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WILD GLOBALIZATION AND “WILD VALUE”

Carl Raschke: Welcome. I'm Carl Raschke, I'm Professor of Philosophy of Religion at the University of Denver and we're here today again with Gary Bedford, who has a thesis. The term he has for this thesis is about the current global disorder, or sometimes called the New World disorder, built upon the New World Order, is “wild globalization. The theme is not only current but it reaches back. If we're going to understand the present, we have to understand the past. A point that was made by Karl Marx, back in the nineteenth century, who we're going to talk about today. I'm also here with Joshua Ramos, who's a special projects editor with *The New Polis*. So let's get started.

Carl Raschke: Gary, you talked, or you continue to talk about the last session we did about what's happening in the world. Nobody seems to be able to decipher, even the economists, because we don't really understand what the relationship is between these so-called economic factors of production and classic economic theory. That is, land, labor, capital. But in the twentieth century we're talking about things like energy, also externalities like the economy. And, in fact, globalization has been bringing all these together. Now it's causing kind of a systemic hurricane in many respects. But, instead of talking about what's going on right now, many say, “Well, capitalism is failing. Let's go back to Marx.” But one of the things that I've observed, of course, as a scholar and a teacher over the years is, everybody has this idea of capitalism, and they don't really know what that means. In fact, they don't probably don't understand what the term “capital” indicates. Now, the idea of capital precedes Marx, but Marx is probably the one to give currency to the term capitalism, and he had a specific form of it in mind. Capitalism has changed and evolved quite a bit since then. But Marx is focused, particularly if you read *Das Kapital*, but also many of his earlier works. Marx's focus was on the idea of value. I believe, for our conversation, you think that's where we really have to start if we're going to understand

globalization and how all these different factors play together, or just dysfunctioning together in some kind of chaotic dance. We really have to get down to the question of value to understand what capital means. Capital in a very formal sense is excess reserves as you mentioned. But, it's these excesses, and the nature of these excesses that take out a certain value which is then quite a bit of the system, and that's what we're witnessing what we are today. I know that's not exactly at all what you said, but just try to orient our audience. So my question would be what was Marx really talking about? What did Marx really mean by a capital?

Gary Bedford: Right,. Marx was concerned with value. But he was also ensconced, obviously in the first stage of massive and sudden industrialization of the nineteenth century. Which is exactly one of these disruptions, these economic, cultural, and really spiritual disruptions that change the entire order of culture in Europe. But curiously so, I you know I read *Capital* as a brilliant critique of the first industrial model and the gross excesses, child labor particularly in the coal mines and just horrific conditions. But if you look at the theory inside of *Das Kapital*, he's really critiquing value. What is value? That to me was the real thrust of his work, and it reveals both his work's strength, but also its weaknesses.

In my approach to this, trying to understand it, I look at it as various stages which have been going on and have defined economics. And really, you know, the evolutionary order and the order of evolution, and the evolution of order itself, as, in fact, uh, several different stages. Thomas Sowell, the great African American economist at the Hoover Institution, defines economics as the management or allocation of scarce resources in competition with other players, other competitors, so to speak. So we start with resources we then go to and involved in that, of course, is always survival, and this applies to the modern era as well. But how do we deal with scarce resources? We innovate. This is exactly what Marx was talking about, but he taught he used different terms, and so forth. But innovation is really the key to, I believe, it's the core of human evolution and economics. Because innovation then leads to production, and, in fact, the whole idea is to create excess production. So if you're trying to survive, you know, on the savannah, for example, you want to invent tools that help you hunt. Okay, You want to invent techniques that help you hunt. And, in fact, that's the way human evolution came about is that we learned how to communicate.

We were bipedal, we started running around, and we hunted in teams. If you've ever watched other species that hunt in teams like wolves, for example. It's a much more effective way of hunting. And then around fifteen thousand years ago, by the way, we started to use K-9 partners. It was the actual convergence of K-9 and human or *homo sapiens* evolution, which symbiotically helped both species. It's a very curious side. That's why, maybe, why, we have a lot of our own dogs today. By creating excess reserves you then have, in my opinion, the birth of capital because that's really what capital is. As we go through the cycles of order of evolution, human evolution, we start to see the evolution, you know, the development of capital systems which really began, in fact, written history actually kind of begins with debt management. I mean the first writings in Egypt, and then Babylon and Hammurabi were really about the management of grain reserves, excess, grain reserves, and how they were manipulated, and so forth. But what's interesting is that if we look at the gaps in Marx's, thinking which, this is the big part of my idea here, is that we're not just talking about economics, and we're not just talking about science and cosmology. We're talking about ethics. We're talking about the ethos of culture. And how do you actually manage resources in a way that is beneficial? And big right now, of course, is equality and equity, right? It just so happens that in the evolution of culture, global culture, and particularly you have all of these discontinuities and asymmetries which then create imbalances within the system.

