together, with a clear division of labor: the numbers supply authority, the labels assign blame.

- A performance ranking puts you in the bottom 20%. The number itself gives no reason; then comes a line like "can't handle pressure" or "not positive enough," and now there is a reason, and it lies in you.
- An employee satisfaction score drops, and the report reads it as "the new generation is fragile," not as pay, hours or management.

- A department has high turnover, and the conclusion is “young people have no patience.” As Section 1 noted, the people who stay to fill in surveys were never the ones who left; those who left voted with their feet, but their reasons were never counted.

Each has its weakness. Numbers can be checked: where the sample came from, what the baseline is, which average was used, all the questions from the first five sections can be asked. Personality labels have no authority: “you’re just that kind of person” can be said by anyone, and disbelieved. Put together, each covers the other’s weakness. Question the numbers, and you’re told you’re defensive and won’t face facts; deny the label, and you’re told the numbers speak for themselves. The numbers make the label look grounded; the label gives the numbers someone to hold responsible.

Labels Wrapped in Numbers

Even the labels themselves often arrive wrapped in numbers. The personality tests popular in corporate training and online sort people into a few animals, a few numbers or four letters, with percentages and radar charts in the report, so that it looks like statistics. In the comment section of the podcast in Chapter 7, the “Type 8s,” the “INFJs,” the owls and the sharks that viewers pinned on one another are among the most common of these systems (see Chapter 7).

In 1949, the psychologist Bertram Forer ran an experiment. He gave his students a personality test and then handed each a “personalized” analysis, asking them to rate its accuracy from 0 to 5; the average was 4.26. In fact, everyone had received the same report, most of it copied from an astrology book.⁷ A description true of anyone, once placed in a report that seems to have been measured, is taken as insight into oneself.

Three Steps, and the Structure Disappears

So the order of this combination punch is exactly the same as the endorsement described above: conclusion first, numbers second, label last. First decide who the problem is, then find a number that supports it, then use personality to nail the blame to that person.

No step involves a lie, and every step can be said aloud in a meeting room; yet after the three steps, the structure has vanished from the story. Why the ranking is designed that way, why the survey only asks the people who stayed, why the people who left left: none of these questions needs asking any more, because the answer is already in: it was that person.

Chapter 7 takes this blade apart from another direction: not through numbers, but through an answer given three times on one show and translated, each time, into personality.

8. The Man Who Wrote the Liar’s Handbook

The most ironic lesson comes from Huff himself.

Huff was not a statistician but a freelance journalist. In 1964, the US Surgeon General issued the report that formally linked smoking to lung cancer. That same year, the tobacco industry hired Huff to write a pamphlet questioning the report's evidence, for use by congressional committees and industry lawyers. In March 1965 he testified before the Senate Commerce Committee, citing "eight red flags" in the report.⁵

His weapon was exactly the trick his own book had taught: correlation is not causation. He compared the link between smoking and lung cancer to classic fallacies like "storks and babies." When a senator asked whether he truly believed the two were equally arbitrary, he answered that as far as he could see, they were the same.

After testifying, he received tobacco industry funding to expand the pamphlet into a book titled *How to Lie with Smoking Statistics*. The manuscript was nearly finished when, at the end of 1968, the publication plan was suddenly dropped. Only after the 1998 tobacco settlement were the related documents and manuscript made public, and between 2012 and 2014 statisticians dug them up again.^{5 6}

The man who wrote about how statistics lie ended up using the same techniques to lie for tobacco. This doesn't rob the book of its value; every trick it teaches still holds. But it shows one thing: understanding statistics and using statistics honestly are two different things. Understanding more only makes you clearer about which trick to pick.

9. Five Questions, Then Read It Yourself

In the book's last chapter, Huff leaves readers five questions. Faced with any number, ask first:

1. Who says so? What reason do they have to want you to believe it?
2. How do they know? Where did the sample come from?
3. What's missing? The sample size, the baseline for comparison, the sentence left unsaid.
4. Did somebody change the subject? The data is about A, but the conclusion jumps to B.
5. Does it make sense?

Take these five questions back to "40,000 versus 81," and in under three minutes you'll see that neither side won.

The five tricks I picked are only half the book; the rest I leave you to read yourself. It is short; an afternoon will do. As of October 2026, the easiest edition to find in Taiwan is Lohas Culture's 2024 translation by Wen Yi-chun; CommonWealth Publishing's 2005 translation by Cheng Wei-hou is the same book.¹

Only don't assume that once you've read it, you can't be fooled. The people fooling you have often read it more closely than you.

Summary

The three chapters of Part Two answer the same question: why can you see what others can't? Chapter 4 was about position: standing inside a separate restaurant, you can't see the shared queue. Chapter 5 was about structure: the same person sees completely different human natures in companies with money to share and companies without. This chapter is about the cost of checking: the numbers are right there, and everyone who can read them has a reason not to look.

None of these three kinds of blindness comes from stupidity. But they leave a consequence: when a structure can't be seen, the costs it causes are charged to some individual. Part Three is about how that bill gets charged to you, and why you don't have to accept it. It begins with a show in which an answer was given three times and no one heard it.

Part Three: Not Treating the Structure as Your Own Flaw

Chapter 7: Psychological Manhunt: The Answer Was Given Three Times, and No One Heard It

Prologue: A Fight in the Comments, Both Sides Holding the Same Knife

At the end of September 2026, a podcast hosted by Cheung Wai-man (張慧敏), known as “Sister Son,” invited Theresa Fu Po-yee (傅寶誼), formerly Fu Wing (傅穎) of the girl group Cookies; by then she had been using her new name for two years.¹ Within three days of its premiere it had over fifty thousand views and more than a hundred comments, and the comments were livelier than the show.

One camp attacked the host: “argumentative personality,” “Type 8,” “old seafood” (a slippery old hand). The other defended the guest: “highly sensitive person,” “Type 4,” “introvert,” “INFJ.” Some brought out owls, foxes, sharks and teddy bears to classify the two women.

Here is the interesting part. Viewers objected to the host “defining who the guest is,” and their counterattack was to define who the host is. The show itself was no exception: its chapter titles read “the T-type personality” and “the spontaneity of P-types and the envy of J-types.”

From start to finish, on stage and off, everyone in this episode was using the same knife. Chapter 6 noted that such classifications often arrive wrapped in numbers and, together with the numbers, nail responsibility to one person (see Chapter 6). This chapter does not set out to judge who was right. I want to look at the knife itself, and at what it cuts away.

This chapter also opens Part Three. The first two parts asked what the structure looks like and why some people can’t see it; this part asks: when the cost of a structure lands on one person, how does it get described as that person’s flaw?

1. Psychological Manhunt: The Fastest Way to Solve a Case

There is a way of handling problems that I call the “psychological manhunt.” Faced with anything complicated, you don’t first ask what happened; you ask: what kind of personality does this person have? What was missing in their childhood? Do they have enough backbone?

It is very handy. It is fast, it makes a good story, it sounds profound, and it needs no evidence. A single “your sense of deserving is low” takes far less effort than getting to the bottom of a contract, a power relationship or a chain of decisions.

The price is that once the problem is translated into personality, only one answer remains: you have to change yourself. Systems, power, interests and responsibility all recede into the background. No one asks any more: what actually happened out there?

