

# Parasites on Unwilling Hosts: Student Loan Debt and the Generation of Value

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**Abstract:** This paper focuses on the way in which the student loan system in the United States functions as a means of value-generation via the creation of indebted students. In order to exhibit the way in which the student loan system functions in this manner, the first section focuses on the relationship between labor and value, by discussing Marx's analysis of labor-power and the generation of surplus value and Althusser's notion of Ideological State Apparatuses. For both Marx and Althusser, value-generation relates directly to labor, but this changes as we shift from disciplinary societies to what Deleuze calls societies of control, which is the subject of the second part of the paper. In control societies, value is not just generated piecemeal, via labor, but permanently, via debt. Drawing on the work of Lazzarato and Serres, the third section folds the student loan system into this framework, showing how it functions immanently and parasitically on students to generate value outside of the sphere of work. The conclusion suggests that, despite its ubiquity, such indebtedness can also function as a locus for struggle.

**Key words:** debt, student loans, Marx, Althusser, Deleuze, Lazzarato, Serres, Higher Education Act of 1965, societies of control, debt resistance

Higher education makes numerous promises and is, for the most part, considered an irreducible value to the overall well-being of contemporary societies. Although like many I consider education an essential good, I take a different line in what follows, providing a general discussion of the manner in which the student loan system in the United States functions as a means of value-generation. As they force individuals into debt to gain access to future security, colleges and universities become factories for the generation of immediate, monetary value via students and their debt. In order to make this argument, I first cover what might be considered well-trodden terrain, focusing in the first section on Marx's discussion of labor-power and its relation to the generation of surplus-value. This leads into a discussion what Althusser referred to as Ideological State Apparatuses (ISAs), and the way in which they function to support the generation of value via labor. The point of this discussion is to provide a framework for understanding a shift in the function of education, which I discuss in the second section in terms of Deleuze's distinction between disciplinary societies and control societies. Whereas the line that runs from Marx to Althusser conceives of the generation of value in terms of labor, with ISAs providing crucial, but ultimately external, support for the reproduction of the means of production, the shift that Deleuze marks conceives of the generation of value immanently, via debt. In the third section, I discuss this shift specifically in terms of student loans, drawing on Maurizio Lazzarato's notion of the indebted subject and Michel Serres's image of the parasite to conceptualize the function of student loans. On my reading, student loans become a means for the generation of value outside the sphere of labor, and turn subjects into perpetual generators of value. It is this condition that needs to be challenged, which I gesture toward in the conclusion in terms of collective refusal.

### **Value, Work, and ISAs**

It is well known that capitalism, at least in its basic, material forms, depends on the production of surplus-value via labor to generate profit. According to Marx, labor-power—i.e. the aggregate of mental and physical capacities and capabilities that define human life— can function as a specific type of commodity, in that its use-value is simultaneously a source of value. What it can be used *for*, in other words, coincides with what it *is*, and it is this coincidence that the capitalist exploits in production. Marx no doubt conceives of human activity in general in ontological terms; his discussion of alienated labor assumes as much, in that one can only be alienated from a prior condition, however abstractly we might characterize the latter.<sup>1</sup> But labor-power in and of itself is only a commodity in light of other commodities, that is, from within an

established system of exchange. Hence, various conditions must be in place in order for labor-power to function as a source of value. First, Marx notes that the possessor of labor-power must have it at his or her disposal, meaning that he or she must be in a position to sell it freely for a specified period of time in the marketplace to a potential buyer. "He and the owner of money meet in the market," Marx writes, "and enter into relations with each other on a footing of equality as owners of commodities, with the sole difference that one is a buyer, the other a seller; both are therefore equal in the eyes of the law."<sup>2</sup> A labor-relationship based on the putative equality of buyer and seller is thus fundamentally different from slavery. Slavery certainly conceives of individuals as a source of value, but the means through which the buyer extracts that value are essentially forced; in slavery, Marx points out, an owner of the commodity becomes him- or herself a commodity.