The first one I like to talk about is the curious fact that (and we can go back and forth about this) Marx's primary or initial stage of value, the status of value, is what he called "use value" or "human use value". For Marx, the ecology, which is one of the five really important factors in my thinking (ecology, human demographics, technology, economics and culture, and governance), is unimportant. But Marx leaves out ecology and basically subordinates ecology to the human use value. So the only purpose for an apple is for it to be eaten by a human. And, in my view, that disconnects the whole experience, and particularly the ethical experience and the ecological experience of managing one's scarce resources, and not just in an economic way, but also in an ethical way. It's curious and I guess the final thing I'd say in introducing the idea is that having hung around the universities for a while in the first part of you know, for the

last twenty or thirty years, Marx is still a very active player in people's thinking. I don't think that the Marxist paradigms have gone away but they have kind of re-expressed and re-emerged. For example, today we're dealing with Marx who was very concerned about labor. I mean, you know we discuss this, but one of the key phenomena that's going on in labor is the disintermediation, the disappearance of labor. The first stage of the globalization process in China, for example, was where the United States and Western capital, Western corporations were able to, and we're invited in by Deng Xiaoping, the great successor to Mao Zedong. One of the greatest, if not the greatest capitalist in the twentieth century, was Deng. Even though he marched with Mao in the great march. He was the figure and the leader in China who invited Western technology corporations into and began to partner initially with Chinese labor sources. That really is a very important stage of the most recent stage of globalization. But now what we're dealing with, and this has happened just in the last two to three decades, is the automation, the continued automation of labor. There was an article in the Wall Street Journal this week about robotics. I don't know if you saw that, but basically it's pointing out that robots are finally beginning to take over. They've actually been very, very important, for example, in the automobile industry. The current global economy is effectively destroying labor by automation. So those are the concerns I have. I think to start with, Marx closes the door to in a way, ethics, at least ethics in terms of the ecology and makes everything very human, centered human focused as opposed to actually being integrated in the ecology.

Carl Raschke: Let me take off from there because you said that Marx's focus is on human beings to human labor, so it might be useful to do a quick and dirty kind of summary of some basic Marxist ideas. A lot of people think of Marx in terms of the idea of Communism from each according to their abilities, to each according to their needs. That was a kind of ecological or utopian vision that he had that really could only be found in the Communist Manifesto. Which was a deliberate form of political rhetoric aimed at stirring the masses up around the revolution or period of 1848. That's all it was, it wasn't a theory. The idea is to look at capitalism. It doesn't get down to where people are able to live or even meet their needs. And, of course, they don't contribute just according to their abilities. It's the idea that we ought to always be helping everybody. So we don't have

suffering and all the different forms of it, and so forth. And then you get ideas about identity that comes. I think it's a misnomer, but it's referred to sometimes by Conservatives as cultural Marxism. Marx was, for the most part, a political economist, and he's recognized as a political economist. In the tradition of Adam Smith, Ricardo, Keynes, et cetera, et cetera. Marx really took so much of his idea from a simple comment by a French Socialist, social theorist named Proudhon. He said, "property is theft". So what Marx thought, all three volumes of *Capital* are an attempt to work this out in detail in technical terms. That value resides in labor itself. That is, I think really Marx had in mind physical labor, because that's what most labor was. This whole idea of there being mental labor or immaterial labor in the contemporary, that never really popped into his mind. Yes, you had academics, you had pastors and preachers and they were working, but they weren't really contributing to the productive process. And of course, I think Marx, his analogy, or his paragon was the craft labor by which everything from shoes to a crystal chandelier is, like in the story of Pinocchio and Gepetto working in his workshop, which would be, and the kind of craft unions, the guilds that it existed in the Middle Ages. That had been pretty much the predominant form of production for so long. And now it was being brutally and disruptively replaced in the early nineteenth century, by machines and the herding of labor into factories operating the machines. What Marx thought was that this inherent value of economic production that is human labor which was measured for Marx in terms of what? Of course, I can't just walk around my front yard and say that I'm engaging in productive labor. Labor has a social utility to it, and Marx thought about the amount of time and energy, and I think he had a vague notion of skill, because obviously craft workers have to be trained, and that's what a predecessor/ship program we're all about. But that was the real value, and that value needed to be returned to the worker in the form of wages. If it was not returned, the portion that was not returned should be collectively used and pooled for everybody's benefit. But what Marx saw was that you had people that already had access to finance, to symbolic capital, because one of the things we know now is a lot of the capital that was invested in the industrial revolution, actually came from the commodification of slave labor in the seventeenth and eighteenth century. There's no question about it. If it had not been for the institution of slavery and the

