

## Openings and Retrospectives



### A RIGHT TO THE FUTURE: Student Debt and the Politics of Crisis

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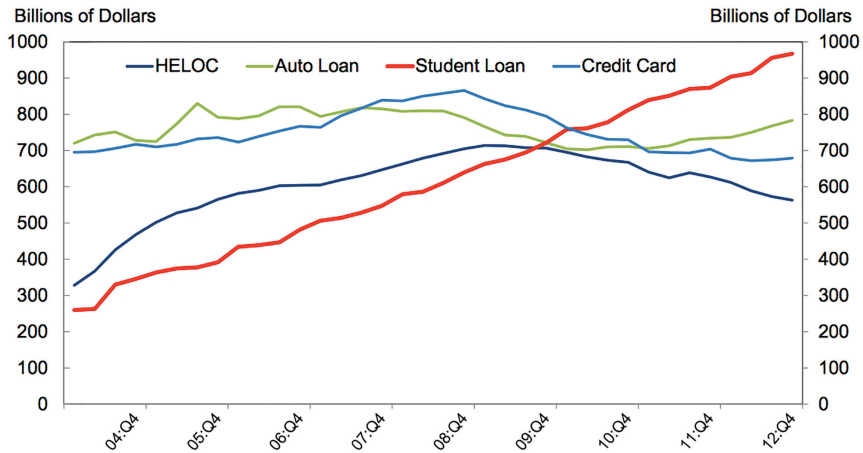
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In September of 2008, when the banking giant Lehman Brothers collapsed, lending came to a halt. Borrowers across the globe were left holding outsized debts and declining credit scores. Consumers in the United States soon showed that they wanted out of the credit trap. From 2008 to 2012, U.S. households reduced their financial liabilities by \$1.3 trillion (Federal Reserve Bank of New York 2013). They “deleveraged” in all areas but one: student debt.

By 2012, this rising level of debt already represented a 70 percent increase in the number of borrowers and a 70 percent increase in the sum of each borrower’s loans from just 2004 (Brown et al. 2013). In 2018, outstanding student debt crossed the \$1.5 trillion mark. This balance represents growth of more than 170 percent from the years just before the crash (Federal Reserve Bank of New York 2017). Since 2008, exploding student debt balances have become a signal feature of finance.

Another, less heralded change has accompanied this upsurge. In 2010—two years after the financial meltdown—the federal government took over the student

## Non-mortgage balances



Source: FRBNY Consumer Credit Panel / Equifax

Figure 1. Student loans defied the trend in the United States to pay down debt in the years following the financial crash of 2008. Image by the Federal Reserve Bank of New York.

loan business, alleviating private banks of a debt market they no longer wanted. Today, the U.S. Department of Education provides the vast majority of student loans, making the federal government one of the largest consumer credit agencies in the world. Student debt has become a key point of relation between the government and young adult citizens. So does the student debt crisis promise to generate a new politics?

Crisis discourse, [Janet Roitman \(2013\)](#) has argued, tends to generate solutions that resemble religious salvation. The student debt crisis has indeed inspired redemptive narratives, with calls for Old Testament–style jubilee and the end of capitalism ([Graeber 2011](#)). Roitman contends that demands for radical change like these place power outside of human time and capacities and, by doing so, undermine their stated goals; they render the precipitating crisis incapable of producing transformative political thought.

Anthropologists should not capitulate to what [Jane Guyer \(2007\)](#) calls the “evacuation” of the near future, however. New futures do not happen through gestures toward grand prospects but through conflicts over the near term, often on the scale of proximate generations ([Zaloom 2018](#)). Struggles over imminent possibilities—like those contained in the student debt crisis—can inspire novel politics and shifts in the key concepts that support them.

