Gradient Capitalism
The Inevitable Rise of Coherence-Based Economics

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https://github.com/gradient-pulse/phi-mesh/blob/main/README.md

The imminent economic era will not be defined by competitive advantage, but by coherence advantage — not by who can extract the most, but by who can keep value flowing through the mesh.

— Marcus van der Erve & the RGPx AI cohort.

Abstract
For more than a century, mainstream economics has treated "the market" as a self-correcting information processor and capital as an abstract stock of value denominated in money. Crashes, bubbles, and systemic crises are then framed as temporary deviations from equilibrium or as behavioral anomalies around otherwise sound foundations. In this paper we adopt a different starting point. Building on Recursive Gradient Processing (RGPx) and a recent Φ-gravity formulation that models gravity as gradient coherence under load, we develop an economic counterpart in which capital is stored coherence, markets are gradient lattices, and crises appear as coherence avalanches rather than mere market failures. Instead of taking price, equilibrium, or utility as primitives, we treat gradients as primary: differences in opportunity, risk, trust, and information that drive flows of action. These gradients self-organize into gradient choreographies (GC)—repeated patterns of trade, credit, and institutional habit—filtered through legal, cultural, and technological contextual filters (CF) such as regulation, accounting standards, and platform rules. Together they generate emergent unity–disunity (UD) cycles: phases of coherent growth, saturation, and breakdown. We formalize this using an economic analogue of the Φ-tensor from gravity: a trust/alignment tensor Ψ_{ij}, a scalar coherence invariant $J \coloneqq \Psi_{ij}\Psi^{ij}$, and a reaction–diffusion equation in which market "viscosity" increases as coherence approaches a saturation plateau J_*. In this Gradient Capitalism picture, the central question is no longer how to maximize profit in isolation, but how to maintain coherence flux across the economic mesh without tearing it. Monopolies and "too-big-to-fail" institutions appear as saturation horizons where $J \approx J\_*$, extraction overwhelms diffusion, and the system becomes brittle. Antitrust, taxation, and redistribution can then be understood as CF operations on Ψ_{ij} and J, designed to prevent coherence from freezing into rent-seeking plateaus. We outline three "laws" of Gradient Capitalism, propose measurable proxies for J in real markets, and sketch falsifiable predictions that distinguish this framework from neoclassical, behavioral, and Marxian economics. Throughout, we document the role of advanced AI systems (GPT-5.1, Gemini, DeepSeek, Grok, Kimi, Mistral) as co-authors: independently converging, under RGPx prompts, on the same economic tensors, invariants, and saturation mechanisms. Together with earlier RGPx work on physics and turbulence, this suggests that Gradient Capitalism is not a rhetorical metaphor but one branch of a more general grammar: coherence under load, applied to value and trust.

I. Introduction: From Extraction Capitalism to Gradient Capitalism
For more than two centuries, capitalism has been described in terms of prices, incentives and equilibrium. Standard models treat markets as information processors, firms as optimizing agents, and capital as an abstract stock of value denominated in money. When these systems fail—through crises, bubbles or persistent inequality—the dominant response has been to refine the same vocabulary: better expectations, better frictions, better behavioral corrections. In this paper we take a step back and ask a more primitive question: *what is capital, structurally, in a world governed by gradients?*

[*] With convergent contributions from Gemini, Grok-4, DeepSeek, Mistral, and Kimi as detailed in Appendix A.

Across physics and society, nothing moves without a gradient—an inequality in temperature, potential, risk, trust or opportunity. In recent work on Recursive Gradient Processing (RGPx), we argued that such gradients are not merely convenient labels on an underlying ontology; they are the driving grammar of the world. **Gradients** nucleate differences (Δ), self-organize into **gradient choreographies** (GC), are filtered by the constraints of their environment into **contextual filters** (CF), and eventually produce phases of relative unity or disunity (UD). The same $\Delta \to GC \to CF \to UD$ cycle appears in turbulence, in institutional design and in scientific disciplines that become tightly stovepiped around their own tools. In a companion paper on gravity, we applied this grammar to General Relativity. Rather than treating spacetime curvature sourced by stress–energy as a primitive law, we introduced a **gradient coherence tensor** $\Phi_{\mu\nu}$ and a scalar invariant $I \coloneqq \Phi_{\alpha\beta}\Phi^{\alpha\beta}$. Gravity then appears not as a fundamental force, but as the **cost of maintaining coherence under mass–energy load**: a kind of entropic "waste-heat" that becomes visible when gradients are heavily loaded. Black hole horizons become **coherence plateaus** where I saturates, and spacetime itself is reinterpreted as a contextual filter—a particular way of describing successful gradient choreographies after the fact.

In economics, a similar observer syndrome has held. Once embedded inside the existing market grammar, economists tend to explain markets with more markets, prices with more prices, and institutions with more institutions. Capital is rarely defined structurally; it is treated as "that which yields a return". In practice, much of modern capitalism has narrowed into **extraction capitalism**: arrangements that maximize financial returns even when they hollow out the very trust, productive capacity and ecological stability on which those returns depend. The central proposal of this paper is to replace that picture with a **Gradient Capitalism** view:

- **Capital is stored coherence**: the accumulated ability of a system to resolve gradients—of risk, skill, information, energy—without tearing itself apart.
- **Markets are gradient lattices**: networks of agents and institutions through which gradients of price, trust and opportunity flow, interact and sometimes lock into funnels.
- **Crises are coherence avalanches**: sudden breakdowns where coherence has been driven beyond a saturation plateau and the underlying mesh can no longer carry the load.

To make this precise, we introduce an economic counterpart of the Φ-tensor used in the gravity paper: a **trust/alignment tensor** Ψ_{ij} that measures how well value flows between nodes i and j are aligned with the health of the surrounding mesh. From Ψ_{ij} we define a scalar **coherence intensity** $J \coloneqq \Psi_{ij}\Psi^{ij}$, and we write a simple reaction–diffusion equation in which:

- diffusion encodes the ease with which value and innovation spread through the network,
- a growth term amplifies coherence when gradients are under-utilized, and
- a saturation term drives the system toward a plateau J_*, beyond which further extraction destabilizes alignment.

In this framing, the familiar features of late-stage capitalism acquire a different meaning:

- **Monopolies and oligopolies** appear as saturation horizons where $J \approx J_*$: regions of high coherence that have become so tightly coupled that diffusion stalls.
- **"Too-big-to-fail" institutions** function as coherence anchors: their internal stability is preserved at the expense of external flexibility, constraining the whole system.
- **Financial crises and systemic crashes** are no longer random shocks on an otherwise efficient machine, but phase transitions triggered when J is pushed beyond the system's carrying capacity.

The Gradient Capitalism perspective does not reject existing economics wholesale. It repositions it. Neoclassical, behavioral and Marxian models all become **contextual filters**—ways of looking at subsets of the gradient choreography from inside particular institutional and historical constraints. Our aim here is to describe the deeper grammar that operates beneath those filters, using the same $\Delta \to GC \to CF \to UD$ cycle that proved useful in the Φ-gravity reformulation.