exploitation of people, you wouldn't have had that kind of surplus value that could be invested in machines. So the machines were owned by wealthy individuals to begin with, and they stole the value of labor, according to Marx, from the worker. He called this "surplus value". Which was a value that therefore became capital which circulates and creates more capital, and on and on. That's a very crude kind of summary of what Marx was talking about.

Now the critique of Marx all along has been, you know, the idea that that primordial value lies in the amount of labor time that somebody takes to produce something. The idea has been slung out there in a very opaque way by Adam Smith. Smith didn't really have a theory of capital or understood the power of markets. The real issue, for Marx, was not use value, but exchange value. When the capitalists can produce something a lot cheaper through machinery, therefore, they *expropriated* - that's Marx's term - value. They stole value from the worker, which is now being used to produce commodities at a low price and a difference between the value of the what would have been the original production, and the value that is obtained through the price feeds into more capital, and it becomes a vicious system that increasingly, to use Marx's term, *immiserates* the worker. Now there's a lot of historical reasons Marx said that. He was also drawing on other political economists, particularly Thomas Malthus. But we're not doing a course here in nineteenth century economic theory. We're trying to understand why Marx is relevant or irrelevant today, or what people get wrong about him. I think the ultimate question is kind of what does this have to do with what we call capitalism today?

Gary Bedford: Right, and you know the process of reserve capital, which is what you know we're talking about with financial markets, has taken on a life of its own in the twenty-first century, and even in the late twentieth. So we now have the exponential explosion of abstract, or what you and I call virtual value and the movement of value. Some of the big questions that we have to ask ourselves right now is the imposition on the part of the government on what monetary value really is. This whole idea of modern monetary theory is really happening as we speak and it's something that I think Marx was actually on to. I don't think he invented it, but he was on to the fact that value is very elusive, and particularly as it advances through these different forms. I mean, Marx starts with use value, what he called

"elemental value". Then he moves into commodity value, which he also calls elementary, relative, and exchange value. This is where you start to see the virtualization of value. As we talked about last, the new commodity, if it can be called that is, knowledge, the knowledge economy. This is another track. I want to get back to modern monetary theory, but the knowledge economy is what is now appearing in the twenty first century as the dominant form of value, and it really gets back to the whole question of innovation which includes the innovation of labor and the destruction of physical labor, being replaced by robotics, by whole different automated systems. Thomas Friedman was talking about this in one of his earlier works, *The Lexus and the Olive Tree*. Back in the late nineties in the late part of the twentieth century, the Lexus automobile was being built in a factory. They could produce three hundred automobiles a day, and there were only three hundred workers, because everything was automated. This is why I think we have to understand that the entire economic system includes more than labor, and it particularly includes different emphasis at different periods of history. So I think right now, what's really radically different is innovation on the one hand, which was always important. But now it's innovation happening exponentially because of the mobilization of ideas and knowledge over the Internet and in the cloud. At the same time the explosion of another factor in the model of scarcity, innovation, production, excess, production, excess reserves, and that is a financial value or virtual value. The other key idea that I'm tracking down is the fact that innovation and technology move ahead of culture and ahead of our ability to try to put these things in some kind of order. In fact, the order emerges from this equation of scarcity, innovation, production, excess reserves, and then, in markets which you mentioned this whole idea of the entrepreneur and the taking to market of a product which is actually, you know, the secret sauce of why the West actually tended to move ahead of the Asian economies, particularly China. So you know, just as a quick interim, you know, and the Chinese invented the clock. They invented gunpowder. They had developed a very advanced iron ore industry, which was quashed by the monarchy in China. So what China didn't develop was an entrepreneurial and therefore consumer system. According to Deirdre McCloskey and Rodney Stark, they make the observation that it was the entrepreneur in

the West in the nineteenth century that really brought Europe up on its feet, and where we see this advancement.