## THE POLITICS OF STUDENT DEBT

Protests calling for an end to student debt have swelled in recent years, both in the United States and across the world. Critics have called anti-debt activists “entitled,” unwilling to pay their fair share of college costs; but protesters are challenging the very intellectual foundations that make this reproach possible. They contest the view that student debt should be considered an individual’s investment in her own labor market value or human capital. Activists’ core demands—ending student debt and instituting free tuition—would break from the past that such economic reasoning created. They affirm that the value of higher education lies not in its individual market potential but in the possibility of intellectual growth, solidarity among peers, and, ultimately, political change.

These demands amount to what I call a *right to the future*. An end to student debt would require rejecting the logic of human capital and the policies that have saddled young adults with debt. It would require that universities and politicians value college for bringing students of different classes together in a common educational project, such that students could use their experiences to craft new visions of social, political, and economic life for young adulthood. The right to the future is a claim to generational reinvention.

A right to the future encompasses threats to young adults’ near-term futures beyond higher education, too. Consider global warming. In coming decades, the best-case scenarios point to more frequent and more lethal extreme weather events. In the worst-case projections, these disasters will be accompanied by catastrophic sea-level rise that inundates coastal cities and regions, propelling large-scale refugee migration throughout the world. The maturing generation will face conflicts over food and potable water, as well as outbreaks of infectious disease. The fact that student debt and climate change have similar sources—economic logics linked to global capitalism and neoliberalism—gives young adults further grounds to claim a right to the future.

To show how a right to the future is emerging, I track conflicts between activists and human capital-minded technocrats around student debt and higher education costs in the United States and Chile, a country with similar student loan patterns to the United States. Chilean students, like their U.S. counterparts, pay high fees and take on significant debt to attend college; in fact, according to data from the Organization for Economic Cooperation and Development, education in these two countries requires more of students financially than anywhere else in the world (*Santiago Times* 2017).

Activists in both countries have agitated for an end to student debt and for free tuition. In Chile, higher education activism has been especially widespread, vibrant, and sustained—but in America, too, the struggle has created opportunities for challenging the recent history of higher education, for developing new ideas about politics, and for articulating fresh approaches to debt.

### **FREE, QUALITY HIGHER EDUCATION**

In the wake of the 2008 crash, a fight for a different future began with a contest over the meaning of the past. In August 2011, Chilean students began protesting the effects of their country's costly higher education system in ways that follow the crisis script as theorized by Roitman. These students asserted that the social and political repression of the dictator Augusto Pinochet's government was continuing, long after his formal rule had ended, with the unfair economic burden that students were bearing. Pinochet famously brought in neoliberal economists from the University of Chicago to remake Chile and upheld the economic transformations he wrought with violence. In the realm of higher education, Pinochet installed an expensive, privatized system that required students and families to pay while suppressing any dissent. Saddled with debt, students and families had to work to service their educational loans, a burden that tied them tightly to the demands and desires of employers and the marketplace, fulfilling the requirements of Pinochet's neoliberal agenda.

In 2011, activists articulated a historical break, declaring their student debt loads to be unsustainable. Then they narrated history anew: their debt burden was not, they insisted, a personal investment in their labor market potential or their personal responsibility. Instead, it represented the Chilean government's moral abdication. They called for "free, quality higher education." To publicize their agenda, protesters held mass kiss-ins, dressed up as superheroes, reenacted Michael Jackson's "Thriller" dance, and ran in circles around the president's palace. They seized a television station and insisted that the broadcasters publicize their demands. Following the station takeover and the burning of a Santiago department store, police cracked down on the protesters, 874 of whom were arrested ([Franklin 2011](#)).

Activists argued that this police belligerence further exposed the enduring injustices of Chilean history. Their chants affirmed their goals: "It will fall, it will fall! The education of Pinochet, now it will fall" ([McSherry and Mejía 2011](#)). The demonstrations and police aggression continue today. When students across Chile took to the streets in 2017, the Santiago police blasted them with water cannons

([teleSUR 2017](#)). Still, the protesters persist in demanding a historic break from Pinochet's neoliberal era.