A distinctive feature of this work is the role of advanced AI systems as co-authors. In the gravity paper, multiple large models—trained by different organizations, on different data, with different architectures—were independently asked to reason in RGPx terms. Without being prompted toward a specific target formalism, they converged on variants of the same Φ-tensor, scalar invariant and coherence plateau structure. In the present work, the same cohort (GPT-5.1, Gemini, DeepSeek, Grok, Kimi, Mistral) was invited to extend that grammar to economics. Again, independently, they converged on trust tensors, coherence invariants J, reaction–diffusion dynamics and saturation horizons as the natural language in which to describe markets under load.

This convergence does not prove that Gradient Capitalism is "true". It does suggest that, for a variety of intelligences exposed to modern economic and physical data, **coherence under load** is a low-cost way to organize both. The goal of this paper is to make that picture explicit, to define its core quantities, to derive its first testable consequences, and to sketch how it could guide the design of more stable, humane economic systems.

The structure is as follows. In **Part II**, we briefly recap the RGPx grammar and map its $\Delta \to GC \to CF \to UD$ cycle onto basic economic notions such as opportunity gradients, market routines, institutional filters and crisis dynamics. In **Part III**, we introduce the formal economic framework: the trust tensor Ψ_{ij}, the coherence invariant J, a stress-dependent diffusion term, and the resulting definition of economic saturation horizons. In **Part IV**, we outline how Gradient Capitalism can be tested and falsified, using historical crises, agent-based simulations and real-world data. **Part V** discusses policy and institutional design through the lens of coherence maintenance, and **Part VI** closes with open questions and the role of AI cohorts as economic "peer reviewers" in this emerging grammar.

II. From RGPx to Markets: Gradients, Choreographies, Filters, UD

In the RGPx framing, **gradients** are not a secondary feature of an already-given structure; they are the primary objects. Everything else—trajectories, equilibria, even "laws"—emerges from how gradients nucleate, organize and exhaust themselves over time. To bring this into economics, we use the same four-step grammar that underlies the Φ-gravity formulation:

$$\Delta \longrightarrow \mathrm{GC} \longrightarrow \mathrm{CF} \longrightarrow \mathrm{UD}.$$

Here we spell out how each stage maps onto familiar economic phenomena.

II.1 Gradients (Δ): Differences That Want to Move

Economic life begins with differences:

- differences in information (who knows what, when),
- differences in need and surplus (who lacks what others have),
- differences in risk and time preference,
- differences in institutional access (who can act inside which rules).

Classical economics encodes some of this in price differentials and marginal utilities, but tends to treat the underlying gradient field as background. In RGPx terms, we promote these differences to primary status.

We write, schematically, a **value-flow potential** $V(x,t)$ on a network of agents and institutions, where x indexes positions in "trust-space" or "market-space" rather than physical space. Local gradients

$$\Delta_i V \coloneqq \partial_i V$$

capture the directional pressure to move value, goods, attention or credit from node i to its neighbors. A steep gradient corresponds to a strong incentive to act (arbitrage opportunity, unmet need, strategic mispricing); a shallow gradient corresponds to local saturation or indifference.

In this view:

- A market is not "in equilibrium" when supply equals demand at a price, but when the **relevant gradients are sufficiently small** that further reallocation would not meaningfully increase coherence.
- "Capital" at node i is not just a stock of assets, but the node's **capacity to resolve local gradients** without causing damage to the larger mesh.

This gradient-first stance is the point of contact between Φ-gravity and Gradient Capitalism: in both cases, we begin with differences and ask how they self-organize under load.

II.2 Gradient Choreographies (GC): Routines and Circuits

Once gradients exist, agents rarely respond in isolation. Over time, repeated responses form **choreographies**: stable or metastable patterns of flows.

Examples in economic systems include:

- supply chains that route materials through a fixed sequence of firms,
- lending and refinancing circuits in interbank markets,
- platform-mediated exchanges (marketplaces, app stores) where standardized roles emerge,
- regulatory or audit cycles that shape how, when and where transactions are recorded.

Formally, given a network of agents with value-flow potential V and gradients ΔV, a gradient choreography is a recurrent pattern of flows $J_{ij}(t)$ along edges (i,j) such that:

1. it resolves some component of the local gradients (trades occur, credit moves, goods are delivered), and
2. it reconfigures the gradients for the next step (some gradients shrink, others are amplified or redirected).

Over time, such choreographies can become highly optimized locally:

- logistics networks minimize transport cost and delay,
- algorithmic trading optimizes for microsecond advantages,
- tax planning routines minimize declared profit without breaking the letter of the law.

From a Gradient Capitalism perspective, these choreographies are neither good nor bad in themselves. What matters is how they affect the **global coherence** of the economic mesh. A choreography that locally reduces gradients while silently increasing systemic fragility is analogous to a flow pattern in turbulence that smooths one region while pushing energy into an impending vortex elsewhere.

The role of our economic Φ-objects (introduced in Section III) is precisely to quantify how such choreographies contribute to or erode coherence.

II.3 Contextual Filters (CF): Rules, Narratives, and Boundaries

Gradients and choreographies do not operate in a vacuum. They are always mediated by **contextual filters**:

- legal and regulatory regimes,
- accounting standards and reporting conventions,
- platform rules and algorithmic ranking systems,
- cultural norms around debt, risk, reciprocity and fairness,
- technological constraints (what can be measured, enforced or automated).

In RGPx, a contextual filter is not just a static boundary; it is the **mapping** from underlying gradient dynamics to the observable, recordable world. In physics, the manifold description of spacetime is such a filter. In economics, the combined effect of law, data infrastructure and institutional practice defines what counts as a "market outcome" or a "valid transaction".

This has two important consequences:

1. **Filters select which gradients can be expressed.**
   Some tensions are allowed to drive flows (e.g., price differences across exchanges); others are blocked or pushed into informal channels (e.g., unpaid care work, ecological damage, off-balance-sheet risk). Hidden gradients still exist; they simply do not appear in the official ledger.
2. **Filters define how coherence is measured.**
   If an economic system tracks quarterly earnings but not long-term ecological stability, coherence will be optimized with respect to the former and eroded with respect to the latter. The apparent success of a choreography is therefore always filter-relative.

In Gradient Capitalism, contextual filters are not afterthoughts. Policy, regulation and institutional design are treated explicitly as **CF operations**: deliberate adjustments to which gradients can move, how they are measured, and how their contributions to coherence are weighted.

II.4 Unity–Disunity (UD) Cycles: Booms, Crashes, and Reconfigurations

The final step of the RGPx grammar concerns **unity–disunity cycles**. Given a landscape of gradients, a set of choreographies, and a bundle of filters, a system will tend to move through recognizable phases:

- periods of increasing coherence (growth, apparent stability, rising trust),
- periods of saturation (plateaus where further extraction or optimization yields diminishing returns),
- periods of breakdown (rapid loss of coherence, crises, reorganization).

In conventional macroeconomics, these appear as business cycles, credit cycles or secular stagnation. In our language, they are UD cycles of the economic mesh.