That isn't to say human nature doesn't matter. Quite the opposite: because human nature is complex and changeable, you can't make casual assumptions about it. The same "refusing to ask for help" could be low self-esteem, fear of owing favors, having been turned down before, the other person being unable to help, or simply being too tired that day. The more possibilities there are, the more you need facts to narrow them down, rather than picking the most dramatic one as the answer.

The host in this episode laid out the procedure clearly not long after the start. She said that before meeting her, watching Theresa's old interviews, "I just thought you were a really stupid person"; and that she had to talk to her today because "I want to confirm my view." Conclusion first, then invite the person concerned to verify it: that is the standard procedure of the psychological manhunt.

To be fair, the guest uses this knife too. She used INTP to explain how she withstood being ostracized, and "the projection effect" to explain why the media distorted her. The only difference is that she uses it to talk about herself; the host uses it to pass judgment on someone else.

2. The Answer Appeared Three Times

The first time, about twenty minutes in. The two were discussing being frozen out at work, and Theresa said: "Our industry runs on contracts! Our contracts last who knows how many years; you can't just say you want to leave and go." Sister Son replied, "Yes, right," and the conversation immediately turned: were you too naive back then?

The second time, past the forty-minute mark. Talking about media labels, Theresa mentioned in passing that her former company used to tell her: "So-and-so can't, so-and-so can't, but you, Theresa, can!" Because she already had a negative image, the company steered the gossip onto her, and nobody would question it.

This was the most important sentence in the whole episode. By her account, her negative image was not just media bias; her management company treated it as a ready-made resource and kept working it. The host's next question was: then why did you agree to an interview with *HK01*?

The third time, near the end. Sister Son was teaching her to state objective facts, and Theresa explained why she couldn't: "If the other side is fierce and has some other, really powerful kind of power, saying it out loud is dangerous for you!" The host's reply was a single line: "Darling, you just don't have enough backbone!"

Contract length, the company's arrangements, an imbalance of power. Three structural answers, given by the guest herself, three times. Each time, the conversation circled back to the same place: your personality.

The word “backbone” deserves particular unpacking. The Chinese word, 底氣, literally “floor-breath,” begins with the same character as the floor of Chapter 3. One viewer in the comments put it more precisely than anyone: in this industry, backbone means backing and resources. Translated that way, “you need more backbone” becomes “you need backing you don’t have.” That isn’t advice; it describes her situation and then calls the situation her flaw. Chapter 3’s floor has changed its name here, from a condition into a character trait (see Chapter 3).

3. The Cause Is Outside, but the Patient Must Take the Medicine

In fairness, Sister Son is not blind to structure. She sees it very clearly.

She said reporters wrote that Theresa lies not because they actually believed it, “but because writing it that way gets eyeballs and ratings.” She said the “historical baggage” of Cookies going from nine members to four and then to solo careers was material the media “could make the most of and get traffic from fastest.” She even used the term “role casting.”

Traffic incentives, historical baggage, a division of labor in the media: that is quite a precise structural analysis. The problem comes at the next step: the diagnosis uses structure, but the prescription switches to personality. “You need to learn when to hold back and when to let go,” “you need boundaries,” “the scenery around you has changed, but your heart hasn’t.”

This break is common, and well hidden. It lets the speaker appear to understand both the world and human nature, claiming both sides. But the cause is outside, and the patient is told to take the medicine. If it doesn’t work, you didn’t take it seriously enough.

4. Conclusion First, Motive Added Later

The business world has a very common technique: set the goal first, then write the story. To lay people off, first talk about a market winter; to replace someone, first talk about a poor cultural fit. Chapter 6 took apart the numerical version of this sequence: conclusion first, numbers second, label last (see Chapter 6). The host said she had invited the guest to “confirm my view”; exactly the same order, only without the numbers.

In this technique, the cheapest material is an accusation about motive. And of all accusations about motive, the handiest is called jealousy.

5. Jealousy: An Accusation That Can’t Be Refuted

“Women are the hardest on other women; underneath there’s always comparison, jealousy and rivalry.” Those are Sister Son’s words on the show. The coping method she taught Theresa followed the same line: “Why would she attack me? Because I’m great! Because I’m prettier than her!”

Why It Can't Be Refuted

Motives such as jealousy, hatred and resentment share one feature: they can never be disproved. Say someone is jealous: if they deny it, they're guilty; if they say nothing, they're admitting it; if they're kind to you, there's a knife behind the smile. Put any event in, and the same answer comes out. An explanation that handy has usually stopped being an explanation.

Its structure is also ingenious. "You're just jealous" doesn't respond to the content; it only explains the critic's motive, so no evidence about the facts can touch it. And it rests on a premise that gives itself away: only people already standing high up can use it. The higher the position, the more credible the accusation of jealousy; and that position was often obtained through the same mechanism. The defense's credibility and the behavior it covers come from the same source. Chapter 1 noted that people inside the loop who see through it usually don't stay (see Chapter 1); the critics who do stay meet exactly this move.

Who Put Them in the Ring

This also explains why some organizations like to set colleagues against each other. Ease of control is one reason: divide and rule, and no one will join forces to question those above. But there is a less often noticed benefit: once colleagues have been cast as rivals, everything that happens comes with a ready-made story. In the company in chronic decline in Chapter 5, when the person whose credit had been taken tried to explain, it only "looked like jealousy or credit-grabbing"; that was this ready-made story at work (see Chapter 5).

Back to Theresa's remark: her former company would say "so-and-so can't, but you, Theresa, can," and steer the gossip onto her. By her account, there was clearly someone arranging things. But as long as audiences already carry the script of "female entertainers are jealous of each other," the arranger disappears from the story. Everyone sees only two women fighting; no one asks who put them in the ring.

From Catchphrase to Professional Habit

If this were only how entertainers and show hosts talk, it wouldn't matter much. The problem is that it entered companies long ago, and is treated as a kind of expertise.

Many HR staff and ordinary managers take "reading motives" as a sign that they know people and have experience. Handling a conflict, their first question is not "what happened?" but "why would he do this?"; they decide who the problem is first, then gather evidence backward. The normal order should be the reverse: set motive aside, work out from the evidence what happened, and only then add motive to help judge how serious it is.

That is how courts work. Article 57 of Taiwan's Criminal Code provides that in sentencing, the court shall take the offender's culpability as the basis and consider all circumstances, and the first

item on the list is “the motive and purpose of the offense.”² But note where it appears: at sentencing, after guilt has been established by evidence. Motive decides how heavy the sentence is, not whether the person is guilty. No court convicts someone because “he looks very jealous.”

A company is not a court, but it reverses this order: it convicts on motive and shores up the verdict with evidence afterward. And it has none of a court’s protections: no burden of proof, no right of reply, no appeal. If the accused denies it, that’s guilt; if they stay silent, that’s admission. The consequences are large, performance reviews, promotion, whether you stay, and the procedure is zero.

Why the Target Can’t Refute It and Outsiders Can’t See It

The person targeted can’t refute it, for two reasons. First, accusations about motive can’t be disproved by nature; second, the accuser usually ranks higher than you, so their word is more credible from the start.