But the other thing I want to talk about is this emergence of a new financial order which I don't think Marx anticipated. I think he anticipated the problem of virtual value, but I don't know that we could say that he anticipated modern monetary theory, which in a nutshell is the idea that governments can produce monetary value. They can essentially print money, expand the money supply in the form of debt, which is what we've done in the last two years. We've added nine trillion, the United States alone has added nine trillion dollars of new monetary "value". This is one of the main reasons people think we're experiencing inflation. The whole idea of modern monetary theory is simply that as long as the sovereign can continue to print and to produce additional monetary reserves just through the positing of that. To say "well, we can always print money to offset any dent that we might have". This is, in my opinion, the greatest challenge, probably ever, at least in the memory of what you're concerned about, which is sovereignty. Does the sovereign actually have the ability to simply produce value *ex nihilo*, or out of nowhere, out of nothing. To conclude my comment right now what Marx really uncovered, was the idea, amplified by Joseph Schumpeter, of the incessant gale of "creative destruction". And Schumpeter saw how at least technology can be both absolutely creative but at the same time destructive. That would be the case, as we look at markets today, and the radical change, for example, in the labor market. As I mentioned, robots are going to radically and quickly change the whole labor market. So I've mentioned a number of things there: modern monetary theory, robotics, the disintermediation of labor. The fact that China, for example, has lost twenty million manufacturing jobs because their labor markets have become more expensive just in the last thirty years or so.

Carl Raschke: Okay, so it kind of raised an interesting question for me. Do you have your own view of the great global inflation that has suddenly taken off after thirty or forty years of quiescence? Is this tied to spending? Do you think?

Gary Bedford: I think it's complicated. What really behind inflation? There are a number of things but remember it's governments that tell us what's going on. Or at least that's our presumption. So they're the ones that measure inflation. In the traditional measurements of inflation labor has always had a

very significant role. As much as seventy percent of inflation is measured in terms of the rise of labor costs. Well, think about what happened with what Richard Baldwin calls the convergence of the East and the West. When the West moved into China in particular, but also India, Singapore, Vietnam, we immediately took advantage of much lower labor cost economies, and we immediately changed the whole equation surrounding inflation. This was destructive. It was created in the sense that we could all go to Walmart and shop, and get things very inexpensively, but everything started to be made overseas. I mean China became known as the workshop of the world, and probably fifty to sixty percent of the clothes we're wearing right now came from China. But at the same time, if we're talking about the textile industry, the entire industry in the United States just went away. The Appalachians, you know the northeast, and the Southern States were very big for textiles. Which, by the way, they're coming back because of robots and automation and the problem of producing cotton.

But the point is that inflation has been low for the last thirty years, or forty years, because of the decrease in labor costs, significantly. The other thing that's happening that's not inconsequential is that, government is telling us typically under what we call the gross domestic product, what is the value of the economy. There's very interesting work being done by Mark Skousen out of Utah, an American economist who has changed the paradigm and actually added a new paradigm to gross domestic product. What he's talking about is gross production. So the gross production economy, which includes all of the activity that occurs as we build a forty thousand dollar automobile, there's probably another twenty to thirty thousand dollars of economic activity that occurs. So that if the government is telling the size of the economy, it's just measured by the end product. They would say that the gross domestic product is based upon that forty thousand dollars automobile.

But, in fact, what Skousen is saying is that no, the gross production economy is probably another thirty to forty thousand. So, the gross production economy is larger than just the final product. Well, that's important, because it changes the symmetry of value that changes. It comes down to how large we think the economy is. It changes the relationship of the government's debt, for example, to the size of the economy, and my contention is, and I think a lot of people are making this conclusion, is that in a

knowledge economy, for example, which is where we're trending, we really don't have a sense of what what value is anymore. Because it's immediately transferable and knowledge is immediately disseminable. It's a very different type of commodity if we can even call it that. The point is there are traditional things going on. Yes, the governments have been spending wildly, probably completely disproportionate to the actual risk that was occurring. But the reason that we could perhaps do that; the reason we could literally shut down sixty percent of the American economy is that we could, and that that's an unprecedented event in history where a government can say we're going to shut down the economic activity and it ended up being much longer than just the initial quarantine period. So I would count the transformation of labor. I would count modern monetary theory where the governments now are just printing money, and we really don't know where that's headed. We have, in this country alone, we have 33 trillion dollars of debt that is essentially money that we've spent, which we have not paid.