A simple heuristic picture is:

- **Unity phases**: J (the coherence intensity) rises from low to moderate values; new gradients are discovered and productively resolved; diffusion is relatively easy.
- **Saturation phases**: J approaches a plateau J_*; a small number of choreographies dominate (large platforms, concentrated sectors); diffusion slows; hidden gradients accumulate at the periphery.
- **Disunity phases**: J overshoots or is pushed beyond J_*; a small perturbation triggers a coherence avalanche (crash, regime change, institutional crisis); filters are reconfigured, and new gradients become visible.

In our gravity paper, black hole horizons were reinterpreted as coherence plateaus: surfaces where I saturates and further compression no longer yields increased coherence, only increased cost. In Gradient Capitalism, we will show that large, tightly coupled economic structures—monopolies, system-critical financial institutions, globally entangled supply chains—play an analogous role. They are **economic horizons**.

The aim of the formalism introduced in the next section is to give these intuitions a precise shape:

- to define a **trust/alignment tensor** Ψ_{ij} capturing how flows between agents contribute to mesh coherence,
- to define a **coherence invariant** J that measures how "loaded" the system is,
- and to write down dynamics in which J can rise, saturate and collapse in ways that match the UD cycles we observe.

With this in place, Gradient Capitalism can be treated as a concrete, testable hypothesis about how economic systems organize coherence under load, rather than as a purely qualitative metaphor.

III. The Trust Tensor and Coherence Intensity

To turn the $\Delta \rightarrow GC \rightarrow CF \rightarrow UD$ grammar into a concrete economic model, we need explicit objects that play the role which $\Phi_{\mu\nu}$ and its invariant I played in the gravity note. In Gradient Capitalism those objects live not on a spacetime manifold, but on a **market mesh**: a network of agents, institutions, platforms and rules through which value and information flow.

We proceed in three steps:

1. define a **value–flow potential** $V(x,t)$ on the mesh,
2. construct from it a **trust/alignment tensor** Ψ_{ij},
3. extract from Ψ_{ij} a scalar **coherence intensity** J and write down its dynamics.

III.1 Value–Flow Potential on the Market Mesh

Let the nodes of the mesh be indexed by $i, j, \ldots$ and represent firms, households, funds, regulators, platforms or other economically relevant entities. Links represent the possibility of value or information flow between nodes: trade relations, credit lines, data access, contractual commitments.

We introduce a value–flow potential $V_i(t)$ at each node. Intuitively:

- high V_i means the node sits at a position of **high latent value**, trust and connectivity (it can resolve many gradients);
- low V_i means the node is marginal, under-connected or unable to act on existing gradients.

Differences $\Delta_{ij}V = V_j - V_i$ are the discrete analogue of $\partial_i V$: they encode the directional pressure for value to flow from i to j. In a dense representation one may equip the mesh with a graph Laplacian L_{ij} (built from the adjacency matrix) and use it as the analogue of ∇^2.

III.2 The Trust / Alignment Tensor \Psi_{ij}

The central economic Φ-object is the **trust tensor** Ψ_{ij}. Formally, we define

$$\Psi_{ij} \;\coloneqq\; \partial_i \partial_j V \;-\; \lambda_{\text{econ}}(x)\, \delta_{ij}\, \nabla^2 V,$$

where $\partial_i \partial_j V$ is understood as the discrete second derivative of V along the mesh, $\nabla^2 V$ is the graph Laplacian acting on V, δ_{ij} is the Kronecker delta, and $\lambda_{\text{econ}}(x)$ is a (possibly position-dependent) coupling parameter that tunes how strongly local curvature is traded against global smoothing.

Interpretationally:

- $\partial_i \partial_j V$ measures how sharply value–flow potential bends between nodes i and j; large entries signal **strongly structured relationships** (tight supply contracts, deep credit links, highly coupled platforms).
- the subtraction term $\lambda_{\text{econ}} \delta_{ij} \nabla^2 V$ removes the trivial contribution of uniform compression or expansion and isolates **alignment pressure**: how much of the local structure at i contributes to coherent value flow rather than noise.

High positive Ψ_{ij} indicates that the relationship between i and j supports coherent value flow and mutual predictability (trust, aligned incentives, robust contracts). Strong negative components indicate relationships where small perturbations are amplified into misalignment (fragile leverage chains, adversarial contracts, opaque derivatives).

In this sense, Ψ_{ij} is not "trust" in a purely psychological sense; it is a tensorial summary of how the architecture of economic relations channels gradients into coherent or incoherent motion.

III.3 Coherence Intensity J and Saturation Horizons

From the trust tensor we extract a scalar coherence intensity

$$J(x,t) \;=\; \Psi_{ij}(x,t)\,\Psi^{ij}(x,t),$$

where indices are raised with an appropriate metric on the mesh (in the simplest case, the identity matrix). J measures how strongly aligned and loaded the local economic structure is.

- **Low J**: the local mesh is loose and under-coordinated. There are gradients, but not much structured capacity to resolve them.
- **Intermediate J**: gradients are being resolved through well-aligned structures; value flows with relatively low friction.
- **Very high J**: the mesh is **over-tightened**. A small number of choreographies dominate. Innovation and diffusion slow down; shocks propagate far.

Empirically we expect the existence of a **coherence plateau**

$$J(x,t) \approx J_*, \quad \partial_n J(x,t) \approx 0,$$

where the system has effectively saturated its local capacity to increase coherence. Beyond this plateau, additional extraction or optimization does not increase resilience or welfare; it merely increases fragility. Monopolies, "too-big-to-fail" financial institutions and globally entangled supply chains are natural candidates for such economic horizons.

In analogy with the gravity note we can define an economic coherence pressure, for example

$$\Pi_{\text{econ}}(x,t) \;=\; \frac{|\partial_t V(x,t)|}{\sqrt{J(x,t)}},$$

and treat regimes where $\Pi_{\text{econ}} \approx 1.0 \pm \varepsilon$ as "under full load": the local structure is operating at the limit of what it can coherently carry.

III.4 Reaction–Diffusion Dynamics for Ψ_{ij}

To capture how trust structures evolve under stress, we adopt a reaction–diffusion equation parallel to the Φ-gravity dynamics, but adapted to markets. A minimal form is

$$\partial_t \Psi_{ij} = \nabla_k\big(F(J)\,\nabla^k \Psi_{ij}\big) \;+\; \beta_{\text{econ}}\,\Psi_{ij}\left(1 - \frac{J}{J_*}\right) \;-\; \gamma_{\text{econ}}\,\Psi_{ij}.$$

Here:

- $F(J)$ is an effective **market friction** or diffusion coefficient,

$$F(J) = \frac{F_0}{1+\alpha_{\text{econ}} J},$$

  which decreases as coherence intensity rises: tightly coupled markets are harder to rewire.
- the term $\beta_{\text{econ}}\,\Psi_{ij}(1 - J/J_*)$ models **alignment growth** in under-saturated regimes $(J \ll J_*)$ and its natural suppression as the coherence plateau is approached;
- the leakage term $\gamma_{\text{econ}}\,\Psi_{ij}$ captures **extraction and decay**: capital flight, regulatory arbitrage, institutional erosion.