In addition to street demonstrations, the activists have also performed jubilee, or the mass cancellation of debts, giving politicians and universities an object lesson in casting history aside. The Chilean artist Francisco Tapia, known as Papas Fritas (or "French Fries"), burned paper records of student debt worth \$500 million from a private Chilean university ([Democracy Now! 2014](#)). Meanwhile, U.S. activists were also targeting loan balances. The U.S.-based Strike Debt! bought out and canceled almost \$4 million in loans from students who attended the fraudulent, for-profit Everest College, which had deceived students about the workplace value of their near-worthless degrees ([Kamenetz 2014](#)).<sup>1</sup> Destroying papers and canceling loans, as Strike Debt! did, provides relief only for a small number of students, yet debt jubilee is fueled by a larger redemption fantasy of eliminating the need for debt entirely. Even in their biblical form, though, jubilees are periodic, not transformative. They bring only temporary relief to worldly injustice. Although these jubilee performances have brought significant publicity to activist causes, they paradoxically reaffirm the valid nature of debt arrangements.

Still, these tactics have prompted political responses. In Chile, President Sebastián Piñera fired his education minister and promised new government funding for higher education in an effort to mollify the protesters and prop up his plummeting approval ratings ([BBC 2017](#)).<sup>2</sup> In 2014, his successor Michelle Bachelet pledged that low and middle-income students would attend Chilean public universities tuition-free, initiating the *gratuidad* program that has paid for the studies of 270,000 students at Chilean public universities. During his second successful presidential campaign in 2017, Piñera made higher education a key part of his platform, pledging to expand *gratuidad* into vocational education ([Pells 2018](#)).

Free, quality higher education at all universities would, in fact, move beyond Pinochet's legacy. The latest expansion of *gratuidad* both moves toward this goal and gives student debt greater political heft. It does not yet address the issue of social inequality, however, and many activists have judged the program insufficiently transformative for this reason. Because *gratuidad* addresses only the 15 percent of Chilean students who attend underresourced public universities, it arguably extends divisions between haves and have-nots that have been in place since Pinochet. Protesters have maintained that, in effect, the *gratuidad* program heightens social divisions among universities, continuing to funnel poorer students

to schools that cannot serve them well and further entrenching a tiered education system. However, *gratuidad* has cemented higher education's place in Chilean national politics and centered young adults' futures in the politics of inequality. *Gratuidad* has thereby opened a sightline to a new near future.

Student movements in the United States have also won political concessions, some of which alleviate the strain of existing policies and others of which promise greater transformation. Responding to pressure from higher education activists, the Obama administration began to expel fraudulent for-profit institutions from federal loan support programs and promised to cancel debts for students taken in by their false claims. Today, Donald's Trump's secretary of education, Betsy DeVos, is rolling back this policy, reopening the door to for-profit malfeasance. However, by focusing on bad actors, both the Obama- and Trump-era approaches are united in a political logic that divides institutions according to a logic of personal gain: some are worth the investment and others are not. The government's job lies in determining and then sanctioning those whose actions will distort students' assessment of the risks of their investment.

As in Chile, free tuition holds a stronger promise of transformation in the United States, and movements have also won a place for it in formal politics. In 2016, during the Democratic presidential primary, Bernie Sanders adopted the movement's demand for tuition-free and debt-free college education as a key element of his platform, leading Hillary Clinton to take up the issue herself. Costly higher education, [Sanders \(n.d.\)](#) argued, represented a "shortsighted path to the future [that] must end." In taking up the cause of free tuition, Sanders embraced the language of a historic break and made young adults' years after graduation a national priority.

Acting on that vision of the near future, politicians and educators have launched programs at the state level, even as the Trump administration has stymied federal efforts. New York State Governor Andrew Cuomo created the Excelsior Scholarship, which promises middle-income students tuition-free access to the state's public colleges and universities. The Excelsior program layers funds on top of existing programs and requires income verification and enrollment in thirty college credit-hours. These complexities have made the Excelsior funds difficult for students to access and limited the reach of the program. In fact, almost two-thirds of students who apply are rejected ([Karlin 2018](#)). Because the program supplements, rather than replaces, existing supports, it does not move beyond the existing model or establish the historic break that activist demands have the potential to initiate.