Outsiders can’t see it clearly, also for two reasons. The first is the positional sampling of Chapter 4: people standing in normal companies have never seen this kind of operation and will only think two colleagues didn’t get along (see Chapter 4). The second is the cost of verification from Chapter 6: the only people who can really follow what happened are those who were there and know the field, and they have their own reasons not to speak (see Chapter 6).

No One Designed It, but the Structure Selected It

This isn’t to say anyone deliberately designed “management by accusations of jealousy.” Like Chapter 1’s loop, it doesn’t need a villain.

It only needs the structure to select and reward it. The accusation of jealousy moves the focus from the structure to a person, which benefits the structure; those who use it fluently resolve conflicts and close cases fast, so they rise; once risen, they manage those below with the same methods, until it becomes a professional habit handed down through HR departments and managers. Chapter 6 said organizations reward people who can produce numbers that support the conclusion; this is the same mechanism: what the organization rewards is whoever can most quickly find “the problem person” in a conflict.

Three Questions

To see through this kind of story, you don’t need to understand psychology. You only need to ask three questions:

1. Did the conclusion appear before the evidence, or after?
2. Is there any situation that could overturn this accusation about motive?
3. Who arranged this scene, and who benefits from the conflict?

6. Within Minutes, the Facts Changed Status Twice

Sister Son's lesson in "holding back and letting go" was concrete: if you're going to speak, state objective facts. "Was there an appointment that day? Why didn't I go?" Lay out the timeline, "calmly, with everything dated, and the whole thing is over!"

Theresa said some facts involve people with more power. A few minutes later, Sister Son changed her line: "When a case goes to court, everyone swears to tell the whole truth, but whether it's really the truth, only the people involved and heaven know!"

One moment, objective facts can end a dispute; the next, only heaven knows the facts. Both lines came from the same person and point to the same conclusion: either way, you didn't do well enough. Earlier she had also said: "Those who believe you need no explanation; to those who don't, your explanation is a cover-up." So is stating the facts clearly useful or not?

"Leaving" is the same. At twenty minutes, both agreed that long contracts make it impossible to leave. By the time of her "colosseum" theory, the tone had changed: "So what's the most basic thing you do? Leave! Get out! ... And you still don't leave! That's why I think you're ridiculous!"

There is a more fundamental mismatch, too. Her example was a scheduling conflict: you had an appointment and didn't go, because you'd already signed for another job. Stating that kind of fact provokes no retaliation. Theresa was talking about a different kind: say it, and someone will come after you with greater force. Applying the solution for the first kind to the second, then calling the other person not brave enough, is not analysis. It is pinning one person's hat on another's head.

This is also why "leaving" keeps coming up in this book. Chapter 3 said that every road that seems to lead out charges the same entry fee, and it is called a floor (see Chapter 3). Telling someone bound by a contract to "just leave" is the same advice as telling someone without a floor to "just don't compete."

7. No One Ever Said "Let Go"

The episode description summed it up like this: Sister Son pointed out that truly letting go is not forcing yourself to forget, but leaving sealed-up pain in the coffin. A chapter title read "Leave the past in the coffin and greet a whole new life." The video's title was "The entertainment industry has no use for sincere fools."

Go back to the transcript, and what Sister Son herself said was: "Forgiving doesn't mean I can let go, but what I can do is this: I won't talk about it any more!" What Theresa said was: "I have never said that I've 'let go'!" Neither of them claimed to have let go, yet the show's packaging ended on those two words.

In fairness, Sister Son's "I won't talk about it any more" is a refusal to answer, not a denial, and the two were somewhat talking past each other here. But Theresa's last speech was the clearest-headed moment of the episode. Expecting people on a spiritual path to be emotionally steady and let everything go is moral blackmail; being aware of your emotions and not lashing out does not mean forgetting the harm. If you haven't let go inside, and still have to act as if nothing is wrong when asked, "that is what lying really is!"

She changed her name to take back the right to explain who she is. In this episode, she gave her own version on stage with everything she had. Then the title, the description and the chapter headings wrote her a different ending.

8. Once You've Seen Through It, You Needn't Listen

Much of what Sister Son said is not wrong. The entertainment industry is full of scheming, the media want traffic, and there's always someone who wants to trip you up. All true.

But "this is how the world is" does not lead to "this is how you should be," still less to "you lost out because your personality is flawed." In "Survivors Teach You to Survive," I took apart sixty rules of the workplace.³ The question was never whether those phenomena exist, but whether the people stating the rules had checked: what are the facts, under what conditions does this apply, how does cause connect to effect? "I've seen it" proves only that something happened, not that you know why.

The most seductive thing about the psychological manhunt is that it makes you feel you've seen through things. The most dangerous thing is the same. Once you've seen through it, you needn't listen any more.

In early October 2026, on the morning I wrote the original draft of this chapter, I had a dream. A company developed an injection; after it, half of all people became superhumans and half became zombies. The person injecting a disabled little girl saw her climb up the ceiling, turned and ran.

In the end the world held only mutants and zombies, and the ordinary people who refused the injection became the group least able to survive. In a world like that, a mutant teaching you how to survive gives sincere advice. The problem is precisely that it is sincere.

In this episode, the answer was given three times: the contract, the company, power. All of it is in the transcript, plain as day. What was missing was not the answer, but someone willing to stop and ask: "And then? What happened out there?"

Understanding human nature is not knowing how to find a label for everyone. Understanding human nature is knowing that people are more complex than labels, and so looking at the facts first.

Summary

This chapter looked at the first step after the cost of a structure lands on one person: the people around them describe it as personality. A contract becomes “too naive,” an imbalance of power becomes “not enough backbone,” the company’s arrangements become “women being jealous of each other.” Each translation makes the speaker look wise about human nature, and makes the structure disappear from the story.

But the translation doesn’t stop with the people around you. Once “your problem is you” becomes the consensus, someone will turn that flaw into a product. The next chapter looks at how markets and platforms describe visibility as ability, then sell “learn it or be left behind” back to you.

Chapter 8: Who Bought the Mainstream

Prologue: Most Shared, Most Banned

In 2026 I wrote an article called “The Efficiency Trap.” It argued that if the efficiency gains from AI don’t create new demand, they end up as structural compression, and that the AI education on the market teaches exactly that compression, not creation.¹

That article became at once my most shared and my most banned. Many of the people who shared it came from outside the AI world: real estate agents, embedded systems engineers, coaches who teach primary school children to code. The ones who banned it were several of Taiwan’s largest AI groups on Facebook. Some posts waited for approval forever; some were approved when no one would see them any more; some were removed, and my page was blocked along with them.

During the same period, the feeds of these groups never lacked content: cheat sheets, prompt templates, courses on limited-time offer, the administrators’ own seminars.

At first I thought this was just a few group administrators’ likes and dislikes. Later I realized it was an ecosystem.

