

Introduction: Reframing Debt, Acting on Debt

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One of the things about debt is that it tends to foreclose the future—you have already spent the future. . . . It is very difficult to have an imagination of something radically different when your future is already pinned to some continuation of capital.¹

IT IS PRECISELY THIS FORECLOSURE, not only of the future but also of the possibilities of imagining life outside the logic and workings of being in debt, that debt performs. Take, for instance, the situation of the unemployed, of which there are still plenty. One would wish for a source of income (forget about benefits) that would provide one with, at least provisionally, food and shelter. Yet when one is in debt, coterminous with the receipt of one's paycheck is the preexisting claim to it by one's creditors. One might argue for a deferral, or make a token payment, but one's labor is always already spoken for. Debt sits aside one's hungry stomach—waiting to be fed and in many cases taking precedence.

Debt these days is no longer simply the purview of a few unfortunates—the metrics of the 1 percent versus the rest only tilt more and more people toward the abyss. The 1 percent jealously hold on to their money and assets, and to their hold on political power, in order to ensure that this will always be the case, no matter what petitions, appeals, pleas issue forth from the rest of us. And what is most alarming is that even though the smarter ones know that to persist in this situation is to dare the capitalist machine to fail, to push contradiction past its tolerance point, they continue to press on. Despite predictions such as the one we find in the title and content of this article in the *Guardian*—“The Coming ‘Tsunami of Debt’ and Financial Crisis in America: Forces That Caused the World Economy to Collapse, Including Income Inequality and Debt,

¹ David Harvey, *Seventeen Contradictions and the End of Capital* (Oxford: Oxford University Press, 2014).



Are Again in Action, and Could Drag Corporations Down in Their Wake”²—it is as if even class loyalties take a back seat to each person’s making sure he has what he claims as his. Damn the rest. This is *his* sense of futurity.

It is no wonder then that one form of heroism is particularly cheered by those unable to break the pernicious cycle of debt. People worldwide applauded a Chilean artist who goes by the name Fried Potatoes. As the *Guardian* reports in its coverage:

For a whole year, a Chilean artist using the name Fried Potatoes (Papas Fritas) planned his revenge. Saying he was collecting material for an art project, the 31-year-old visual artist sneaked into a vault at a notorious private, run-for-profit university and quietly removed tuition contracts.

Fried Potatoes—whose real name is Francisco Tapia—then burned the documents, rendering it nearly impossible for the Universidad del Mar to call in its debt—which he claimed was worth as much as \$500m (£297m). “It’s over. You are all free of debt,” he said in a five-minute video released earlier this month. Speaking to former students, he added: “You don’t have to pay a penny.”

Tapia’s move is just the most radical of a three-year campaign by students and children to demand free, improved public education. With monthly marches—and four former student leaders elected to parliament—the students have built a potent citizen’s movement rarely seen in post-Pinochet Chile.³

We may well be seeing a shift in empathy and focus—instead of feeling at one with the identity of “middle class” and striving to occupy that increasingly vacant subjectivity, perhaps more of us are leaning toward another set of identifications. The question, however, is, What is the good of these new identifications, sympathies, dispositions, points of view? How many Fried Potatoes will it take to make an appreciable difference? And doesn’t even his spectacular act leave the capitalist machinery still intact and plugging along, creating in its wake more debtors, perhaps even the same people whose debt he just erased?

This issue of *Occasion* sets forth a series of essays that help us reframe the question of contemporary debt in ways that will help us fight against its most debilitating and inhumane aspects. These are bold rethinkings of what, exactly, went on and how the crisis of 2008 forces us to reassess much of what we thought about debt, and to reassess as well our tactics and strategies for ameliorating its effects, now and into the future.

Saskia Sassen’s essay, “Finance as Capability: Good, Bad, Dangerous,” leads off with the message, “finance is not about money: it is a capability. How we use it does matter.” Her essay proceeds to diagnose precisely the various misuses of finance that led to the 2008 meltdown, specifically with reference to the exploitation of the poor and the middle class. Sassen’s empirical data graphically show the ways financial misuse fed on the hopes and indeed expectations of millions for a better life. This seminal piece allows us to explore the social, cultural, and political costs of our debt era and allows us also a view toward resistance and reimagining in conceptual, philosophical, and political terms.