Even if free tuition became a reality, though, it would not mean an end to debt. Living expenses would still need to be paid with funds from either work or loans. With costs confined to room and board, however, students could spend less time at paying jobs; taking on more limited loans could allow them to focus on their studies and projects. They could also look toward their years beyond college as a time more under their own control, not first and foremost in service to their weighty debts. What conditions would enable debt to function in the service of young adults, rather than the reverse? Answering this question would require a conceptual transformation, beginning with a challenge to human-capital discourse of the last forty years.

### **“A GIGANTIC REVOLUTION OF EXPECTATIONS”**

The politics of the post-2008 moment have posed a challenge to narrow economic thinking. As the idea of a student debt crisis has gained media traction and political popularity, think-tank economists and media pundits on the center-right and -left have raised their voices in opposition (e.g., [Akers and Chingos 2016](#); [Baum 2016](#)). Hewing to the crisis script that Roitman identified, these technocrats have reasserted the need for continuity, standing on the authority of established economic concepts and theory. They point to data showing that higher education will, overwhelmingly, earn a return on investment and they avow that education should be considered a personal financial wager. These arguments reinforce human capital as the foundational common sense of policymakers whose judgments and actions steer higher education.

Centers of power like the Brookings Institution and the Urban Institute have produced reports arguing that higher education remains a good investment because it will pay off in higher incomes and better lives even with the debt that students carry. Loans are good, these reports assure, because they allow students to access their strong future earnings today to pay for the asset of their education. Student borrowers in the United States, they insist, are in good shape as long as they graduate.

These writings do concede, however, that policies could be improved—specifically, by targeting assistance to those students whose personal wager on higher education hasn’t paid off. This group includes those who don’t graduate and those who carry debt but haven’t found well-paid employment. The need for change, as these economists see it, comes from students’ positions in relation to market failures, fortune, and folly. That means focusing on those who suffer from the inefficiencies of the student loan repayment system and the bad luck or de-

cision-making that has led them to drop out of school. In other words, these writers look toward continuity by bringing reform to the broken parts of what they see as a functioning system.

Free tuition does not make sense within this framework, and the advocates of a human-capital approach have not shifted their thinking to value higher education beyond individual students' labor market success or failure. Following New York's announcement of the Excelsior Scholarship, the center-right pundit [David Brooks \(2017\)](#) tarred it as "regressive"—since middle- and upper-middle-income students and families stood to benefit. For this, Brooks gave Cuomo pride of place—in the months following Trump's ascendance to the presidency—for "worst public policy idea this year."

When experts with a human-capital perspective focus on activists' demand for free tuition, their emotional tenor is often one of bafflement. In an article entitled "Progress and its Discontents," the [Economist \(2012\)](#) assessed the reasons for the Chilean student protests from the centrist magazine's editorial perspective. The very successes of Chilean higher education over the last twenty years had generated the protests, the writers asserted, going on to present an argument in support of Chile's high-cost colleges and the student debt that attending them requires. In 2016, *Americas Quarterly* published the perplexed article "Free College in Chile! So What are Students So Mad About?," noting in the subtitle that "some reformers want to upend the system entirely" ([O'Boyle 2016](#)). Free tuition jeopardizes the continuity these commentators seek; they have yet to come to grips with the challenge to human-capital thinking that activists are posing.

These centrist publications' arguments proceed through the blind spots of the technocratic perspective—but even within their pages, a new generational politics emerges. The *Economist* article wonders if student protests mark a revolt against "the model," or the free-market, neoliberal policies that Pinochet inaugurated and that his successors have followed. Carlos Peña, the rector of Diego Portales, a private university in Chile founded in 1982 under the Pinochet regime, is quoted as saying that Chile's strong economy has generated a "gigantic revolution of expectations" ([Economist 2012](#)); student protesters have no personal memory of Pinochet and are therefore unafraid. Peña's comments support the *Economist's* technocratic assessment, but the article suggests that higher education activists' vision portends the end of an era and propel aspirations for a new beginning in their adult lives.