The only reason we can do that is because our economy is so damned strong that other countries and other sources are willing to buy our debt. That does not include, and this is the really scary thing if you're a wealth advisor, because that it doesn't include the unfunded, off balance sheet liabilities of the of the United States government, which is Medicaid in particular, and the fact that Medicare and Social Security, which do have trust funds, are going broke very, very quickly. So, the question that's out there, we're really in a period in the first half of this twenty-first century where the whole idea of value is exploding from the top down in terms of government, but also the bottom up in terms of the innovation driving the knowledge economy. That's why Marx is curious to me. He literally and expressly and specifically was talking about value. The curious thing about my approach to wild globalization is that I think that value is this intersection of economics and hard reality. But also this is exactly what faith and what we've called religions, ethical systems of value are about, and there's an immediate confluence that, I think, is really the challenge of wild globalization.

Carl Raschke: Thanks. I just might add that you talked about religion and cultural perception. The very fact that people want green energy or that they want products that are environmentally friendly. That's not just about use value. That's about value that is based on what we might call transcendental

values. Of course, the classic theorist of this was Max Weber and his Protestant ethic and the spirit of capitalism. Weber argued that you wouldn't have capitalism - and I'm not going to get into whether he was right or wrong - if you didn't have productivity. Calvinists who, you know, had a certain idea of what the worth of their own eternal soul was. That led them to value certain things, and to highlight the work ethic. Josh, I know you had a question. Is that that you wanted to throw in here?

Joshua Ramos: Yes, alright, Gary, as to what you're saying, you know I kind of want to just draw some connections here with the markets in so far as it applies to millennials, and Gen. Z. I just wanted to point out the fact that automation destroys labor. You said this earlier, and, I think that's a point to put out, sort of like globalization is a sort of snake that eats its own tail here of what it's creating. So I think if you see certain trends, I don't know if you've seen this, but it's called... There's a connection between China and America here on the millennial and direction. So in the United States we have what's called quiet quitting, and in China you have it called lying flat, and it's just sort of like passive aggressive rebellion that's coming from millennials and Gen. Z. that are just refusing to partake in this sort of meritocracy are this ultr, or hyper productivity and culture, you know office culture and what David Graver, the anthropologist, calls bullshit jobs right? And so a lot of, you know, millennials and Gen. Z are just sort of fed this narrative about being ultra-competitive in school to get in the best school to get the best corporate career to run this rat race right. This sort of nine to five existence in what China called the nine six. Nine hours a day of nine hours in the evening, six days in the week, or something like that. There's just this, particularly after Covid hit this blow out that happened with millennials and Gen Z in the United States and in China. So there was this overlap. They took to social media, you know, in Tik Tok in China, Instagram, in the United States. You just see them becoming essentially beatnik hippies. They don't want any of the... it's kind of like it's basically called an anti-work movement. It's just the rejection of this, because I think a lot of them are realizing that they're sort of like hosting themselves on their own petard because they're creating the technology to create the automation that in the end is going to replace them. So in China this word is now very popular. It's been brought up called... It's actually borrowed from Clifford Geertz, the famous anthropologist that we studied in our religious studies. It's called

involution. Geertz uses this word to describe agricultural economies in India. Basically, there was an inverse relation here between the inputs right of labor versus the output. So it was like they were, you know, growing and growing and growing, but without really progressing. It was like almost without any tellups. This word involution was borrowed from Geertz here and it's now being used in sociological circles in China, and they're calling this sort of like a great revolution, because China does rely on the younger generations right. This is the whole demographic argument. Right? This is why youth is important, Right? Because they're the future of the society, but they refuse to carry on this very culture. So now that's kind of creating a crisis in China with this because in the millennials, and you know Gen. Z. there is just unease and malaise about it. There's depression and low satisfaction levels, high debt in many circles, low pay bullshit jobs. And so there's sort of a rejection of this culture and the anti-work group. So this is a globalized link between China and American affinity. I'll send it around this sort of automation and what uh David Graham calls bullshit jobs. Right? So yeah,