Second, although based upon a notion of equality in the marketplace, the conditions that underpin the selling of labor as a commodity are fundamentally asymmetrical and tilted toward the buyer. One only sells one's labor, in other words, if one lacks access to other commodities that could generate value for the individual. One sells one's labor-power, in other words, because at the end of the day that is all one has to sell. Marx thus notes that the owner of money finds labor-power for sale as a commodity because "the possessor of labor-power, instead of being able to sell commodities in which his labor has been objectified, must rather be compelled to offer for sale as a commodity that very labor-power which exists only in his living body."<sup>3</sup> Control of the means of production, in other words, is necessary if one is to avoid selling one's labor-power as a commodity. There is, Marx insists, nothing natural about such an arrangement. As mentioned above, labor appears as a commodity in relation to other commodities, which means that it depends upon an established system of exchange. Whatever form the latter might take, including varieties of capitalism, the relationship between buyer and seller, owner and worker, "is clearly the result of past historical development, the product of many economic revolutions, of the extinction of a whole series of older formations of social production."<sup>4</sup> Nevertheless, when it appears as such, it is essentially a forced relationship, in that the subordinate party (i.e. the seller of labor-power) mainly enters into it due to a lack, specifically a lack of other means of generating individual value. To put the matter more bluntly, one works because one has to.<sup>5</sup>

The asymmetry involved is, in turn, fundamental to the generation of surplus value. At its root the value of labor-power is determined at the threshold of the maintenance of labor-power itself. That is, in order for labor-power to reproduce itself, at the very least the basic needs of the laborer must be met. Indeed, this is why the individual sells his or her labor in the first place, to gain

access to the market of commodities in which he or she sold his or her labor. But the buyer of labor-power, the owner of money and the means of production, also holds interest in the subsistence of the worker, since the latter's overall well-being is directly related to his or her productive capacities. What counts toward well-being is not set in stone, although a certain level of subsistence appears as a requirement. Nevertheless, that level can vary considerably depending upon the conditions and expectations of a given market. Marx writes:

His means of subsistence must therefore be sufficient to maintain him in his normal state as a working individual. His natural needs, such as food, clothing, fuel and housing vary according to the climatic and other physical peculiarities of his country. On the other hand, the number and extent of his so-called necessary requirements, as also the manner in which they are satisfied, are themselves products of history, and depend therefore to a great extent on the level of civilization attained by a country; in particular they depend on the conditions in which, and consequently on the habits and expectations with which, the class of free workers has been formed.<sup>6</sup>

An increased standard of living, even to the point of relative excess, then, does not obviate the fundamental asymmetry in the relationship. Indeed, as Andre Gorz has pointed out, private comfort in the form of excess may enable the employer to extract more from the worker, since compensation in the form of a "comfortable, opulent, hedonistic lifestyle" demand in the workplace "a spirit of competition and opportunism, combined with subservience towards superiors."<sup>7</sup>

Nevertheless, the owners of money and the means of production, moreover, have a stake in keeping things at subsistence levels, relatively understood. This is not primarily because they are exceptionally greedy and immoral, although they may very well be. It is, rather, about keeping costs down in order to maximize competitiveness, profit, and reinvestment. Marx notes that the capitalist has two main goals in harnessing labor-power for the purpose of production. First, he or she wants to produce a specific commodity that can be bought and sold in the market; as Marx puts it, the objective is "to produce a use-value which has exchange-value."<sup>8</sup> Second, the capitalist wants to produce a commodity whose value is greater than the total value that went into its production. The total value involved includes the means of production but also the cost of labor. The overall objective, then, is "to produce not only use-value but a commodity; not only use-value, but value; and not just value, but also surplus-value."<sup>9</sup> In this sense, the production of surplus-value, which is really

the end goal, depends upon the extraction of value from labor-power; indeed, from the viewpoint of the capitalist, this is what the individual qua worker is: a source of value. Marx writes, “By turning his money into commodities which serve as the building materials for a new product, and as factors in the labor process, by incorporating living labor into their lifeless objectivity, the capitalist simultaneously transforms value, i.e. past labor in its objectified and lifeless form, into capital, value which can perform its own valorization process, an animated monster which begins to ‘work,’ ‘as if its body were by love possessed.’”<sup>10</sup>