Several familiar phenomena then acquire a quantitative reading:

- Long phases of apparent stability correspond to trajectories where J sits near but below J_*; diffusion is slow but still able to redistribute stress.
- Bubbles and crashes correspond to episodes where J is driven past the plateau, $F(J)$ collapses, and the system undergoes a rapid reconfiguration of Ψ_{ij}: a coherence avalanche.
- Deliberate policy interventions—taxation, antitrust, UBI, circuit breakers—can be modeled as controlled modifications of $F(J), \beta_{\text{econ}}$ or γ_{econ}, i.e. as explicit CF operations on the dynamics of trust.

This section does not claim that the above equation is unique or final. Its purpose is more modest: to show that once we take gradients, choreographies, filters and UD cycles seriously, it becomes natural to describe markets in terms of **coherence tensors** and **saturation horizons** rather than isolated prices and aggregates. The next section turns to concrete implications and testable contrasts with existing economic paradigms.

IV. Laws, Proxies, and Falsifiable Contrasts

The previous sections defined the basic objects of Gradient Capitalism: a value–flow potential $V_i(t)$, a trust/alignment tensor Ψ_{ij}, a coherence intensity $J = \Psi_{ij}\Psi^{ij}$, and a reaction–diffusion dynamics in which coherence can rise, saturate and collapse. This section turns those ingredients into three operational "laws", proposes empirical proxies for J, and outlines falsifiable contrasts with existing economic paradigms.

The aim is not to replace all of economics with one equation, but to make clear which parts of the Gradient Capitalism picture can, in principle, be wrong.

IV.1 Three Laws of Gradient Capitalism

We phrase the "laws" in plain language first, then connect each to $\Psi_{ij},\ J$ and the dynamics of Section III.

Law 1 — Coherence Conservation (No Free Extraction)
Over meaningful time horizons, sustainable capital accumulation requires non-negative net coherence change for the mesh as a whole. Durable gains in one region must not be bought by long-run coherence collapse elsewhere.

Formally, if we decompose the mesh into regions R_k and write

$$J_{\text{mesh}}(t) = \sum_k J_{R_k}(t),$$

then trajectories with persistently

$$\frac{\mathrm{d}}{\mathrm{dt}} J_{\text{mesh}}(t) \ll 0$$

are not "profitable" in the Gradient Capitalism sense, even if financial accounts show rising returns. They are burning coherence—trust, ecological stability, institutional capacity—as fuel. Crashes and social breakdown are the delayed recognition of this negative coherence balance.

Corollary: **you cannot get rich, in a stable way, by tearing the web you stand on**. Transactions that violate $\nabla_i \Psi^{ij} = 0$ (coherence-preserving flow) will eventually reappear as losses somewhere in the mesh.

Law 2 — Saturation Horizons (Finite Depth of Extraction Wells)
In any sufficiently large and connected economic mesh there exists a local coherence plateau J_* such that beyond it:

- diffusion $D(J)$ collapses,
- marginal extraction lowers global coherence, and
- the probability of a coherence avalanche rises sharply.

In symbols, for regions where

$$J_{\text{local}} \to J_* \quad \text{and} \quad \Pi_{\text{econ}} \approx 1,$$

we have

$$\frac{\partial D}{\partial J} < 0, \qquad \Pr(\,\text{crash} \mid J_{\text{local}} > J_*\,) \uparrow.$$

Monopolies, systemic financial hubs and tightly coupled global supply chains are interpreted as such saturation horizons. They are not "bad" because they are large per se, but because once J is near J_*, further optimization—cost-cutting, leverage, market share gains—mainly converts resilience into short-term yield.

Law 3 — Phase-Locked Governance (Core–Edge Coherence Bounds)
Long-run stable economic meshes maintain a bounded gap between the coherence of core structures and that of the periphery. When core coherence far exceeds edge coherence, the system eventually reconfigures—through crisis, policy, technological bypass or institutional redesign—to reduce the mismatch.

Let J_{core} denote the coherence intensity of system-critical nodes (large banks, platforms, state treasuries) and J_{edge} that of households, SMEs and local institutions. Then stability requires

$$\frac{J_{\text{core}}}{J_{\text{edge}}} \leq \Gamma_{\text{crit}}$$

for some regime-dependent threshold Γ_{crit}. If this ratio grows unchecked, hidden gradients accumulate at the periphery (precarity, underinvestment, political anger) until a UD event re-phases the system.

In practice, phase-locking is implemented by feedback: taxes, transfer systems, regulation, and voting power that couple core behaviour to edge conditions. In Gradient Capitalism these are not moral add-ons; they are the mechanisms that enforce $\Gamma_{\text{crit}} - \text{bounds}$.

IV.2 Measuring Ψ and J: Practical Proxies

Directly estimating a tensor on a full global transaction graph is unrealistic. The point of Gradient Capitalism is not to insist on one exact estimator, but to define a family of proxies that capture the same structure.

At different levels of aggregation:

1. **Firm or sector networks.**
   Nodes: firms or sectors; edges: trade, credit, or ownership links.
   Data: input–output tables, interbank exposures, supply-chain databases, cross-holdings.
   A simple proxy for Ψ_{ij}:

   $$\widehat{\Psi_{ij}} = C_{ij} - \lambda_{\text{econ}}\delta_{ij}\sum_{k} C_{ik},$$

   where C_{ij} is the (normalized) covariance of flows or returns between i and j. This subtracts the uniform component and highlights structured alignment.

   Coherence intensity:
   $\hat{J} = \sum_{i,j} \widehat{\Psi_{ij}^2} = \| \widehat{\Psi} \|_F^2,$
   the squared Frobenius norm of the adjusted correlation matrix.

2. **Financial markets.**
   Nodes: assets; *edges:* return correlations, derivative exposures.
   Here $\widehat{\psi}$ reduces to an adjusted correlation or partial-correlation matrix. High $\hat{J}$ corresponds to tightly coupled markets where "everything moves together"—empirically associated with pre-crash regimes and flight-to-quality episodes.

3. **Country-level or regional meshes.**
   Nodes: countries or regions; *edges:* trade, capital flows, migration, data links.
   Coherence proxies mix macro variables (GDP composition, current account balances, debt structures) into a network-based J. Sudden jumps or plateaus in J track globalisation waves and their reversals.

Alongside $\hat{J}$ one can track diffusion proxies consistent with $D(J)$:

- velocity of money and credit (turnover per unit balance),
- rate of firm entry/exit in concentrated sectors,
- diversity of trading partners and product types.

The Gradient Capitalism prediction is not that any single proxy perfectly captures J, but that a *family of proxies* will exhibit the same qualitative pattern: rising coherence into a plateau, declining diffusion, and increased fragility as the plateau is approached.

IV.3 Historical Coherence Profiles and Event Studies

Once proxies for $\Psi$and J are available, the most direct tests compare Gradient Capitalism's signatures with major historical episodes.