Gary Bedford: What you're talking about, Joshua, is wild globalization. When the snake is eating its own tail you're talking about creative destruction on an exponential scale. So Shepherd, who brought this up, but it's now happening exponentially. Meaning that, like you said, the whole objective of a large corporation like Microsoft, for example, I think, just laid off a thousand workers, or maybe it was Meta or Facebook. The objective of a large companies is to is to eliminate labor. Okay and. It's interesting to me as a small business person, that most of the jobs in the American economy have been created by small businesses. Okay, the other genius of Deng Xiaoping in China is that he not only invited big capital or big companies in and forced and demanded that Western companies partner with Chinese companies in order to share technology to create a true, a knowledge partnership. But the most important thing that he did, in my opinion, is he opened up a small business. So **Deng** said, look, let's get restaurants going. Let's get small business going. Let's get carpet cleaning businesses going. You know and that allowed for other alternatives, and particularly alternatives of freedom, where people could go out and do their own thing and not be caught up in the machine that you're kind of describing. The other curious thing about globalization right now, it's not just curious, it's absolutely dynamic, is what I've

mentioned on many occasions. Robert Neuwirth's stealth economy, or the informal economy. A million and a half people a week are moving into cities. The most significant global phenomenon that's happening right now is urbanization. In that case, at least, if using Neuwirth critique and I would refer people to Ted talks, Robert Neuwirth. Two very, very interesting twenty minute Ted Talks. He's very, very graphic and illustrative about how he presents this thesis. But his claim is that these people that are moving into cities out of agrarian situations are actually very happy. And the reason they're happy is that they're creating sub cultures, kiosk-driven cultures with micro cultures in places like Nyobi, Rio de Janeiro, Dubai, for example, not Dubai, but what's the new word for Bombay, India?

Carl Raschke: Mumbai.

Gary Bedford: Thank you. Yeah. So. That's the other response. What you're talking about, Joshua, is really the developed economy. But it's much wilder than that when we bring in the developing, the emerging, developing world and people that are wanting desperately to get into the developing world. Look what's happening with immigration in our country. Where you have people that are literally desperate, willing to risk their lives to get into this country because of what? You have to ask them in particular, but I think it probably has a lot to do with freedom, opportunity, and the ability and the chance to flee really errant governance. In particular the South American and Latin American countries. Can we say Venezuela and Cuba? These are where a lot of the people are coming from. But so what you just described though, Josh, is actually wild, that's the wildness of this whole equation. The fact that it's happening exponentially now is really the crux of the issue. The other thing that's buried in what you're talking about, particularly in China, is what's called the great demographic reversal. Which in China it's all about the fact that what they call their middle income trap, and I think this is a big driver in the Chinese motivation with the Belt Road Project, for example, and that is, the Chinese population is getting old too quickly. It hasn't gained per capita wealth, quickly enough, and substantially enough to compete, for example, with the United States. So even though their gross economy is as large as maybe it's larger now, their per capita wealth is still a fraction of what the United States is. The point being that the Chinese are facing an enormous demographic problem, because they won't have enough young people to take

care of and produce for the older populations. And this is why, in my opinion, China is moving into all of Eurasia to try and kind of absorb better demographics where you have a younger population and you can expand. They can expand their total footprint. But no, you're exactly right. What you're talking about is my kind of my thesis. It just restates the thesis that technology in the case of what you're talking about is bullshit jobs that move ahead of human happiness. That's what's curious about the newer economy. The stealth economy is that these people are moving out of agrarian situations, and at least in his observation, that a good number of them are really damned happy to be living in their own independent sections of cities that just occurred, just happened overnight. Apparently in Istanbul, for example, if you are able to build a house overnight, and I'm trying to remember his exact description of this, that house now becomes a legal entity. And the government in Istanbul, because of the laws, has to recognize that. And so, people literally are creating these informal communities overnight, and the same thing happens in Rio de Janeiro, Mumbai, Nairobi. But his contention is that, and I think it was to his surprise, that there's actually a significant modicum of happiness. Okay, because they have freedom because they have opportunity. Okay. Which is a whole radical inversion, if we would of, maybe an involution if you want to use your term, of what we think about capitalism and labor. These are actually spontaneous exchange markets I mentioned in our previous conversations about how Procter and Gamble has penetrated the stealth economy in the form of kiosks. They've been able to sell their products to the micro-kiosk entrepreneur merchant, who is providing services to these very localized communities. And, in fact, Procter and Gamble claims that that is, the only place that they're increasing their market share globally. Which is amazing. Okay. But you just essentially, you just describe wild globalization and the fact that these five, these many different factors, are constantly churning. And now it's happening exponentially.