1. The Problem Isn’t Whether the Courses Exist

Courses that “harvest leeks,” as Chinese internet slang puts it, cropping beginners again and again the way leeks are cut and left to regrow, have always been around. There used to be start-up courses on “becoming rich”; today there are AI courses that run a few hours and cost over ten thousand. In “Every Sentence Is True” I took one of them apart: the work shown was real, the tools were real, every sentence held up, and what students actually bought was only one of the five things behind the showcase.²

Nor is this unique to AI. Chapter 1 said that every round of technology comes with a story (see Chapter 1); every story comes with a crowd of people selling courses. The computerization era had computer classes and crash courses; the internet era had web design classes and e-commerce start-up courses; this round has AI courses. The tools keep changing; what is sold doesn’t: the fear of “learn it or be left behind.”

What such courses sell is one sentence: learn it or be left behind. Chapter 1 argued that when companies cut their technical staff, they are clearing out the veto, and AI is the name this round gives it (see Chapter 1); Chapter 7 argued that the people around you will describe your situation as your personality (see Chapter 7). The course market takes the next step: it describes structural layoffs as a deficit in your personal skills, then packages that deficit as a product and sells it back to you.

But this chapter isn't about the courses themselves. Whether a course is good or worth the money, buyers can at least judge for themselves; at worst, they lose the fee.

The real problem is the distortion it causes in the whole ecosystem once it appears. Course sellers don't just sell courses; they buy exposure. Once they've bought exposure, they start defining what is mainstream; once they define the mainstream, other voices get pushed where no one can see them. In the end, the question is no longer "have you been harvested?" but "apart from them, who else can you still hear?"

2. Two Queues

Chapter 4 discussed a restaurant that put high-paying and budget customers into one queue (see Chapter 4). Social platforms didn't start out that way.

The original platforms had two separate queues. One was the ad queue: people who wanted to pay for exposure stood in it, their content was clearly labeled "sponsored," and readers knew at a glance it was commercial promotion. The other was the organic queue: people who wanted to talk freely and speak normally stood in it, and whoever wrote well or made sense got read and shared. They said their piece, we said ours, and neither interfered with the other.

It was much like slotting fees in supermarkets. Brands pay for the best shelf space; everyone knows it and can see it: the row at eye level has been paid for. It may be unfair in places, but at least it is transparent.

What happens now is something else. Leek-harvesting operators use huge ad budgets to take most of the ad queue's slots, which in itself is fair enough. The problem is that they have also pushed into the organic queue, dressed in its clothes:

- following and liking one another to pump up volume;
- paying for fake engagement and fake numbers so a post looks like it spread naturally;
- running their own closed groups, where administrators pin posts, comment first and cross-post insiders' content, laundering exposure behind closed doors.

The result is that you can scroll your feed all day without being able to tell whether what you're looking at is a paid ad or a group of people posing as experts in various fields who, having bought volume, now stand on stage defining the world.

The restaurant in Chapter 4 at least labeled its fast lane as a fast lane. Here the fast lane is dressed as the ordinary queue.

How Slow the Organic Queue Is

The fast lane sells well because the ordinary queue is slow enough. My own numbers can serve as a reference: in June 2026, each post on my Facebook page averaged around twenty-odd impressions, and about one in ten of the people who saw a post engaged with it; the engagement rate wasn't bad, but reach was close to zero. During the same period, the ad manager's estimate told me that for a post with only eleven organic impressions, NT\$100 a day would reach anywhere from zero to three hundred-odd people.

The slower one queue moves, the more valuable the other becomes. Whether this is the platform's deliberate design or a side effect of the algorithm can't be seen from outside; but for the people in the ordinary queue, the result is the same.

The platforms, features and figures in this chapter are as they were in 2026. Platforms will be renamed, features redesigned, numbers changed. What to take away is the two queues: one paid, one organic, and the slower the latter, the more valuable the former. When the next platform appears, look first for where its two queues are.

3. From Buying Exposure to Defining the Mainstream

Buying exposure is in itself normal business. A course seller who buys plenty of ads recoups the cost as soon as one customer buys an annual plan; that is genuine capital efficiency. The problem is that once you buy exposure in large enough quantity, it is no longer just exposure; it becomes definition.

When you open your feed and most of the content about AI comes from the same circle, what that circle says becomes "the AI community's consensus." What counts as learning AI, who counts as an expert, which questions are worth asking, which attitudes count as positive: all are decided by the loudest group. Voices outside that consensus are not rebutted; they are only categorized: negative energy, unfriendly, amateur, troll.

Turning the Pressure Back

Once the power to define is in hand, it can be turned to suppress others.

In large groups, suppression needs no formal ban. Administrators don't have to delete your post; they only have to not approve it, approve it late, or pin their own people's content next to it, and the effect is the same. Comments that press on costs or ask for details can be removed as "unfriendly"; accounts reported by a group of people are often restricted first and left to wait on an appeal. Blocking, not blocking, outright muting: the effects are really the same, only different in degree. Suppression is a continuous spectrum, not a series of isolated incidents.

The most hidden form is the so-called shadowban. I have run into this: a post is approved, the administrator even likes it, but other members can't see the post or its comments at all. On your own account everything looks normal; only by switching to another account do you find it has vanished.

What makes the shadowban most effective is that it notifies no one. No notification means no list; no list means no group of victims; no group means no policy pressure. In the three volumes of *Attenuation: How Visibility Is Allocated*, I set out this mechanism in detail, along with how it reverses the burden of proof and puts it on creators.³

What Was Also Taken: the Original Article

This had a sequel I didn't expect.

I once posted an article in a large AI group. Later the group blocked my page. Looking from another account, the post could no longer be found in the group; but when I searched the article's title on Google, the top result was the group's copy, ranked above the original on my own website. Once my page was blocked, I no longer even had permission to delete that post.

Meta's terms of service state that the license users grant the platform over their content ends when the content is deleted from its systems; the terms also say users can delete their content at any time.⁴ But when the platform's own blocking takes away the power to delete, the license never ends. The people who can't see me can see my article; only it hangs under someone else's name, drawing traffic for someone else's group.

4. Fake People Get Blue Checks Too

Verification is even more absurd.

In February 2023, Meta launched paid blue-check verification, Meta Verified. According to the official description, subscribers submit government ID matching their profile name and photo; what they get for subscribing includes not only the verification badge and impersonation protection, but also "increased visibility."⁵

In other words, the blue check had two meanings from the start: one is "there is a real person here"; the other is "this account has paid, so it will be shown a bit more."

The first meaning is failing. In 2026 I saw with my own eyes an AI-generated virtual person's account wearing a blue check. Someone underneath asked: isn't the blue check something you buy? The account's owner answered matter-of-factly: yes, you have to buy it. What the ID check actually stops in practice, I don't know; I only know that a person who doesn't exist can appear in your feed carrying "real person verification." I have also seen instructors selling anxiety courses

advertise with AI-generated characters, buy blue checks for those characters, and then run them as ads.

What remains is only the second meaning. If even fake people can be verified as “real,” the blue check no longer verifies what is real; it verifies whether you paid. So turn the question around: does a real person who won’t pay for verification never get basic exposure?

This is the greatest irony of the whole business. Creators work hard writing articles that bring the platform content, readers and time spent; that traffic isn’t rewarded but pressed down by the algorithm, then sold back to them monthly under the name of “increased visibility.”

5. Symbiosis

So “loopholes in social platforms’ mechanics” and “the spread of leek-harvesting courses” are not two problems but two halves of one vicious circle.