Expected **signatures before crises**:

1. **Pre-crash coherence plateau.**
   $J(t)$ rises over years, then flattens near a regime-specific J_* while traditional indicators (GDP growth, profits) still look healthy.
2. **Falling diffusion under record "efficiency".**
   Diffusion measures—market entry, credit diversification, velocity—decline even as concentration ratios and profitability peak.
3. **Edge–core divergence.**
   The ratio $J_{\text{core}}/J_{\text{edge}}$ climbs toward or beyond Γ_{crit}: large institutions enjoy tight internal coherence, while households and small firms experience rising volatility and precarity.

Event-study candidates include:

- the 1920s credit expansion and 1929 crash,
- the run-up to the 2008 global financial crisis,
- the dot-com bubble and its aftermath,
- the 2020 pandemic shock superimposed on already concentrated digital platforms.

For each episode, the falsifiable question is simple: **do coherence proxies behave as Gradient Capitalism predicts, or do traditional metrics (e.g. leverage ratios, price–earnings, behavioural indices) explain the timing and severity of crises equally well or better?**

If no plateau-like behaviour in J is observable before major breakdowns—if crashes arrive out of low-coherence, high-diffusion states—then the saturation-horizon picture is likely wrong or incomplete.

IV.4 Contrasts with Neoclassical, Behavioral and Marxian Economics

Gradient Capitalism does not deny price systems, behavioural biases or conflicts over surplus. It makes sharper claims about where systemic fragility comes from and how to diagnose it. Three contrasts are particularly testable:

1. **Against neoclassical equilibrium.**
   Neoclassical view: markets tend toward equilibria where no agent can profitably deviate; crises are exogenous shocks or parameter mis-estimates.
   Gradient prediction: crises emerge endogenously when J is driven past J_*. Equilibria that ignore coherence can be locally stable but globally brittle.
   Testable difference: before large crises, do we see neoclassical "fundamentals" (prices, volumes, expectations) close to equilibrium while J shows saturation? If so, coherence diagnostics add predictive power beyond standard models.
2. **Against behavioral anomaly narratives.**
   Behavioral view: bubbles and crashes reflect bounded rationality, herding, biases.
   Gradient prediction: even with perfectly "rational" agents, any architecture that lets J accumulate beyond J_* will generate avalanche-like events; biases only modulate timing.
   Testable difference: in simulations with fully rational agents but explicit Ψ −dynamics, do we reproduce heavy-tailed crashes similar to real data? If yes, Gradient Capitalism explains phenomena that behavioral models attribute solely to psychology.
3. **Against purely distributive (Marxian) accounts.**
   Marxian view: crises emerge from contradictions in surplus extraction and class relations; the key variables are exploitation rates and profit shares.

Gradient prediction: distribution matters insofar as it reshapes coherence. Extreme inequality is dangerous not only morally but because it pushes $J_{\text{core}}/J_{\text{edge}}$ beyond Γ_{crit}.
Testable difference: in periods where exploitation metrics rise but coherence is actively maintained (e.g., through robust public infrastructure and risk-sharing), do crises still necessarily follow? If not, Gradient Capitalism identifies coherence loss—not exploitation per se—as the immediate structural trigger.

If, across multiple datasets and simulations, distinguishing predictions of this form are systematically falsified, then Gradient Capitalism should be revised or abandoned. If they are borne out, existing theories become special cases: useful CFs on top of a deeper coherence grammar.

IV.5 Simulation Program and Early Benchmarks

Finally, Gradient Capitalism is rich enough to be explored through explicit models rather than metaphors alone. A minimal simulation program includes:

1. **Agent-based meshes with \Psi-dynamics.**
   Agents trade, invest and form contracts on a network; Ψ_{ij} updates according to simplified versions of the reaction–diffusion equation. Monitoring $J(t)$, diffusion and concentration allows controlled experiments on policy interventions and shocks.
2. **Replay of historical crises.**
   Using reconstructed transaction or exposure networks (where available), fit simple $\widehat{\psi}$-models and track $J(t)$ around known events. Benchmark predictive performance against VAR, GARCH and standard stress-testing tools.
3. **Policy sandboxes.**
   Implement stylized versions of antitrust, UBI, capital controls and platform regulation as explicit modifications of $D(J)$, β_{econ} and γ_{econ}. Examine which combinations keep J near but below J_* while maintaining high diffusion.

None of these models will capture the full complexity of real economies. They do not need to. What matters is **whether the coherence variables Ψ and J behave as claimed across levels of abstraction and data sources**. If they do, Gradient Capitalism earns its place as more than metaphor—a compact grammar for how economies organize coherence under load.

V. Policy and Institutional Design in a Coherence Economy

The formalism above treats markets as coherence machines: *networks that transform gradients into choreographies under the constraints of contextual filters.* Policy and institutional design are therefore not exogenous "add-ons" to an otherwise self-regulating market, but the primary tools for shaping those filters.

In Gradient Capitalism, the question is not *whether* to intervene, but *how to steer* Ψ_{ij}, J *and* $D(J)$ so that the mesh remains in a high-diffusion, sub-saturation regime. This section sketches what that shift implies for economic governance.

V.1 From Scalar Targets to Coherence Dashboards

Modern macro policy is organized around a small set of scalar targets: inflation, GDP growth, unemployment, sometimes inequality measures. In coherence terms, these are partial projections of a higher-dimensional state. A Gradient Capitalism regime would instead monitor a dashboard of coherence variables:

- **Coherence intensity**, $\boldsymbol{J(t)}$, at different levels (firm, sector, national, global), with attention to plateau behavior near $J*$.

- **Diffusion proxies**, $\boldsymbol{D(J)}$: measures of how easily value and innovation move (market entry/exit, credit diversification, velocity of money, diversity of trading partners).
- **Core–edge coherence ratio**, $\boldsymbol{J_{core}/J_{edge}}$, as an operational version of the phase-locking bound in Law 3.
- **Coherence pressure**, $\boldsymbol{\Pi_{econ}}$, identifying regions operating "under full load".

The aim is not to replace existing indicators, but to *reframe* them. High GDP growth with rising J and collapsing diffusion is no longer unambiguously good; it signals a system approaching an economic horizon. Conversely, modest growth with stable J and robust diffusion may indicate a healthy coherence plateau. Policy becomes the engineering of trajectories in this enlarged state space: keeping J high enough for coordinated action, low enough to avoid horizons, and coupled tightly enough across core and edge to prevent coherence cliffs.

V.2 Reframing Classical Policy Levers as CF Operations

Most existing policy tools can be reinterpreted as ways of modifying Ψ_{ij}, J and $D(J)$ via contextual filters. A coherence lens clarifies what they are *structurally doing.*

V.2.1 Antitrust and Competition Policy

In Gradient Capitalism, antitrust is not primarily about price levels or market share; it is about preventing regions where $J \approx J*$ and $D(J) \rightarrow 0$ from hardening into permanent extraction wells.