Joshua Ramos: Very fascinating Gary, thank you very much.

Carl Raschke: Yeah. Great. We got about time, Gary, for about five six minutes. Do you want to make any kind of concluding wrap up?

Gary Bedford: Yeah I want to comment, Carl, about your idea about green energy. Unfortunately, there's a myth, there's

misunderstandings and a lack of a really complete understanding about the whole nature of the green economy and this ability... this thought that we'll be able to convert to. And this apparently is going on in Europe here in Europe right now. The reaction to the energy crisis there is that they will, if this will actually speed up the conversion to green energy. And in fact, my research is telling me that the opposite is true. That, in fact, the modern economy, and I'm not sure how this deals with Marx, but the one thing that I think the observers of the nineteenth century, and I'm thinking, for example, in particular, Richard Baldwin and his brilliant work, *The Great Convergence*, where he actually talks about the divergence between the East and West as Europe and the United States in particular economies through innovation and entrepreneurialism. Those economies expanded and actually became the dominant economies in the world and replaced the agrarian economies of China, and India, which up until eighteen twenty were then the largest economies, global economies, just by scale, just by the numbers of population the fact that economic value was measured in land, and agricultural production. But what Baldwin completely overlooks, and I don't know that it's an accident is that the nineteenth century explosion of value was entirely predicated on energy and the use of initially coal and the steam engine. But then eventually oil. And now, in the twenty-first century, the late twentieth or early twenty-first century, it's natural gas. What we don't understand about what I think the consuming public, and including the intellectual consumer, does not really appreciate, is that it is the extent to which everything that modern technology and modern culture and modern consumerism is based on almost all comes from fossil fuels. I'm not talking about automobiles and airplanes. I'm talking about clothes. I'm talking about anything that's made out of plastic, the entire new products that we develop, particularly anything that has to do with plastic now comes from natural gas. It used to come from oil. So, until we can innovate that we are fossil fuel dependent, and that will increase. I've mentioned the demand of energy. We're talking right now over the Internet. Okay, and what people don't realize because the energy is not... the consumption of energy in our conversation is not apparent to us at this moment. Right? But you know, the new phenomenon in global commerce is not the skyscrapers such as the Burj Khalifa in Dubai, which is now the tallest skyscraper. I think it's sixteen hundred feet tall. What Mark Mills calls Cathedral of Commerce

are data centers, and these are essentially large shopping mall size buildings that are flat, that hold thousands of microprocessors, the size of a refrigerator. The consumption of energy is meteoric. The largest data center in the world right now is in Reno, Nevada. So think about that. You know the Cathedral of Commerce, the center of gravity, if we were to try to identify one particular place is Reno Nevada. If you've ever been to Reno, it's a curious place, but it's also now, it's where Tesla is building their battery factory. The point is that the global economy and what we call this Internet cloud economy is now consuming energy equal to twice the total energy consumption per year of the country of Japan. So it's 2X Japan. That that really is the hidden value, I think this is what Marx was concerned about to kind of get back to Marx. He admitted, in *Das Capital* that he was preoccupied, and almost disappointed that he still had not determined the true essence of what he called the mystery of value of the value form, and even though he critiqued it in different stages. Value is, in fact, wild, which means, which is not to say that it's out of control. It means, to me, that it is constantly as you were referring, Joshua, It's constantly churning. In effect it's the snake eating its tail. It's creative and destructive. It's Shiva in a way. It's the, you know, the great god Shiva of Hinduism. But you could also refer to the book of Job, for example, or you know we were talking about Revelations earlier.

Joshua Ramon: The Ouroboros.

Gary Bedford: Yes, It's real. Okay, it's real. It's wild. And it is creating a spontaneous order, and that's what we're seeing right now. It's now happening exponentially because of this amazing convergence of knowledge and the fact that the entire compendium of human knowledge is at our fingertips in an iphone. It's miraculous. Okay, That's kind of the bottom line.

Carl Raschke: Well, great. Well, we'll wrap it up with the snake eating its tail and wild value. I like that idea of wild value. It's wilder, than even Karl Marx thought. Okay, guys, yes, we'll continue this conversation and thank you so much.