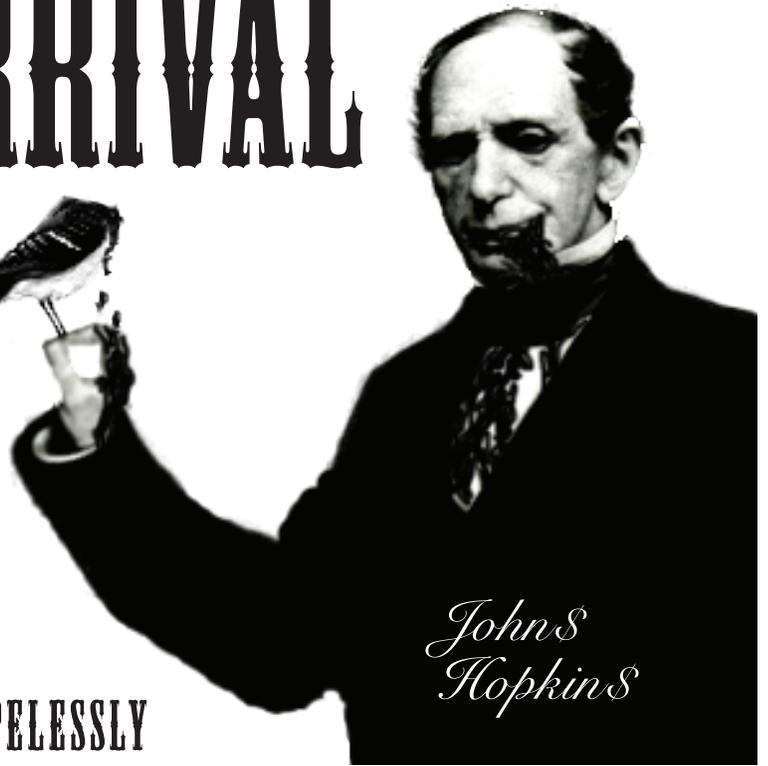


DEBT ON ARRIVAL

Student Debt and the Zombie University



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HOPELESSLY INDEBTED TO YOU

Nothing quite holds together. We feel this clearly, as students attending a world-class, white-marble research institution couched in a city that so neatly embodies the crisis. As we are shuttled from campus to locked-down apartment complexes, peering from the tinted windows of security vans, we recognize that something has gone wrong – why does a university require so much armament, so much protection against its neighbours? Is the university such a fragile construction that it must be guarded at every gate? What is being protected?

The story we are told about higher education, about success and promise and innovation and development, is just that – a story. But the setting has been demolished: Any coherence to the ideal of the university depends on a now hollowed-out narrative about American industry and prosperity. Where our parents' generation believed that hard work could overcome any obstacle, ours is at a loss when confronted with a burden measured in billions. Student debt: Everything contradictory about the university today is embodied in this pervasive, deepening condition. How do you organize around a bottomless pit?

Whatever else we are, we are a generation in debt. Student debt has grown five-fold over just the past decade, exceeding the amount owed on all credit cards and breaking the \$1 trillion mark. At Johns Hopkins, the inflation-adjusted equivalent of a year's tuition from just a decade ago would barely cover a semester of classes today. We borrow to pay tuition that has grown 4x faster than inflation since the 1970s. But no one pretends that education is getting more valuable. Like debt, unpayable tuition simply masquerades as fate. Faced with stagnant wages, failed public schools, and intolerable inequality, we sell our future – *at all costs* – for the privilege of imagining that we still have one.

The university now emulates what it truly serves – the capitalist firm. Every aspect of university life and governance – from food services, to the ordering of transcripts – is carved up and offered for profit. Rather than seek to organize its operations democratically, the university courts bids to monopolize and marketize our campus. Its organizational model is borrowed from the fragmented, thoroughly outsourced multinational corporation. By managing a byzantine hierarchy of subcontractors, by obscuring exactly who is an employer and who cuts the paycheck, the administration evades accountability to workers. The university's function as an umbrella for monopolies is one aspect of the corporatized university – another is the management of the endowment with the aim of optimizing shareholder value. Hopkins, a private university, discloses only the intent to invest in (deliberately volatile) hedge funds -- exact figures and funds are carefully kept opaque. Who decides where the future of our university is invested? We students, fuelling the whole monster with debts we might never pay off, have no say in where our money is channeled. Where does the money go?