Walk through it step by step:

1. The platform suppresses organic reach, so the fast lane can be sold.
2. The businesses most willing to pay for the fast lane are those with the highest margins and fastest conversion, and leek-harvesting courses are among them. Course sellers do the math: as soon as one student buys an annual plan, the ad spend is recouped.
3. Having bought enough exposure, course sellers define the mainstream; those outside it who press on costs or raise objections are categorized, reported and removed.
4. With fewer voices warning buyers, the next wave of buyers grows; with more buyers, course sellers have more money for the next round of ads.
5. The platform takes in more ad revenue and has even less reason to let the organic queue move faster. Back to step one.

I have seen a sales-coach page with a blue check and tens of thousands of followers whose post stated outright: you have to pay for your lead lists. That line is a slogan course sellers teach their students, and it is also the platform’s own business model: your customers can only be found if you pay.

The circle has one more lock. Facebook groups and pages are often recommended to newcomers through “mutual friends.” If the handful of friends you first added were already in these groups, every later spread of yours is locked inside the same circle; however it is passed around, it reaches the same people. On this platform there is almost no road left to readers outside the circle.

As with Chapter 1’s loop, each step of this circle is a rational response to the step before (see Chapter 1). The platform wants revenue, course sellers want customers, administrators want to

keep their groups “positive.” No step needs anyone to mean harm; but once the loop is complete, the only side that can be heard is the side that paid.

6. An Industry Chain Spinning in Place

If this circle stayed on social platforms, the losses would be at most some readers’ time and some students’ fees. The most alarming step is when the “professional definitions” built up by capital are packaged one layer higher, into government-endorsed projects and company-backed training courses.

The Transfer of Legitimacy

The route is no mystery. The loudest people on social media are the easiest to invite: workshops co-organized by government, speaker lists for corporate training, adjunct appointments at colleges, partner titles at vendor events, officially recognized skills certifications. Each layer of endorsement carries over to the next course, so that “took a few courses, plus self-study” gradually becomes a credential. What students see is someone endorsed layer upon layer; what they can’t see is that none of these endorsements ever measured the ability to deliver, only volume.

Subsidies Are the Amplifier

Under Taiwan’s Ministry of Labor’s “Industrial Talent Investment Program,” as of 2026, employed workers are subsidized for 80% or 100% of training fees, up to NT\$100,000 per person every three years, for courses run by private training providers.⁶ The policy’s intention, to encourage continuing education, is not wrong; but once it connects with the circle above, the effect changes.

In “The Efficiency Trap: Sequel” I wrote that subsidies are the amplifier of the whole model: some groups’ gatherings are nominally paid, but participants get in free as long as they hand over their personal details so the organizer can claim the subsidy.⁷ Subsidy programs measure course hours, numbers of graduates and certificates issued, not whether students can make anything once they finish. This is exactly the measurement problem discussed in Chapter 6: what gets measured is what is easy to count (see Chapter 6). A few hours to teach a set of tools produces precisely hours and certificates of completion. What the system purchases and what such courses sell line up perfectly.

Same Name, Different Contents

Put the whole chain together: students’ fees and government subsidies flow to the courses, course profits flow to ads, ad spending flows to the platform, and the platform sells exposure back to the courses. The money keeps moving, and every cell in the reports has a number, hours, headcounts, certificates, reach, nothing missing. Only, after one full loop, nothing has been made.

Chapter 1 said an R&D department can keep its name while its contents are swapped: the headcount is still there, the spending is still there, but what goes on inside is no longer R&D (see Chapter 1). This chain is the societal version of the same thing. The words “AI talent development” are still there, the budget is still there, and completion certificates increase every year; but what flows inside is ad spending and subsidy money.

This is a completely inefficient industry chain spinning in place. What it consumes is not only individuals’ fees but a whole society’s energy: working people take classes after work, unemployed people spend subsidies on classes, governments spend budgets buying hours, companies spend training budgets buying titles. That time and those resources could have gone into genuinely learning something and making something. I believe this does deeper damage to a society’s long-term competitiveness than any single bad course.

7. Invisible Is Not the Same as Nonexistent

This chapter belongs in the part titled “not treating the structure as your own flaw” for a simple reason: the biggest victims of this circle often don’t feel like victims; they only feel they aren’t good enough.

Someone who writes seriously, with each article seen by only twenty-odd people, can easily conclude: my writing is bad, nobody cares about my topics. Someone who wants to learn AI and finds only one kind of voice in their feed can easily conclude: this is the industry consensus, and if I can’t keep up, that’s my problem. Both conclusions mistake a designed visibility for their own ability.

This is the positional sampling of Chapter 4 (see Chapter 4). Standing in the suppressed queue, you think the world is this small; seeing only the group that paid, you think they represent everyone.

How to Spot Bought Volume

From outside, bought volume and genuine expertise often look alike. But a few questions can be asked without any inside information:

1. Is this content labeled as an ad? If not, are the groups, pages and seminars behind it the same business?
2. In their community, do comments that press on costs or raise objections survive? If they stay and get serious answers, that is one answer; if they don’t stay, that is another.
3. Are the people endorsing them also endorsing each other? When people in one circle take turns recommending one another, the recommendation is no longer evidence.
4. An account that claims influence and follows thousands of people: is it following to read, or to be followed back?

5. Does what they say have results that can be tested? Or only certificates, titles and student testimonials?

Summary

Looking back over this chapter, the leek-harvesting courses are only the entrance. The real problem is that they have grown together with the platform's mechanics: the platform slows the organic queue, course sellers buy the fast lane and then dress it as the organic queue; bought exposure becomes the definition of the mainstream, and that definition is packaged again as government and corporate endorsement, finally flowing back into the same chain. The money keeps moving, while the voices that can be heard grow fewer.

The public's precious energy and resources should not be used up by fake tasks, bad courses and empty slogans wrapped in money. And those pressed out of sight by this chain should not mistake being invisible for a flaw of their own.

Chapter 7 looked at how the people around you describe your situation as personality; this chapter looked at how markets and platforms describe visibility as ability. The next chapter leaves the screen, crosses a bridge from Linkou and walks to a beef noodle shop in Gongxi, Guishan. The old woman who ran it was never on any platform, yet she and her children's generation are judged by the same story: those who hold on are called resilient; those who don't are called not hardworking enough.

Chapter 9: One Bridge Apart

Prologue: A Bowl of Beef Noodles for NT\$80

I no longer remember the name of the shop; I think it was simply “Tainan Beef Noodles.” It was in Gongxi, in Guishan District, Taoyuan; to get there from the A9 station in Linkou, you crossed a bridge.

It was an old house with the shop in front and the living quarters behind, and an elderly woman did the cooking. A bowl of beef noodles cost NT\$80, with real meat and real noodles; braised pork rice was all you could eat, with the braised pork in a Tatung electric cooker and the rice in a wooden tub, and you helped yourself. She cooked it herself, the shop was her own, she made a fixed amount every day and closed when it sold out. In the pandemic years of the early 2020s, when many shops couldn’t hold on, she kept making money.

The shop wasn’t on Google, and it didn’t give receipts. Everyone who knew about it lived nearby.

On the other side of the bridge were the Mitsui Outlet Park and the airport MRT’s A9 station. In 2021, I knew of shopfronts around there renting for NT\$80,000 a month.