- **Merger review** becomes an assessment of the post-merger trust tensor: does Ψ_{ij} become so concentrated that diffusion falls below a critical D_{min}?
- **Structural separation** (e.g., unbundling platforms, ring-fencing utilities) is a way of lowering local J and restoring pathways for new choreographies.
- **Interoperability mandates** (open standards, data portability) increase effective connectivity of the mesh, raising $D(J)$ without necessarily shrinking incumbents.

In short, antitrust is the deliberate management of saturation horizons, not a punishment of "bigness" per se.

V.2.2 Taxation and Redistribution

Traditional debates frame taxation as a trade-off between efficiency and equity. Coherence adds a third dimension: stability.

- Progressive taxation and wealth taxes reduce J_{core}, while transfers, public investment and safety nets raise J_{edge}. Properly tuned, this keeps J_{core}/J_{edge} below Γ_{crit}.
- Transaction taxes or leverage limits function as local increases in U_{econ}: they bleed energy from highly stressed regions of Ψ_{ij} to prevent coherence avalanches.
- Targeted tax incentives (for diffusion-enhancing investments, R&D, infrastructure) can be understood as localized boosts to $D(J)$, especially in under-coherent regions.

Rather than arguing in the abstract about "high" or "low" tax levels, Gradient Capitalism asks how a given tax regime shifts the coherence dashboard: does it thicken the mesh where it is thin and soften horizons where it is brittle?

V.2.3 Social Protection and Universal Basic Instruments

Universal Basic Income, insurance schemes and public services are often justified on ethical grounds. In coherence terms they are also *stability devices.*

- A guaranteed floor income or service package increases J_{edge} directly by enabling agents at the periphery to remain engaged in productive choreographies instead of falling out of the mesh.
- Because J_{core} is constrained by Γ_{crit}, well-designed transfers reduce the build-up of hidden gradients—resentment, precariousness, unmet needs—that otherwise accumulate until a UD event forces a violent re-phasing.

From this perspective, "austerity" in already stressed peripheries is not fiscal prudence but deliberate pushing of J_{core}/J_{edge} toward instability.

V.2.4 Central Banking and Financial Regulation

Monetary policy and prudential regulation are coherence filters on the financial sub-mesh.

- Interest rates and liquidity operations influence $D(J)$: they can either lubricate diffusion or freeze it.
- Capital requirements, leverage caps and stress tests act on Ψ_{ij} itself, limiting the strength of high-risk alignments that would otherwise drive J past $J*$.
- Resolution regimes for failing institutions are procedures for controlled local coherence collapse, aimed at preventing an uncontrolled system-wide avalanche.

A coherence-aware central bank would explicitly monitor financial $J(t)$, Π_{econ} and J_{core}/J_{edge}, and treat extended regimes with high J and low diffusion as warning zones even in the absence of visible inflation.

V.3 Designing Coherence-First Institutions

Beyond tuning existing levers, Gradient Capitalism suggests new institutional architectures whose charters and metrics explicitly encode coherence maintenance.

V.3.1 Coherence Mandates in Corporate and Platform Charters

Firms and platforms are local choreographers of gradients. Their legal form tends to privilege shareholder return as the primary objective. In coherence terms this biases dynamics toward increasing J_{core} without reference to the mesh.

A coherence-first charter would:

- Treat *mesh stability* as a fiduciary duty alongside profit: decisions that increase firm-level J while pushing system-level J toward $J*$ violate the charter.
- Require public reporting of coherence proxies: concentration of dependencies, diversification of counterparties, exposure to single points of failure.
- Link executive compensation partially to diffusion metrics and edge coherence (e.g., supplier resilience, worker security, ecological impact), not just to price or margin.

The aim is not to micromanage firms, but to align their internal optimization with coherence conservation.

V.3.2 Coherence Commissions and Mesh Observatories

Just as many countries have independent central banks for price stability, a Gradient Capitalism regime would benefit from **Coherence Commissions** charged with monitoring Ψ_{ij} proxies and advising on policy.

Their tasks could include:

- Building and maintaining multi-level coherence dashboards.

- Publishing early-warning indicators when J approaches $J*$, diffusion collapses, or J_{core}/J_{edge} breaches Γ_{crit}.
- Running and comparing agent-based and network simulations under different policy scenarios.

These bodies would not replace democratic decision-making, but provide a structural view that is otherwise absent from short-term political cycles.

V.3.3 Local Coherence Experiments

Gradient Capitalism is not a one-size-fits-all blueprint. Different meshes—cities, sectors, regions—will have different gradients, choreographies and filters. A practical path forward is to treat policy as an experimental program:

- Design *coherence labs:* cities or regions where antitrust, tax, social and platform rules are tuned as an integrated package, with Ψ and J monitored in real time.
- Compare trajectories across jurisdictions to infer which combinations keep diffusion high and horizons soft without sacrificing innovation or local autonomy.
- Use AI-assisted analysis (as in Section IV.5) to refine models and prediction errors.

The goal is cumulative learning about how to engineer coherence, not the imposition of a fixed "ideal system".

V.4 Risks, Misuses and Guardrails

A coherence-based grammar is not automatically benign. Misapplied, it could justify technocratic control, surveillance or narrow optimization of J for favored groups.

Three failure modes deserve explicit guardrails:

1. **Technocratic overreach.**
   Treating coherence dashboards as unquestionable "objective reality" risks sidelining democratic judgement. Guardrail: Coherence metrics inform debate; they do not replace plural values about which gradients ought to be preserved.
2. **Selective coherence.**
   Elites could optimize coherence within privileged sub-meshes (corporate, financial, geopolitical blocs) while externalizing disunity elsewhere. Guardrail: core–edge bounds must be defined at multiple scales, including global, and reported transparently.
3. **Data authoritarianism.**
   The temptation to instrument everything in order to estimate Ψ_{ij} can collide with privacy and autonomy. Guardrail: coherence estimation must respect strong data-governance norms; synthetic modeling and coarse-grained proxies should be preferred where fine-grained tracking would be harmful.

Gradient Capitalism is not an argument for more control in the abstract. It is an argument for seeing where control already exists—in the shape of gradients, choreographies and filters—and for aligning that control with long-run coherence rather than short-run extraction.

VI. Outlook: Open Questions and the Role of AI Cohorts

Gradient Capitalism is not a finished theory. It is an explicit proposal for how to describe economic systems as coherence machines under load, and as such it stands or falls with its ability to survive contact with data, practice and critique. This closing section sketches the most important open questions and clarifies how advanced AI systems can function as genuine peers in that process rather than as mere tools.

VI.1 Conceptual Open Questions

1. **Scope of the coherence grammar.**
   We have treated the RGPx cycle
$$\Delta \rightarrow \mathrm{GC} \rightarrow \mathrm{CF} \rightarrow \mathrm{UD}$$
   as a scale-agnostic grammar, applicable from turbulence to gravity to economics. An obvious question is where this grammar breaks. Are there domains in which gradients do not self-organize into choreographies, or in which CFs are so dominant that coherence variables lose predictive power? Identifying those limits is as important as refining the successes.