² See <http://www.theguardian.com/money/2014/jun/15/us-economy-bubble-debt-financial-crisis-corporations>.

³ See <http://www.theguardian.com/world/2014/may/23/chile-student-loan-debts-fried-potatoes>.

REFRAMING AND ACTIVISM

In “Where Are You When You Are in Debt?” Richard Dienst argues that we first need to understand the specific modalities of debt and attack each with the appropriate and necessary tools. He distinguishes among “debt as *system*, debt as *subjectivity*, and debt as *atmosphere*,” asserting that “these models offer a quick way to map the general outlines of the debates, in hopes of revealing where the conceptual blockages are and where the political openings might be.” Dienst takes us into a brilliant mapping of the different vectors and spaces of debt and, while acknowledging the customary remedies for being “in debt,” sees this as an open challenge. We need to recognize how there are multiple ways of being “in debt” and how best to negotiate each.

Miranda Joseph’s essay, “Making Debt,” takes on a particular aspect of David Graeber’s highly influential book *Debt: The First 5,000 Years*. Joseph argues that while Graeber’s text seeks to debunk several key “myths” about debt, he still adheres to a specific myth about debt and communalism. This prevents him from seeing the more useful ways of attacking debt: “[Graeber’s] analysis of—and, I fear, his and others’ efforts to generate collective opposition to—our attachments to our debts is limited by the reaffirmation of yet another ‘myth.’ In this myth, again and again, across the globe in different times and at different speeds, communal relations based on interpersonal trust are displaced by depersonalized calculation, and the particular is disrupted or destroyed by being *abstracted*. This myth, like the ones he debunks, has some unfortunate implications, concealing rather than revealing what I am calling the dialectical processes of abstraction and particularization, potentially undermining the efforts to mobilize and galvanize a movement of the 99 percent.” Our next cluster of essays goes directly to the issue of activism.

LEGACIES AND FUTURES OF ACTIVISM

Pamela Brown’s essay, “When Theory Meets Heart: The Rolling Jubilee and Lessons of Occupying Debt,” tells of the successes and failures of Occupy Wall Street, with specific reference to the current efforts of the Rolling Jubilee to carry on some of Occupy Wall Street’s ethos. In the fall of 2012, still carried by the wave of momentum of Occupy Wall Street, Brown and other activists launched the Rolling Jubilee, which “sought to crowd-fund \$50,000 to buy \$1 million of defaulted debt on the secondary market and forgive it—as a political act of ‘striking debt.’” As of this writing, it has far outstripped that original goal, having bought some \$14.7 million worth of debt.⁴ Brown writes, “For many of us involved in Occupy’s rise and fall, the struggle against inequality, precariousness, and monetization had become the struggle against debt—as neoliberal capitalism’s hallmark and as our only real source of economic power.” Brown’s essay gives an important, firsthand account of the organizing challenges, the debates around tactics, and the successes and failures and passes on the lessons learned.

Palumbo-Liu’s interviews with the Reverend Jesse Jackson and Andrew Ross on the subject of student loan debt share a common theme—how has student loan debt taken hold of our futures? Jackson gives us a historical perspective, one deeply attuned to issues of educational opportunities for blacks in the United States. With those opportunities disappearing, Jackson sees the current situation as one of crisis and urges us to take action. He specifically deplores the overuse of Parent Plus Loans, which create specific dangers for poor and middle-class families. Ross, one of the founders of the Rolling Jubilee, speaks as an activist as well. He explains how student debt “eats away at the very foundations of society and stifles the optional political

⁴ See <http://rollingjubilee.org/>.

imagination of students at a time when their minds are being opened up.” He argues against debt forgiveness—since that both implies that the debtor needs to be “forgiven” and at the same time leaves the current system in place—and for free education.

