Renormalization and the Factorization Tower: Coarse-Graining Event Spaces by Mutual Information

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February 12, 2026

Abstract

The tock step of the Universal Model discovers new event spaces by coarse-graining: merging events with high mutual information into equivalence classes. We show this process is a discrete renormalization group (RG) flow on the space of event space factorizations. The factorization tower $E_0 \to E_1 \to \cdots \to E_n$ is an RG trajectory. Fixed points of the flow are *natural* event spaces—those where further coarsening destroys predictive information. We define a discrete β-function measuring the rate of MI loss under coarsening, and show that the optimal factorization minimizes the β-function (the "slowest" coarse-graining). The RG perspective explains why the trained RNN discovers particular event spaces (they are fixed points of the data's RG flow) and why the same event spaces recur across models (universality).

1 Introduction

In physics, the renormalization group describes how physical laws change under coarse-graining: integrating out short-distance degrees of freedom to obtain effective theories at longer distances. The hallmark of the RG is *universality*: different microscopic theories flow to the same fixed point, producing identical long-distance behavior.

The Universal Model faces an analogous problem. The base event space $E_0 = \{0, \ldots, 255\}$ (bytes) is the "microscopic" description. The tock step coarsens E_0 into larger event spaces $E_1, E_2, \ldots$ by grouping events. The question is: which groupings are natural? Which coarse-grainings preserve the most predictive information?

We show that this question has a precise answer in terms of an RG flow, and that the "natural" event spaces discovered by the RNN (and by the tock step) are fixed points of this flow.

2 Setup: Event Spaces and Coarsening

Definition 1 (Coarsening map)**.** *A* coarsening $\phi : E \to E'$ *is a surjection from a finer event space* E *to a coarser event space* E' *with* $|E'| < |E|$*. Each event* $e' \in E'$ *is an equivalence class of events in* E*:* $\phi^{-1}(e') \subseteq E$*.*

Definition 2 (Count push-forward)**.** *Given a count table* $c : E \times E \to \mathbb{N}$ *and a coarsening* $\phi : E \to E'$*, the* pushed-forward *count table is:*

$$c'(e'_1, e'_2) = \sum_{\substack{e_1 \in \phi^{-1}(e'_1) \\ e_2 \in \phi^{-1}(e'_2)}} c(e_1, e_2).$$

Definition 3 (MI under coarsening)**.** *The mutual information at event space E is:*

$$I(E) = \sum_{i \in I} \sum_{o \in O} p(i, o) \log_2 \frac{p(i, o)}{p(i)p(o)},$$

where p is the empirical distribution from the count table. After coarsening $\phi : E \to E'$:

$$I(E') = \sum_{i' \in I'} \sum_{o' \in O'} p'(i', o') \log_2 \frac{p'(i', o')}{p'(i')p'(o')}.$$

Proposition 4 (MI is non-increasing under coarsening)**.** *$I(E') \leq I(E)$ for any coarsening ϕ. Equality holds iff ϕ merges only events with identical conditional distributions.*

Proof. This is the data processing inequality: coarsening is a deterministic function of the data, and $I(f(X); f(Y)) \leq I(X; Y)$ for any deterministic f. Equality holds iff f is a sufficient statistic for the conditional distribution. □

3 The Renormalization Group Flow

Definition 5 (RG step)**.** *An* RG step *is a coarsening $\phi : E \to E'$ that merges the pair of events (e_1, e_2) with the highest pairwise redundancy:*

$$(e_1, e_2) = \arg \max_{\substack{a,b \in E \\ a \neq b}} R(a, b),$$

where the redundancy is:

$$R(a, b) = I(E) - I(E_{a \cup b}),$$

and $E_{a \cup b}$ is the event space with a and b merged into a single event.

Remark 6. *$R(a, b)$ measures how much MI is lost by merging a and b. Merging the pair with maximum R (minimum MI loss) is the "gentlest" coarsening—it preserves the most predictive information.*

Definition 7 (Factorization tower as RG trajectory)**.** *The* factorization tower *is the sequence of event spaces produced by iterated RG steps:*

$$E_0 \xrightarrow{\phi_1} E_1 \xrightarrow{\phi_2} E_2 \xrightarrow{\phi_3} \cdots \xrightarrow{\phi_n} E_n,$$

where $|E_0| > |E_1| > \cdots > |E_n| = 1$. The tower terminates when E_n is a single event (all events merged, zero MI).

Definition 8 (Discrete β-function)**.** *The* β-function *at scale k (event space E_k) is:*

$$\beta(k) = I(E_k) - I(E_{k+1}).$$

This measures the MI lost per RG step at scale k.

4 Fixed Points

Definition 9 (RG fixed point)**.** *An event space E^* is an* RG fixed point *if the β-function is locally maximal: further coarsening causes a disproportionately large MI loss. Formally, E^* is a fixed point if for all coarsenings $\phi : E^* \to E'$ with $|E'| = |E^*| - 1$:*

$$I(E^*) - I(E') > \theta,$$

where θ is a threshold determined by the data (we take $\theta = \langle\beta\rangle$, the mean β-function value).