The sphere of production, which includes the capture of labor-power for the generation of surplus-value, does not function autonomously, as a self-contained unit separable from other aspects of society. Hence Marx’s famous distinction between the economic “base” of society its legal and political “superstructure.”<sup>11</sup> Without entering into debates over the precise sense of this distinction and how the two relate, the basic point is that the economic sphere of production cannot function on its own.<sup>12</sup> It ultimately requires a set of relatively external institutions and apparatuses in order to generate value from labor-power and to reproduce itself over time.

The language of “apparatus” comes from Louis Althusser, and his famous essay “Ideology and Ideological State Apparatuses.”<sup>13</sup> Analyzing how the means of production reproduce themselves, Althusser as is well known makes a distinction between the Repressive State Apparatus (RSA) and Ideological State Apparatuses (ISAs). The RSA, as the name indicates, functions primarily through repression or violence, in the sense that it forms as a unified, centralized whole as a means of maintaining order over-against the otherwise disparate elements of society. So understood the RSA includes, among other things, “the Government, the Administration, the Army, the Police, the Courts, the Prisons, etc.”<sup>14</sup> ISAs, in contrast, function primarily through ideological means as “distinct and specialized institutions.”<sup>15</sup> Such institutions, as ISAs, tend to be more private than public, as is the RSA, and Althusser gives a list of the more crucial, including the religious ISA, the educational ISA, the family ISA, the legal ISA, the political ISA, the trade union ISA, the communications ISA, and the cultural ISA.<sup>16</sup> The ISAs function separately, in terms specific to them, but in concert with each other to reproduce the means of production, which also means that the ruling class to a large extent controls them, at least in terms of ideology. Indeed, Althusser notes that it is virtually impossible for the ruling class to hold state power for an extended period of time without out also exercising hegemonic control over the ISAs. Althusser writes:

Each of them contributes towards this single result in the way proper to it. The political apparatus by subjecting individuals to the political

State ideology, the 'indirect' (parliamentary) or 'direct' (plebiscitary or fascist) 'democratic' ideology. The communications apparatus by cramming every 'citizen' with daily doses of nationalism, chauvinism, liberalism, moralism, etc, by means of the press, the radio and television. The same goes for the cultural apparatus (the role of sport in chauvinism is of the first importance), etc. The religious apparatus by recalling in sermons and the other great ceremonies of Birth, Marriage and Death, that man is only ashes, unless he loves his neighbour to the extent of turning the other cheek to whoever strikes first. The family apparatus . . . but there is no need to go on.<sup>17</sup>

Nevertheless, because of the role ISAs play in the reproduction of the means of production, they can also, Althusser notes, be "the *site* of class struggle, and often of bitter forms of class struggle."<sup>18</sup> I will return to the point in the conclusion.

Although the ISAs function in tandem, one usually plays a predominant role, and for Althusser this is the educational ISA, or the system of public and private schools. The State, Althusser writes:

takes children from every class at infant-school age, and then for years, the years in which the child is most 'vulnerable', squeezed between the Family State Apparatus and the Educational State Apparatus, it drums into them, whether it uses new or old methods, a certain amount of 'know-how' wrapped in the ruling ideology (French, arithmetic, natural history, the sciences, literature) or simply the ruling ideology in its pure state (ethics, civic instruction, philosophy). Somewhere around the age of sixteen, a huge mass of children are ejected 'into production': these are the workers or small peasants. Another portion of scholastically adapted youth carries on: and, for better or worse, it goes somewhat further, until it falls by the wayside and fills the posts of small and middle technicians, white-collar workers, small and middle executives, petty bourgeois of all kinds. A last portion reaches the summit, either to fall into intellectual semi-employment, or to provide, as well as the 'intellectuals of the collective labourer', the agents of exploitation (capitalists, managers), the agents of repression (soldiers, policemen, politicians, administrators, etc.) and the professional ideologists (priests of all sorts, most of whom are convinced 'laymen').<sup>19</sup>