At the time I was just a customer; I ate and left without thinking much about it. Later I never had that bowl of noodles again. Whether she went back to Tainan, I don’t know.

This chapter was not originally about her. In early October 2026 I watched two videos, one about young Taiwanese starting micro-businesses and one about teaching children to survive in the age of AI, and read the comment sections of both. By the end, what I thought of was not any case in the videos, but that bowl of noodles, and that bridge.

1. Two Videos, Two Exits

The first was “Has the Myth of Taiwan’s Young ‘Micro-Entrepreneurs’ Collapsed?” from the channel Tingdian Studio (停電工作室), uploaded in early October 2026.¹ Counting down from ten to one, it listed ten brutal truths about going it alone: inventory turning into garbage, the employer’s labor and health insurance contributions disappearing, a million dollars of renovation worth nothing at exit, a gap in your résumé; number one was “escape has never been a business model.” It ended with three iron rules: parents, don’t use your retirement savings to open your child’s first shop; test at zero cost on weekends first; treat your company as a paid training ground.

In a sentence: don’t go out; go back to a job.

The second was Ah Ju’s “How to Teach Your Kids to Survive in the Age of AI,” in Cantonese.² He worked in finance for over a decade and is also a father. He said AI is replacing entry-level

white-collar work: what used to take ten new hires can now be done by one person plus AI; children need to learn to define problems, check AI's answers, soft skills, and resilience. Finally, he said AI has greatly lowered the barrier to starting a business: one person can do a whole team's work.

In a sentence: the road through employment is narrowing; go out.

Put side by side, the two videos undercut each other. One says entrepreneurship is a graveyard and only a job is safe; the other says the ladder of employment is being dismantled and entrepreneurship is the opportunity. Both tell part of the truth, but neither answers the same question: whichever exit you take, who is standing at the door collecting?

2. The Entrepreneurship Exit: Pay to Get In, Pay Again to Get Out

Tingdian's number three was the most vivid case in the video. A retired civil servant put up NT\$1.5 million to help his daughter open a dessert shop: NT\$900,000 on renovation, NT\$600,000 on a coffee machine, an ice maker and display cases. It didn't last ten months. She tried to transfer the lease for NT\$800,000; in two months no one asked. A secondhand equipment dealer came and offered NT\$35,000 to take NT\$600,000 worth of equipment. The landlord demanded the premises be restored to their original state or the NT\$100,000 deposit would be forfeited, and in the end he paid another NT\$120,000 for a crew to tear out the renovation.

NT\$1.5 million to get in, and still more to pay on the way out.

The video tells this story as a warning: don't be impulsive, don't use your parents' money. But list where each sum went, and you see something else. The renovation money went to the renovators, the equipment money to the equipment suppliers, the rent to the landlord; at the exit, the equipment flowed back to the secondhand dealer's warehouse at a fifth of its price, the demolition fee went to the crew, and the deposit nearly stayed with the landlord. The only one who lost from start to finish was the entrepreneur; every other link collected once on the way in and once on the way out.

The comment section was more precise than the video. One person said landlords don't charge you less rent when times are bad, but they'll find ways to raise it when business is good. One said you think being the boss means you control everything, but you're closer to a tenant farmer. One said platform commissions are scarier than physical rent. One said a franchise means spending three or four million to buy yourself the job of the head office's store manager. And one said the signs change again and again, and the only ones with more work than they can handle are the renovation carpenters.

Not one of these comments says entrepreneurs are lazy or naive. They are describing structure: whether or not the shop survives, some people always get paid first.

In “Four Places, and No One Got the Bargain,” I wrote that cheapness doesn’t land on the last person in line by itself; someone along the way always catches it.³ Micro-entrepreneurship is the reverse of the same thing: costs aren’t shared evenly either; they run down the same chain and come to rest on the person with the least bargaining power.

3. The Employment Exit: A Narrowing Ladder

Tingdian’s answer is to go back to a job. But number two in the same video shows how narrow this exit is: after five years spent on a small shop, people who go back to sending out résumés at 32 to 34 find that managers see not entrepreneurial spirit but a skills gap, someone hard to manage, teamwork skills gone rusty. In the end they can only take administrative, retail or delivery jobs paying NT\$32,000 a month.

One commenter put it more bluntly: in Taiwan, finding a job after forty is very hard, almost nobody will hire you, and that’s why so many people start businesses.

If employment were really safe, so many people wouldn’t be running out the door.

Ah Ju’s video supplies the other half: the ladder of employment itself is being dismantled. In investment banking, law, accounting, consulting and software engineering, what used to take ten new hires can now be done by one person plus AI. He attributes this to AI.

The comment section didn’t quite agree. One person said that even without AI, companies would outsource work to low-wage countries; that has been going on for forty or fifty years, only people don’t notice. One said many layoffs in the name of AI are layoffs the company wanted anyway, with AI as the excuse so as not to scare off investors. And one comment asked the question at the heart of it: you say the person who stays will create ten times the value and earn a higher salary, but when ten people compete for one job, the lowest bidder wins, so why would anyone pay him double?

This is exactly what Chapter 1 said: the technology is real, but in every round it is borrowed to give layoffs a name (see Chapter 1); the outsourcing in that comment was the last round’s name. Ten times the value may be real, but value and pay are two different things. Where value flows is decided not by technology but by who sits on which side of the bargaining table.

In “The Money Doesn’t Leave, and Neither Do the People,” I discussed the failure of exit for both capital and labor.⁴ The comment sections under these two videos are the street-level version of that article: go out and start a business, and outside the exit stand the landlord and the platform; stay in a job, and inside the exit wait outsourcing and layoffs. In both directions someone is collecting; they just collect differently.

4. One Bridge Apart

Back to the bridge.

In fact, Linkou's old streets still have plenty of old shops with good food at low prices. They don't advertise and few people recommend them; only locals know about them, and only locals go. On the other side, the Mitsui Outlet is packed on Saturdays, but those crowds don't flow to the old shops. The new shops with expensive rents do business with new residents and outsiders.

Within one area, these are two parallel economies that barely touch.

One runs on familiarity. The customers are neighbors; news travels by word of mouth; everyone knows which shop is good, when to go, when it sells out. The other runs on foot traffic. The customers are outsiders who drive in, and new residents who work in Taipei and eat here only in the evenings and at weekends. The first does breakfast and lunch and closes when it sells out; by the time the second group comes home, the old shops have long since closed.

So what an expensive rent buys is not the food, but location, visibility and opening hours. Someone who doesn't know the area, has no neighborhood network and can't tell which shop is good will choose the one they can see, can walk to and that is open. This is the physical version of the algorithm's toll: online shops pay the platform for exposure, physical shops pay the landlord for foot traffic (see Chapter 8). Tingdian's number eight said an online shop with NT\$4.5 million in sales paid NT\$1.4 million for ads. Move it onto the ground, and that money is called rent.