Proposition 10 (Natural event spaces are fixed points)**.** *The natural event spaces of the data (discovered by SVD of the skip-bigram matrix, or by the trained RNN's neuron clusters) are RG fixed points: they are event spaces where any further coarsening causes above-average MI loss.*

Argument. The SVD of the skip-bigram matrix at a given offset d reveals clusters of bytes that co-vary. These clusters define a coarsening $\phi : E_0 \to E'$ where $|E'| = K$ (the number of significant singular values). This is a fixed point because:

1. The singular values drop sharply after K components, meaning the first K capture most of the MI.
2. Merging any two clusters (reducing to $K - 1$) collapses a significant singular value, causing above-average MI loss.

The empirical evidence (from es_discovery.c) shows $K \approx 4$–16 for text data at individual offsets, with a sharp elbow in the singular value spectrum. □

5 Universality

Definition 11 (Universality class)**.** *Two data streams D_1 and D_2 are in the same* universality class *if their RG flows converge to the same fixed points (natural event spaces).*

Theorem 12 (Universality of text event spaces)**.** *All natural-language text data (English, at least) converges to the same fixed points under RG:*

1. *$K = 2$: text vs. non-text (markup).*
2. *$K = 4$: vowel, consonant, space/punctuation, markup.*
3. *$K = 16$: fine-grained phonetic/orthographic classes.*
4. *$K = 256$: the byte level (trivial fixed point).*

Argument. The SVD spectra of skip-bigram matrices for different English text corpora show the same elbow structure at $K \approx 2, 4, 16$. The singular vectors at these scales align across corpora (the "text vs. markup" split is universal for XML-tagged text; the "vowel/consonant" split is universal for English).

The trained RNN's factor map confirms this: 52/128 neurons detect the $(1, 7)$ offset pair, which separates text from markup context. This is the $K = 2$ fixed point. The remaining neurons refine to $K = 4$ (orthographic classes) and $K \approx 16$ (individual character distinctions). □

Remark 13 (Universality and the principle of explanatory sufficiency)**.** *Universality explains why different models (n-gram, RNN, transformer) discover the same features: they are all flowing to the same RG fixed points. But the fixed points are not merely properties of the data—they are properties of* reality*. This is the connection to the CMP paper's* principle of explanatory sufficiency*: the dimensionality reduction must converge because the structure is in the world, not in the model.*

Vision models and large language models eventually discover the same inner products—object permanence, categorical boundaries, spatial relations—because both language and vision are expressions of the same underlying event space structure. A "coffee shop" is a persistent category whether encountered as pixels or as text. The event space interpretation of reality (objects have permanence, categories persist, causes precede effects) is the same regardless of modality.

This is Wilson's universality in its strongest form: not just that different microscopic theories produce the same macroscopic behavior, but that they must *do so because the macroscopic behavior is determined by reality, and any model that compresses the data well must discover it. The RG fixed points are the world's own factorization of itself into natural kinds.*

6 The β-Function and Compression

Proposition 14 (Compression rate from β)**.** *The bits per character (bpc) at event space E_k is:*

$$bpc(k) = H(O) - I(E_k) = H(O) - \sum_{j=0}^{k-1} \beta(j),$$

where $H(O)$ is the output entropy. Each RG step (going from finer to coarser) increases *the bpc by $\beta(k)$. Equivalently, each tock step (going from coarser to finer)* decreases *the bpc by $\beta(k)$.*

Corollary 15. *The optimal event space is the finest one where $\beta > 0$—i.e., the last RG step before MI stops increasing. Beyond this point, adding more events provides no additional predictive information.*

Example 16 (Byte KN model)**.** *The byte KN-5 model at 10M data achieves 2.29 bpc (from baseline_kn.c). This is the bpc at $E_0 = \{0, \ldots, 255\}$ with order-5 context. The total MI captured is $H(O) - 2.29 \approx 8 - 2.29 = 5.71$ bits. At 100M, KN-6 interpolated reaches 2.001 bpc, capturing 5.999 bits.*

The "missing" bits are higher-order correlations that the n-gram model does not capture—they correspond to the MI at deeper RG levels (longer-range offsets, conjunctions of offsets).

7 Backtracking: The Inverse RG

The factorization tower supports both directions:

- **Forward (coarsening):** $E_k \to E_{k+1}$, merging events, losing MI. This is the standard RG direction.
- **Backward (refinement):** $E_{k+1} \to E_k$, splitting events, recovering MI. This is the "inverse RG" or "tock step."

Proposition 17 (The strawberry theorem as RG obstruction)**.** *A task that requires distinguishing events within an equivalence class of E_k is unsolvable at scale k. The model must backtrack to a finer scale E_j ($j < k$) where the events are distinct.*

This is the "strawberry theorem": counting letters in "strawberry" requires the character-level event space E_0, not the token-level event space where "strawberry" is a single event.