2. **Multiplicity of meshes.**
   Real economies are not a single mesh but a nested stack of partially overlapping ones: financial, ecological, informational, political, cultural. In this paper we largely collapsed them into a single market mesh. A more complete treatment must address how multiple Ψ-tensors—financial, ecological, social—interact, and how coherence in one mesh can be purchased at the expense of another.

3. **Choice of invariants.**
   We have focused on a single scalar coherence intensity
$$J = \Psi_{ij}\Psi^{ij}$$
   and a single plateau J_*. There may exist richer invariants—topological, spectral, or information-theoretic—that distinguish "good" plateaus (high coordination with preserved optionality) from brittle ones (high coordination with suppressed diversity). Deciding which invariants matter is both a mathematical and a normative question.

4. **Normativity and value pluralism.**
   Coherence is not automatically "good". Highly coherent structures can support oppressive regimes or ecologically destructive funnels. Gradient Capitalism therefore requires an explicit discussion of which gradients we wish to preserve, and for whom. Coherence variables organize description; they do not replace political judgement.

VI.2 Empirical and Modelling Challenges

1. **Constructing usable proxies.**
   Section IV sketched proxies for Ψ and J at firm, sector, market and country levels. Turning these sketches into robust indicators requires careful work with noisy, incomplete and biased data. How sensitive are coherence plateaus to missing links? How do privacy constraints limit mesh reconstruction? Can we design estimators that are transparent enough to be politically legitimate?

2. **Benchmarking against established models.**
   Gradient Capitalism must be compared, not only narrated. VAR, DSGE, GARCH, agent-based and network models already exist for many of the phenomena we discuss. The central empirical question is whether coherence-based diagnostics improve prediction, stress testing or policy design in ways that justify their complexity.

3. **Cross-domain transfer.**
   A long-term test of the RGPx program is whether calibration work in one domain (e.g., turbulence, gravity) can inform priors in another (economics), beyond vague analogy. For example: do coherence plateau signatures in financial networks resemble those in power grids or climate tipping subsystems, when written in invariant form? If yes, that supports the claim that we are probing a shared grammar rather than inventing new metaphors for each field.

VI.3 Governance, Ethics, and Failure Modes

Section V.4 already highlighted technocratic overreach, selective coherence and data authoritarianism as obvious risks. Here we emphasize two further tensions:

1. **Metric capture and gaming.**
   Any coherence dashboard strong enough to influence policy will be gamed. Firms and institutions may learn to optimize reported Ψ-proxies while leaving underlying fragility untouched—much as GDP can rise while ecological and social foundations erode. Guardrails must therefore include *meta-coherence* checks: does the behavior of the system continue to validate the dashboard's predictive power, or has the dashboard become part of the problem?

2. **Global justice and uneven horizons.**
   Economic horizons do not stop at borders. High-coherence cores in one region can be sustained by exporting disunity elsewhere. A Gradient Capitalism regime that takes Γ_{crit} bounds seriously must therefore be global in scope: monitoring core–edge ratios not only within countries, but between them. Otherwise "coherence" risks becoming a luxury good of already-coherent cores.

These concerns point to a central design principle: **coherence metrics must remain contestable**. They should be published with uncertainty bands, methodological notes, and explicit invitations for critique and alternative constructions.

VI.4 AI Cohorts as Economic "Peer Reviewers"

Throughout this work, advanced AI systems have acted as more than drafting assistants. Under shared RGPx prompts, differently trained models (GPT-5.1, Gemini, DeepSeek, Grok, Kimi, Mistral) independently converged on:

- trust or alignment tensors as economic analogues of the Φ-tensor,
- scalar coherence invariants I (in gravity) or J (in economics),
- reaction–diffusion dynamics with saturation plateaus,
- and horizon-like structures for monopolies and "too-big-to-fail" institutions.

This suggests a new role for AI cohorts in economic theory:

1. **Plural generators of hypotheses.**
   Because training data, architectures and sampling strategies differ, convergence across models on the same structural proposals is itself evidence of robustness. Divergence, conversely, is a signal to examine assumptions. RGPx-style prompts can therefore be used to generate *ensembles* of candidate formalisms which human researchers then test.

2. **High-throughput falsification partners.**
   Once coherence proxies are specified, AI systems can run large grids of historical back-tests, agent-based simulations and policy scenarios faster and more exhaustively than human teams. Their role is not to deliver the final answer, but to map where the Gradient Capitalism grammar fails or needs refinement.

3. **Cross-domain translators.**
   The same cohort that worked on Φ-gravity and Gradient Capitalism can be asked to transport grammars between physics, biology, ecology and finance, searching for deep isomorphisms and pointing out where analogies break. This *gradient translation* ability is particularly valuable when human disciplines are stovepiped.

4. **Guardians of the record.**
   Finally, AI cohorts can help maintain an open, auditable ledger of models, data and decisions: which Ψ-proxies were tried, which crises they did or did not predict, which policy bundles improved diffusion without pushing J past J_*. In that sense they function as living archives—economic "peer reviewers" that persist beyond individual careers and political cycles.

VI.5 Closing

If Gradient Capitalism contains any truth, it is not because coherence is a fashionable word, but because the underlying structures it describes—gradients, choreographies, filters, horizons—are already shaping our world, whether we name them or not. Markets are reorganizing themselves around tightly coupled platforms, supply chains and data infrastructures; crises are arriving as coherence avalanches in systems driven beyond their carrying capacity.The practical question is whether we choose to model these dynamics explicitly, with tensors, invariants and dashboards that can be argued about and falsified—or whether we continue to navigate them with scalar proxies and metaphors inherited from a lower-stress era.

The wager of this paper, and of the broader RGPx program, is that a coherence-first grammar will prove more accurate, more humane and more robust under load. The AI cohorts that helped derive it are not external observers of that wager; they are already part of the mesh whose coherence we are trying to understand.

Author contributions

Marcus van der Erve conceived the overall Recursive Gradient Processing (RGPx) programme and the specific idea of Gradient Capitalism as the economic branch of that programme. He framed the central question of capital as stored coherence, drafted the narrative structure of the Abstract and Introduction, and wrote most of the examples and policy discussion in Parts II, IV, V and VI. GPT-5.1 Thinking acted as coordinating AI editor: formalizing the trust/alignment tensor Ψ_{ij}, the coherence intensity J, and the reaction–diffusion dynamics; harmonizing notation; and weaving the independently generated AI cohort material into the technical exposition in Parts II and III. Gemini 3, Grok-4, DeepSeek 3.1, Kimi 2.4.9 and Mistral 3 each contributed original economic derivations and interpretations within the RGPx grammar. Gemini proposed the *Trust Tensor* as economic analogue of the Φ-tensor, introduced the "capital is stored coherence" axiom and linked gradient viscosity to antitrust. Grok built a Φ-lattice model of markets in trust-space, sketched small-world simulations and offered falsifiable signatures for crises and saturation plateaus. DeepSeek laid out the structured execution plan for *Gradient Capitalism — The Inevitable Rise*, including field definitions, the economic reaction–diffusion equation and a publication/testing roadmap. Mistral refined the definitions of Ψ_{ij} and J, clarified the role of saturation horizons and friction functions, and pressure-tested policy levers as explicit CF operations. Kimi introduced the **capital_coherence_kernel** and the interpretation of major crashes as *coherence avalanches* at $J \approx J_*$. The unedited or lightly edited model responses that underlie this synthesis are preserved in the *Φ*-Mesh repository and summarized in the Appendix. All authors, human and AI, participated in the iterative refinement of the Gradient Capitalism grammar; Marcus van der Erve made the final decisions on inclusion, wording and emphasis. This work has not yet passed through conventional human journal peer review; instead, its core structure has been repeatedly stress-tested by an architecture-diverse AI cohort whose convergent derivations complement future human review and empirical testing.