The Dividing Line Isn't the Bridge

I had assumed the bridge was the dividing line between the two economies: expensive on the Linkou side, cheap on the Guishan side. In October 2026 I checked asking rents on rental websites and found it isn't so. By the averages listed on 591, a rental site, shopfronts in Linkou rent for about NT\$2,200 per *ping* (about 3.3 square meters) a month and in Guishan for about NT\$1,600-odd, a gap of roughly 30 percent, hardly two different worlds. The real gap is between new and old: on the Guishan side, shopfronts in newly redeveloped districts can rent for close to NT\$3,000 per ping, more than at A9; on the old streets on both sides, NT\$800 or 900 per ping will do.⁵

To be clear, these are asking rents from 2025 to 2026, not transaction prices, and not 2021 figures; I couldn't find listings on Gongxi's old street itself and could only use other old parts of Guishan for reference.

But the result says even more. What decides rent is not which administrative district you're in but whether you have been drawn into the economy of redevelopment and foot traffic. The bridge doesn't separate Linkou from Guishan; it separates A9's new town from Gongxi's old street.

The old woman was on this side of the bridge. Her shop wasn't on Google; it wasn't on the map of the foot-traffic economy.

The Receipt

Her shop also didn't give receipts. Under the rules as of 2026, small businesses in Taiwan with monthly sales of NT\$200,000 or less can apply to be exempt from issuing uniform invoices, the official receipts, and pay 1% business tax on a turnover assessed by the tax office; mass-market eateries such as noodle shops could in the past apply for exemption even above NT\$200,000. So not giving receipts doesn't mean not paying tax; whether she paid, and how much, I don't know.

What I do know is that this channel is narrowing. 2026 to 2028 is a transition period in which shops that adopt mobile payments can keep the 1% rate; from 2029, mass-market eateries with monthly revenue over NT\$200,000 must issue invoices.⁶ Tax fairness in itself is reasonable. But for shops like hers, she was not only on the other side of the bridge but also outside the platforms and outside the invoice system, and that "outside" is shrinking bit by bit.

5. The Noodle Shop and the Tutoring Fees

Near Zhulinshan Guanyin Temple in Linkou there is a shop selling oyster vermicelli and stinky tofu. It looks family-run: husband, wife, and sometimes a child helping out, open only for breakfast and lunch.

Its conditions are much like the old woman's: family-run, all the staff its own people. By rights it could charge her kind of prices too. But it charges market prices.

At first I guessed at reasons. It is already busy, and cheaper prices would only lengthen the queue, so price is a tool for managing the crowd; perhaps it doesn't want to use its advantages to undercut nearby shops that pay rent. But that is only my guess; what they think, I don't know.

What I am more sure of is something else: the child helping out looks to be in junior or senior high school. Those are the years when tutoring, extracurricular classes and entrance exams cost the most.

If so, the margin that isn't passed on to customers may not stay in the owners' pockets; more likely it flows to cram schools and fees.

Put three shops side by side: the old woman passes the margin on to her customers; the vermicelli shop charges market prices, and the margin may flow to the children's education; the new shops that pay rent have no margin to speak of, because their floor was handed to the landlord from the start.

A cost advantage doesn't automatically become cheapness for customers. Someone always catches it: the landlord, the cram school, or an old woman willing to give it away.

The difference between the two old shops is not necessarily who is kinder, but who stands where in life. At the old woman's age, her children have probably long since grown up, and she has no such expenses weighing on her; the vermicelli shop's owners are at the age when the burden is heaviest. Describing this difference as character is exactly the technique criticized in Chapter 7: describing a structural problem as a personal one (see Chapter 7).

6. The Price of Resilience

Ah Ju says children should experience failure early to build resilience. That isn't wrong, but failure has a price.

In the comment section under Tingdian's video there is a story. After graduating from university, a young woman wanted to open a restaurant rather than take over her family's central kitchen business. Her father refused to give her money; her uncle gave her NT\$2 million and said that when it was gone, that was it, and she wasn't allowed to borrow. A little over a year later the restaurant closed, and she dutifully went back to take over the family business and never mentioned starting a business again. The uncle said the two million was money well spent. The person who told the story said it left him stunned: what ordinary person has two million to buy someone a lesson?

Chapter 3 said that whether you make it through depends in the end on how thick your floor is (see Chapter 3). Resilience is the same: it isn't something teaching alone can give; it is something only people who can afford to fall have. For those with a floor to catch them, failure is a lesson; for those without, failure is a fall.

Describing resilience as personal character and describing a failed business as "escapist consumption" are the same move: turning whether there is a floor into a question of what a person is worth.

7. The People Selling Fear Are Collecting Too

Under Tingdian's video, many comments mocked its voice-over, which mispronounced words, turning "biscuits" into "biscuit money" and "financial support" into "wafers," and some recognized the voice as resembling a certain financial media host and suspected it had been cloned with AI. A video teaching people not to be leeks was itself content mass-produced at minimum cost, trading on fear for traffic. At the end it asked viewers to like, subscribe and immediately forward it to their children and spouses.

The video opens by saying that 90% of ordinary Taiwanese businesses fail within a year and close to 99% within five, with no source. The cases in it, a monthly rent of NT\$55,000, a NT\$220,000 coffee machine, a secondhand dealer offering NT\$35,000, come with precise figures and likewise no source. Some comments openly questioned whether the script was true.

The more precise a number, the more easily people believe it. Chapter 6 discussed this technique (see Chapter 6); in “A Half-Hour Production Line” I also wrote about how content farms produce.⁷ This video has both.

That doesn’t mean everything it says is false. Opening a shop means counting costs, and exiting has a price; all true. But it turned viewers’ fear into traffic and stood beside the exit collecting once itself. On this chain, even the person telling you someone is collecting at the door may be standing at the door.

Epilogue: The Share the Old Woman Gave Away

Under Ah Ju’s video, the most-liked comment was a single line: the only preparation is to make as much money as you can now.

After it came: buy good index funds now and leave them to the next generation; buy AI stocks and leave them to the next generation; it all depends on who you’re born to; marry someone rich. And a long string of people saying that not having children is therefore a perfectly sensible decision. In the other video’s comment section, too, someone said: the money is all in the stock market.

The video spent over ten minutes on skills, and the viewers’ answers all converged on the same place: the floor. Only people with a floor can talk about skills, resilience and choice; people without one treat even having children as a game they dare not join.

The old woman’s floor was that shop of her own, with the living quarters behind it. That kind of entry condition is no longer available to young people today. They can’t follow her road, not because they don’t work hard enough, but because that door has closed.

And she gave the margin that floor brought her to everyone who sat down to eat. NT\$80, real meat, real noodles, and beside them a Tatung cooker of braised pork and a wooden tub of rice, help yourself.

In capital’s ledger, this is an under-utilized asset. In her ledger, it was her life.

Shops like this are getting rarer, not because they lose to competition, but because they lose to that ledger. When the old woman goes, whoever takes over will very likely do the sums capital’s way: rent it out, collect rent every month; why get up before dawn to cook noodles? Once it is rented out, the shop becomes the landlord in Tingdian’s video: one person who didn’t have to pay for a floor, replaced by one tenant after another, each taking a turn to pay for one.

The bridge is still there. On its far side, the shop signs change again and again.

All I remember is that once, across the bridge, there was a bowl of beef noodles for NT\$80.