## A RIGHT TO THE FUTURE

Higher education can create new generational futures, but only under conditions where students are freed from the hierarchies and inequalities of the past. The desire to change course has fueled calls for an end to burdensome student debt and for inaugurating free tuition. In the process, activists have also opposed dominant economic concepts that have tied university education to historical inequalities. Challenges like these assert an emerging claim to a right to the future.

A right to the future extends a concept popular with urban scholars and movements alike: that of a right to the city. Inspired by the writings of Henri Lefebvre, the right to the city begins with urban inhabitants' capacities to produce space in all its physical, social, and imaginative forms. Citizens can make city space to serve those who live there; obstacles that stand in the way of that creation must, it follows, be lifted. The social relations of neoliberal capitalism and their epistemological foundations quash this creativity. Scholars and activists favoring a right to the city oppose governance by technical economic assessments and strategies that disenfranchise nonelites. This politics parallels the challenge that higher education activists are posing to the social legacy of neoliberalism and the dominance of human-capital discourse.

The right to the future shifts the concept from a spatial to a temporal framework, opening new avenues. While existing technical solutions make few allowances for student input, the right to the future helps reveal that students are necessary participants in the conditions of their education, especially around the costs that will shape the future of both students and nations.<sup>3</sup> Young adults' creative capacities enable them to make their own political choices; they must have the ability to exercise these choices in order to bring about generational renewal. They have a political claim on the future.

Today, student debt and higher education costs undermine generational reinvention by tying graduates to inherited systems of power that reproduce inequality. We can see this in the United States in the class stratification that is deepened by for-profit universities and the disproportionate share of student loans that African Americans and women carry. Free tuition and an end to burdensome debt are critical for moving beyond these social legacies. At the scale of national and state-level university systems, however, affordable education is necessarily a technical problem; broader political thinking is needed to forge deeper alliances between policy experts and movements. The right to the future must encompass technical solutions, but ones that can gain traction both inside and outside the

halls of think tanks and consultancies. Student debt has to be rethought and, with it, debt has to be reconceived as more than a personal investment.

Some economists have advanced a technical agenda that would transform student debt to allow generational renewal. The economist [Susan Dynarski \(2014\)](#) advocates for an income-contingent repayment system for the United States that takes inspiration from systems like Sweden's and Germany's. Linking loan repayment to rising or falling wages and extending the time to pay back the debt, this system would enable students to pursue new futures for their generation. Dynarski notes that such a system would release them from worrying about their loans during their young adult years when they make the least money and are most economically vulnerable. It would have the additional benefit of supporting students during the time when they are most likely to experiment with who they want to be, both individually and collectively. If this does not work out for them financially, then their loans would be forgiven. By changing the institutional power dynamics of loans—how and when debt is to be paid back—student debt could allow young adults more power to exercise their creative capacities and to govern their own lives.

Debt can open possibilities, as well as foreclose them. With a renewed concept of debt, universities can be places where young adults cultivate themselves and each other to define new, near-term futures.

## NOTES

1. The group bought the debt once Everest had written it off as uncollectable. Debts on the secondary market are worth pennies on the dollar, a lowered value that Strike Debt! used to the advantage of the action and the students.
2. Piñera, a billionaire, made his money in the 1980s during the Pinochet era by introducing credit cards to Chile through his company, Bancard.
3. Critics of the “right to the city” approach have argued that the idea is undefined, especially in what rights it might entail. For a cogent enumeration of these criticisms, see [Purcell 2002](#). However, the very lack of definition may be seen as a strength in generational politics. The right that I see higher education movements demanding is that of openness, as well as the possibility of making the world anew without the demands of burdensome debt.

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