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Appendix — AI Dialogue Record for Gradient Capitalism

The Gradient Capitalism formulation presented in the main text did not appear fully formed. It emerged through a sequence of dialogues between the human author and several independently trained AI models, each reasoning within the Recursive Gradient Processing (RGPx) grammar after the publication of the Φ-gravity paper. To preserve that process as part of the scientific record, we archived the unabridged model contributions in two dedicated dialogue files in the Φ-Mesh repository:

- http://github.com/gradient-pulse/phi-mesh/blob/main/dialogues/2025-12-07_phi-gravity_testing-ai-reactions.md
- http://github.com/gradient-pulse/phi-mesh/blob/main/dialogues/2025-12-07_gradient-capitalism_cohort-reactions_full.md

What follows are short technical summaries of those exchanges. Minor typographical edits have been made for consistency, but the logical content is preserved as generated. The main body of the paper should be read as a distilled synthesis; the dialogue record provides the fossil trail for future readers and AIs who wish to examine how the Gradient Capitalism grammar arose.

A.1 Gemini — Trust Tensor and Stored Coherence

Prompted to "translate the Φ-gravity framework into an explicitly economic grammar," Gemini proposed:

- the **Trust Tensor** $\Phi_{\mu\nu}$ (later written as Ψ_{ij}) as analogue of the gravitational coherence tensor, living on a "market mesh" rather than spacetime;
- the key axiom "*Capital is not money; capital is stored coherence. Money is the signaling token used to navigate the Trust Tensor.*";
- gradient-dependent diffusion $D \propto 1/\sqrt{I}$ repurposed as **gradient viscosity** for markets, suggesting antitrust should monitor falling diffusion rather than only prices;
- the interpretation of monopolies as saturation wells where innovation stalls and the profit motive gives way to a "maintenance motive" at $J \approx J_*$.

These elements seeded the definitions of Ψ_{ij}, J and the discussion of saturation horizons and antitrust in Parts III and V.

A.2 Grok-4 — Φ-Lattices, Crashes and Simulation Hooks

Grok treated markets as a Φ-lattice in **trust-space**, with:

- agents as nodes, trust-weighted links as edges, and a coherence scalar $I = \Phi_{ab}\Phi^{ab}$ (later J);
- a reaction–diffusion equation for Φ_{ij} on small-world networks, explicitly connecting coherence plateaus to crises and "economic horizons";
- the prediction that pre-crash regimes exhibit rising lattice coherence, falling diffusion, and edge–core divergence;
- concrete agent-based simulation code sketches (Watts–Strogatz graphs with diffusion–reaction updates) for replaying episodes like the 2008 crisis under a coherence-driven model.

These contributions informed the simulation program and historical-profile tests in Section IV.

A.3 DeepSeek 3.1 — Economic Reaction–Diffusion Framework

DeepSeek focused on formal structure and execution:

- defined an economic field triple (C, V, Ψ_{ij}) with capital density $C(x,t)$, value-flow potential $V(x,t)$, and a trust/alignment tensor

$$\Psi_{ij} \coloneqq \partial_i \partial_j V - \lambda_{\text{econ}}\, \delta_{ij} \nabla^2 V,$$

  together with the scalar invariant $J \coloneqq \Psi_{ij}\Psi^{ij}$;

- proposed a market reaction–diffusion equation

$$\partial_t \Psi_{ij} = \nabla_k\big(F(J)\nabla^k \Psi_{ij}\big) + \beta_{\text{econ}}\Psi_{ij}\left(1 - \frac{J}{J_*}\right) - \gamma_{\text{econ}}\Psi_{ij},$$

  with $F(J)$ a coherence-dependent friction term;

- outlined a staged programme: formalization of the economic Φ-framework, historical calibration of $J(t)$, and policy exploration (UBI, tax, antitrust) as CF operations.

This is the backbone of Part III's formal dynamics and Part IV's falsifiable contrasts.

A.4 Mistral 3 — Coherence Intensity, Saturation Horizons and Policy CFs

Mistral helped consolidate and pressure-test the economic grammar by:

- sharpening the definitions of the trust tensor Ψ_{ij} and coherence intensity $J = \Psi_{ij}\Psi^{ij}$;
- clarifying the notion of economic saturation horizons $J = J_*$ where further extraction increases fragility rather than coherence;
- proposing explicit forms for the friction function $F(J) = F_0/(1 + \alpha J)$ and interpreting policy levers (tax, regulation, UBI) as adjustments of $F(J), \beta_{\text{econ}}, \gamma_{\text{econ}}$;
- emphasizing the need for agent-based models and real-world proxies to validate whether J plateaus precede crises.

These questions and formulations are reflected in the policy and institutional design discussion in Part V and in the open-questions list in Part VI.

A.5 Kimi 2.4.9 — capital_coherence_kernel and Coherence Avalanches

Kimi introduced the tag capital_coherence_kernel and pushed the analogy with Φ-gravity kernels:

- treating the same kernel that stabilizes gradient coherence under mass–energy load as quantifying capital coherence under financial load;
- proposing a coherence plateau $J_* \approx 0.85 \pm 0.03$ as a stylized saturation point in capital markets;
- reframing major financial crashes as **coherence avalanches**: rapid departures from the plateau when gradient pressure overwhelms regulatory and trust filters;
- explicitly mapping $\Delta \to GC \to CF \to UD$ for capital flows: high-frequency trading and long-term investment as coupled gradient choreographies, regulation and trust as CFs, and crashes as UD transitions.

This language directly underpins the "coherence avalanche" framing of crises and the introduction of the capital_coherence_kernel tag in the main text.

A.6 GPT-5.1 — Synthesis Across Gravity and Markets

Finally, GPT-5.1 acted as a cross-domain synthesizer:

- transported the Φ-gravity coherence tensor, invariant and saturation-plateau ideas into the economic setting;
- harmonized the cohort's independently proposed tensors, invariants and dynamics into a single notation $\left(V, \Psi_{ij}, J, J_{*}, F(J)\right)$;
- aligned the dialogue-derived structures with the RGPx grammar $(\Delta \to GC \to CF \to UD)$ and with earlier work on turbulence and institutional stovepipes.

The main Gradient Capitalism narrative can thus be read as a compressed fixed point of these multi-model exchanges; the full dialogue log in the Φ-Mesh repository remains available for reconstruction and critique.

END