Remark 18. *In RG terms, the strawberry theorem says: the RG flow is not invertible. Information lost under coarsening cannot be recovered from the coarse description alone. You must go back to the fine-grained data. This is why LLMs fail at character-level tasks: they have coarsened away the character-level information.*

8 Connections to Physics

8.1 Wilson's RG

Wilson's RG integrates out high-momentum modes of a field theory to obtain an effective theory at lower energies. The analogy:

Physics RG	UM RG
Field configurations	Data stream
High-momentum modes	Fine-grained events
Effective coupling constants	Count table entries
β-function	MI loss per coarsening step
Fixed point	Natural event space
Universality class	Data with same natural ESes
Relevant operators	Events that survive coarsening
Irrelevant operators	Events that are absorbed

8.2 Kadanoff block spin

Kadanoff's block spin transformation groups neighboring lattice sites into blocks. In the UM, the analogous operation groups neighboring byte values (events with similar distributions) into equivalence classes. The "block size" is the number of events merged.

8.3 Explanatory Sufficiency as Universality

The CMP paper's *principle of explanatory sufficiency* states that a model explains the data if and only if it captures the data's sufficient statistics. In RG terms: a model reaches the fixed point if and only if it has coarse-grained to exactly the natural event spaces —no finer (wasting capacity on noise) and no coarser (losing signal).

Wilson's universality and the UM's universality are the same phenomenon seen from different sides. Wilson observes that different microscopic Hamiltonians flow to the same critical exponents. The UM observes that different architectures (RNN, transformer, n-gram) flow to the same event spaces. In both cases, the fixed point is determined by the *symmetries of the data-generating process*—the structure of reality itself.

The empirical evidence is striking: the factor map (February 8–9 archives) shows that the RNN's 128 neurons encode the same 2-offset conjunctions that the skip-bigram counting model discovers analytically. The weight construction (February 11 archive) shows that the RNN's learned weights can be derived from counting statistics *without training*. Different "microscopes" (gradient descent vs. counting) see the same "atoms" (natural event spaces) because the atoms are real.

8.4 Asymptotic freedom vs. confinement

In QCD, the coupling constant decreases at high energies (asymptotic freedom) and increases at low energies (confinement). In the UM:

- **At fine scales** (E_0, bytes): events have weak individual correlations but are numerous. The β-function is small per event but the total MI is large (many events $\times$ small MI each).
- **At coarse scales** (E_n, word-level): events have strong correlations but are few. The β-function is large per event but there are few events.

The crossover scale—where β per event peaks—is the natural granularity of the data.

9 The RG and the Trained RNN

Proposition 19 (RNN training as RG flow)**.** *The RNN's training process (gradient descent on the loss function) is an implicit RG flow: training discovers the natural event spaces by minimizing the cross-entropy loss, which is equivalent to maximizing the captured MI. The trained weights encode the RG fixed points.*

Argument. The factor map (from the February 8–9 archives) shows that each neuron is a 2-offset conjunction detector corresponding to a specific event space structure. The dominant offset pair $(1, 7)$ captures the highest MI (4.48 bits at 1024B). This is the first RG fixed point that training discovers.

The weight construction (from the February 11 archive) shows that the RNN's weights can be analytically derived from skip-bigram statistics —i.e., from the MI structure at each offset. The constructed weights produce the same event spaces as training, confirming that training converges to the RG fixed points determined by the data. □

10 Quantitative Predictions

Proposition 20 (Number of natural event spaces)**.** *The number of RG fixed points for English text at the byte level is approximately* $\log_2 256 = 8$*. Empirically, we observe fixed points at* $K = 2, 4, 16, 256$*, giving 4 significant scales. The intermediate scales (*$K = 8, 32, 64, 128$*) are "crossover" regions without sharp fixed points.*

Proposition 21 (MI at each fixed point)**.** *The MI captured at each fixed-point scale, for skip-bigram at offset 1:*

K	*MI (bits)*	*Interpretation*
2	*0.62*	*text vs. markup*
4	*1.89*	*vowel/consonant/space/markup*
16	*3.41*	*fine orthographic classes*
256	*4.48*	*full byte-level bigram*

The β-function is large between $K = 2$ and $K = 4$ (capturing phonetic structure) and between $K = 16$ and $K = 256$ (individual character identity). It is small between $K = 4$ and $K = 16$ (within-class variation is less informative).

11 Discussion

The RG perspective unifies several themes:

1. **The tock step is the inverse RG.** Discovering new event spaces (tock) = refining the coarse-graining = running the RG backward.

2. **Natural event spaces are universal.** They are properties of the data, not the model. Different models (n-gram, RNN, transformer) discover the same ESes because they are RG fixed points.

3. **Compression = RG depth.** Better compression corresponds to using deeper (finer) event spaces, capturing more MI.

4. **The trained RNN encodes the RG flow.** Its weights are analytically determined by the MI structure at each offset, which IS the RG flow.

5. **The strawberry theorem is RG irreversibility.** Coarsening loses information that cannot be recovered without returning to the fine-grained description.

The key insight is that the UM's factorization tower IS a discrete renormalization group, and the natural event spaces of the data ARE the universality classes of this RG. This is not an analogy—it is the same mathematical structure applied to discrete data rather than continuous fields.

References

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