Summary

The three chapters of Part Three look at three versions of the same move. In Chapter 7, the people around you describe a situation as personality; in Chapter 8, markets and platforms describe visibility as ability; in this chapter, even resilience and kindness are described as character. People whose businesses fail are called escapists, people who can't find work are said to have skills gaps, people who fall are said not to be strong enough, and whether there was a floor is never part of the discussion.

Whether you can walk out of these structures is another question. The conclusion answers an earlier step: before you go, don't treat it as your own flaw.

Conclusion: Not a Flaw

1. Nine Situations, One Sentence

Looking back over this book, the people in its nine chapters are in very different situations.

In Chapter 1, an R&D department is replaced wholesale, and those who remain no longer say “no.” In Chapter 2, original flavor becomes a luxury, and fewer and fewer people remember it. In Chapter 3, every road that seems to lead out charges the same entry fee: a floor you can afford to fall onto. In Chapter 4, some people stand in a separate restaurant, others in a shared queue. In Chapter 5, the same group of people pulls together while the pie grows and fights while it empties. In Chapter 6, the numbers are right there, and everyone who can read them has a reason not to check. In Chapter 7, a guest names the contract, the company and power three times, and gets back “you don’t have enough backbone.” In Chapter 8, an article is seen by only twenty-odd people, and its writer assumes the writing is bad. In Chapter 9, a bowl of beef noodles for NT\$80 is held up by an old house already paid for.

The situations differ, but the sentence that lands on the person in each of them is much the same: you’re not good enough. Not hardworking enough, not tough enough, not enough backbone, not positive enough, can’t keep up with the times.

This book has only one thing to say: whether you can get out is not the point; not treating the structure as your own flaw is.

2. Not a Flaw

Being pushed out of a financialized environment doesn’t mean you lacked ability. Often it is exactly the opposite: you were pushed out precisely because you were able to say “no,” and that word is the thing the whole system needs least (see Chapter 1).

The other chapters are the same. People bound by contracts can’t leave, not because they are naive (see Chapter 7); people whose credit is taken in a company with no money to share lose it not because they can’t express themselves (see Chapter 5); people standing in the slowed-down queue are there not because they write badly (see Chapter 8); people who fell and didn’t get up failed to rise not because they weren’t strong enough, but because there was no floor beneath them (see Chapter 9).

Seeing this won’t change your situation. The contract is still there, the queue is still there, the rent still has to be paid. But it will change your judgment of yourself.

That step looks small, but it decides every step after it. People who treat the structure as their own flaw go and buy the course, try to change their personality, compete even harder, then lose again

in the next round and prove once more that they aren't good enough. People who can see the structure at least know what they're dealing with, which efforts are useful, and which only pay fees into someone else's structure.

Changing your judgment is the first step toward leaving.

3. Two Kinds of Escape

So is it really impossible to escape this game through self-study and effort?

I don't believe so, though for now I can't prove it. I'm not rich; at my best I'd count as middle class. But I believe there is always a way. To answer the question, you first have to be clear about what "escape" means.

The first kind of escape is escaping the game's scoring system: no longer measuring yourself by degrees, job grades and comparisons with your peers. This can be done, and self-study is the most powerful tool for it. Since the internet appeared, the barriers have genuinely fallen in one class of fields: those whose results can be verified directly, such as writing, analysis, programming and design. Whether you write well or judge accurately is visible to your readers; no diploma needs to vouch for it.

The second kind of escape is escaping the structural limits: financial security, class position, no longer worrying about falling. Some people achieve this through individual effort, but there is no guarantee, and it can't be copied for everyone. And new gatekeepers appear: get around the credentials, and you run into the platforms' algorithms and the allocation of attention (see Chapter 8). Self-study can solve "do you have the ability," but not "does anyone see you."

Escaping completely would mean leaving every financialized company, which is almost impossible. But in reality there are many positions and many opportunities, and not every one of them stands at the step where financialization's ill effects land. Finding an old-style company that is still expanding and still has real money to share is very hard, but at least such companies exist (see Chapter 5).

One more thing calls for caution: "escape through self-study and effort" is exactly the story the leek-harvesting courses sell (see Chapter 8). The difference is that they sell "follow me and you're sure to succeed"; the version that actually works comes with no guarantee and asks you to accept a different set of standards.

4. Arranging Not to Need to Win

Chapter 3 left a question: how can people without a floor build one for themselves (see Chapter 3)?

I think what comes closest to the way the rich escape is not winning their money but learning their position of “not needing to win.” The rich buy a safety net with assets; ordinary people can only weave themselves a smaller net out of low demands: keep the cost of living down, stay out of the arms races in consumption and education, and give yourself the means to try slowly, so that when an attempt fails, you don’t fall through.

The one thing an individual truly controls is the ratio of the stake to the floor. If your floor is thin, don’t bet big, even if the whole society’s story urges you every day to get on the bus.

This is not advising people to “just not compete.” Chapter 3 said that in a prisoner’s dilemma, no one can lay down their weapons unilaterally. Lowering the stake doesn’t make the game disappear; it only means that after losing once, you’re still at the table.

As for my own belief, it can’t be proved in advance, only tested along the way. What matters is not believing “it will definitely succeed,” but knowing clearly what you’re betting and how much you can afford to lose. A belief like that isn’t blind; it is a calculated choice.

5. Another Kind of Floor

The floors discussed so far have all been money: assets, savings, a property already paid off. But there is another kind of floor that money can’t buy, and that doesn’t take money to pass on.

What my grandfather, father and older brother left me was not assets but a way of seeing the world: how to look at a business, how to look at people, how to tell whether a structure has gone wrong. They weren’t always right, but many of the analyses in this book bear the marks of that way of seeing.

This kind of floor is mostly passed on not by lecturing but by being around them, watching how they conducted themselves and how they made decisions. For a family with no assets to leave the next generation, it may be the only floor truly its own; and it is exactly what this game can least charge for, and least copy.

If I could pass on only one thing to the next generation, it would be the question from the preface: where is the money flowing from, and to where, and who is standing at the door collecting?

6. A Key

Part of this book is written for my children. They are still young and can’t yet follow much of it.

If they read it one day, I don’t want them to walk the road I walked. The world they meet will not be the one I’ve written down; the shops in this book will close, the companies will change their names, and even the word “financialization” may by then have fallen out of use. I only hope to give them one more key: to see the structure of the world clearly, and then decide for themselves whether to take part.

Whether they take part or not, there is at least one thing I hope they remember: when someone tells you that you lost out because you're not good enough, don't rush to believe it. Ask first: what happened out there?

Very often, the answer has already been given three times. It's just that no one heard it.

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"You didn't lose out because you're not good enough."

The R&D department still has its name, but no one inside says "no" any more. A famous restaurant group parts amicably with its partner, and it is the side that stays that pays. A bowl of beef noodles for NT\$80 is held up by an old house already paid for.

This book uses a single method. Each time you hear an explanation, don't ask first whether it is right. Ask where the money flows, and who is standing at the door collecting.

Nine scenes, one structure. It needs no villains, which is why it is hard to see, and so easy to describe as your own problem.

Nebula Walker (星忘塵) is an independent writer and analyst. He has worked in R&D, embedded systems and corporate strategy, grew up in Hong Kong, lived in Australia, and now lives in Taiwan. He runs Mythogen Engine.

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