I SEE DEBT PEOPLE

Obviously, the old-fashioned image of the industrious everyman working his way through school is nonsense. Even work-studies are displaced by

unpaid internships – indentured labor, measured in academic credits and subsidized by personal credit. Under these conditions, only the whitest and most affluent students survive. Ostensibly a vehicle for upward mobility, the university is in fact an instrument to entrench inequality: As levels of student debt and tuition skyrocket, higher education is increasingly inaccessible to working-class students and students of color. Here at Hopkins, supposed “need-blind” admission cashes out as a preference for the rich: less than a tenth of students qualify as “low-income” (with families making \$60,000 or less). The trends are clear: There are fewer students with financial need attending Hopkins, and those that do manage to attend are saddled with more debt – triple what was borrowed a decade ago.

Despite its mercenary entitlements, our education now promises little more than interminable debt. When barely half of us able to find work after graduation, when those who can end up working for less at jobs they were already qualified to do, the irony of an university system that bills itself as the last “sure investment” is unbearable. We graduate into lives of repayment – years of mindless, dead-end work devoted to our debt and the interest it accrues. Or else we are thrown onto the pile of student loan defaulters, which now tops 14% (up from a little over 5% a decade ago). Default – but not forgiveness; not even bankruptcy can discharge student debts, which the government makes sure we pay by every means necessary – intercept-

ing tax refunds, garnishing wages, deducting from social security. We are told that an education is the one thing they can never take back from us. We sometimes wish they would.

For the multi-billion-dollar lending industry, benefiting from years of deregulation and federal guarantees, there is no point in trying to keep us from defaulting on our debt. Why bother, when there is always a fresh, expanding army of student borrowers ready to take the pledge? Why bother, when there are university officials to bribe – like the former Hopkins aid director who accepted nearly \$100,000 in undisclosed fees from loan companies? And not even those who profit off our debts imagine that we will ever be able to pay them off. Like the subprime mortgages that triggered the latest crisis, nonfederal student loans now fuel a predatory confidence game of securitization. As nonfederal loans become the norm and as more student debt is securitized – over 1/3 of it already is – the situation becomes grotesque. Placing empty bets on our futures, repackaging them, then selling them for more than even they think they're worth, the financial services industry feeds on student debt in a desperate effort to reanimate the corpse of American capital. Waiting with clenched teeth for news of the latest default rates, even Moody's has warned that student debt could be the next bubble to burst.

SETTLING DEBTS

In the thick of constant anxiety over our futures we lose sight of the very question at the heart our worries – *what is an education for?* Everything we need and want requires that we teach each other how to preserve or create it. But today, the university treats our needs with hostility, as we are shepherded toward a diminishing number of “practical” roles within a completely bankrupt, exploding society. Students are forced to adapt: As the horizon of a job market in ruins approaches, our course selection is advised by the nightmare of protracted debt and failure we see ahead. Meanwhile, the rubble of humanities departments across the US and Europe, casualties of academic streamlining, remind us of what lies ahead if we aren't practical.

And when we pause to question the way our education is organized, the sharpest contradiction shaping the university is brought to the fore. We are told to think critically, *but not about this*. When we speak out – articulately, with the intelligence we are told brought us here in the first place – we are met with brute force. In recent weeks, this antagonism has gone viral, emblemized by the absurdly casual riot cop, pepper-spraying a row of peacefully seated students. They shot us at Kent State – today, they keep us alive because, after all, we owe them. Our debt is our only value to a university that strains to purge itself of anything unprofitable, especially challenges to the rule of profit over all.

Let's be clear: this is not a question of institutional reform, of regaining the middle-class future that Hopkins once promised. A bigger endowment, a tighter squeeze on employee wages, a more paternalistic network of alumni – these are only futile, last-ditch attempts to resurrect the lost privileges of the university's past. There's no going back. So where do we go from here?

Nowhere, until we refuse the idea that student debt is a personal failure. This crisis only feels immediately and narrowly our own, but it is so much more than student debt: it is at once a crisis of unrelenting unemployment, of sovereign debt, of food, of housing, of energy, of ecology, a crisis that renders empire frantic and volatile, that is used to legitimate the criminalization and incarceration of the poor and people of color. It's not our fault – it's about finding the fault lines in a system of global finance that creates inextricable crises everywhere.



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On Facebook:
<http://www.facebook.com/pages/Zombie-Debt/296233787074061>

RJHU Blog:
rjhu.wordpress.com

Reclamations special issue on student debt:
<http://reclamationsjournal.org/current.html>

Communiqué from an Absent Future:
<http://wewanteverything.wordpress.com/2009/09/24/communique-from-an-absent-future/>

OCCUPY EVERYTHING

REFUSE ALL DEBT