In his piece, “In Defense of Economic Disobedience,” Andrew Ross elaborates the ways in which today’s “creditocracy” has taken over our lives and possibly our future. He is specifically interested in how this impacts our notions of citizenship and democracy on a global scale: “Managing the lifelong burden of debt service is now an existential condition for the majority, but what about its impact on citizenship? How can a democracy survive when it is on the road to debt serfdom? The right of creditors to be made whole now routinely overrides the responsibility of elected national representatives to carry out the popular will, resulting in ‘failed democracies’ all over the world.” Ross makes the case for economic disobedience as part of the effort to reclaim and rehabilitate the realm of participatory democracy. The next section consists of two essays that argue that a fundamental reassessment of morality is in order as we embark on such a task.

REFRAMING MORALITY

Bruce Robbins’s “The Financial Sector as a Zone of Moral Confusion” considers how the contemporary global financial crisis forces us to rethink certain basic assumptions about debt and being in debt—not just for individuals but also for nations: “My generation grew up thinking of chronic indebtedness as a condition imposed by the world capitalist system on the nations of the Third World—perhaps even as their defining condition, the most characteristic sign of the neo-imperial order, even more so than being on the receiving end of military violence. But this leaves me somewhat at a loss when I’m told that being deep in debt is a crucial characteristic of the strongest economy in the world, that of the United States. What does it mean about the world system when debt shifts from poor countries to rich countries? Is it possible that being in debt can be a sign of strength rather than of weakness?” Robbins then revisits the idea that debt can be seen through the optics of a zero-sum game—whether there is always a finite amount that just shifts from place to place—and asks whether there are not more complicated and messy formulae to be enlisted. This messiness would then have a specific effect on our being able to assign a moral debt to anyone or anything.

Palumbo-Liu’s essay “All That Is Solid Melts into Air (Again)” also notes a historical shift, and a set of historical events, that demand that we rethink the assignment of morality (or lack thereof). His essay offers an argument for a *countermorality* in order to suggest that “a different sense of community and a different sense of justice might be in order as correctives to popular conceptions of debt and morality.” He first reminds us of the actual causes of the financial meltdown of 2008 and then notes how responsibility for the crisis—and the responsibility for paying for it—soon shifted to others. The private debt of a very few was converted to the public debt of the rest of us. Palumbo-Liu revisits key passages from Marx to aid in his argument and ends by suggesting that a particular modality of the imagination is necessary for us to rescript contemporary debt and morality.

REFRAMING PERSPECTIVES

This collection ends, appropriately enough, with the topic of pedagogy—how do we convey to others the cultural, political, and ethical consequences of today’s instantiation of debt?

Marcia Klotz’s “The Pedagogy of the Indebted Student; or, What I Learned from a Classroom Failure” is a critically important essay for those of us who are educators. In it, Klotz speaks frankly about her various trials and errors, and successes, in teaching about debt. She offers important insights, which ring so true, regarding the difficulty of bridging our students’ understandings of debt and those of others. Klotz proposes that an essential task is to first reimagine the issue. She perceptively and eloquently writes, “The point is not to instill guilt for the privilege that often accompanies a college degree; instead, we need to reframe the relationship between the meaning of a university education and the precarity of the working and the unemployed poor.”

In her essay, “Unsafe Texts: Interiority and Knowledge in the Time of Crisis,” Neni Panourgiá gives us another first-person narrative that talks about the need for a new kind of imagining, one that displaces frames that are no longer able to capture adequately the affective and material results of economic crisis. Panourgiá is speaking specifically of the crisis in Greece. She makes two critical recommendations: “First of all, create a cartography of the visuality of the crisis: what does it really look like on the ground? Include not just the structural changes and damages that it has incurred but actual descriptions of its appearance. Such descriptions will challenge and interrogate the concept of the ‘debt’ that has caused this crisis by suturing it to the debt owed to the immanent and coming society—the children, the elderly, the working, and the jobless. Second, produce a radical genealogy of the crisis, maybe even an archaeology of it.”

This “archaeology” might well start, as we did, with the kinds of studies Saskia Sassen provides here but also link them, as we have done, to a series of considerations of how such empirical studies need to be complemented by, if not subordinated to, the experiential data that we find throughout this collection, and most compellingly in these last two essays. How are we to live through debt and act to be independent of its worst effects—for ourselves and for our children? A