Portions of Althusser's analysis, here, are obviously particular to his context,

France in the 1960s and 70s. Nevertheless, the basic point is that the educational system functions to impart the “know-how” required to reproduce the means of production via labor. Simply put, school prepares people for work. To quote him again:

They go varying distances in their studies, but at any rate they learn to read, to write and to add – i.e. a number of techniques, and a number of other things as well, including elements (which may be rudimentary or on the contrary thoroughgoing) of ‘scientific’ or ‘literary culture’, which are directly useful in the different jobs in production (one instruction for manual workers, another for technicians, a third for engineers, a final one for higher management, etc.).<sup>20</sup>

As Althusser also makes clear in these passages, the school system interpellates individuals into the reigning ideology unevenly or, perhaps better put, differentially. The overall function of the system is ideological, but since the sphere of production and the various apparatuses that support it depend upon a division of labor, the latter must also be incorporated into the educational ISA. Otherwise put, up to a certain point, schools do not teach all individuals the same thing, the same “know-how.” The educational ISA divvies up its ideologically-determined knowledge and necessary skills based on the interplay of aptitude, class, and social need.

Beyond specific “know-how,” students also learn the various affective components necessary to be a “good worker” and, hence, productive member of society.

But besides these techniques and knowledges, and in learning them, children at school also learn the ‘rules’ of good behaviour, i.e. the attitude that should be observed by every agent in the division of labour, according to the job he is ‘destined’ for: rules of morality, civic and professional conscience, which actually means rules of respect for the socio-technical division of labour and ultimately the rules of the order established by class domination. They also learn to ‘speak proper French’, to ‘handle’ the workers correctly, i.e. actually (for the future capitalists and their servants) to ‘order them about’ properly, i.e. (ideally) to ‘speak to them’ in the right way, etc.

All in all, the purpose of schooling is to teach the sets of “necessary” skills and values required to reproduce the means of production.

Although Althusser primarily directs his attention to primary and secondary education, it can be applied to post-secondary education as well. Nevertheless, education so understood is closely tied to value, but primarily

externally. That is, the point of education is ultimately to funnel individuals into the realm of labor, where their labor-power can, in turn, function as an actual source of value. Schools, in other words, are not sources of value in and of themselves. They are certainly ideological training grounds, and in this sense are necessary for the reproduction of the means of production, given certain social arrangements and conditions. But on the whole that is really it: real value is not created in the schools but elsewhere, and through other means.

The same could be said, generally speaking, about most of the other ISAs. Sticking with the educational apparatus, however, it also seems to be the case that this externality is important for the functioning of ideology. Since schools are not directly related to value, other claims can be made for them, as a way of forcing the misrecognition that is usually thought to be required in order for ideology to function. Above and beyond its clear social function, that is, education can be conceived in lofty terms, as a means developing critical and creative thinking and of nurturing individual well-being and enlightenment. From within the framework that Althusser establishes, that education does not directly create value allows it to function as a more “noble” endeavor, free of the taint that often accompanies profit-seeking in the private, business sector.

The more noble view of education goes back at least to Plato, and it remains an essential selling-point for individuals and its overall social utility.<sup>20</sup> The motto of my own university, for instance, is “Transforming Education. Transforming Lives.” But anyone who works in education, and I am particularly concerned with higher education here, will likely see through much of the rhetoric. This is not so much due to cracks in the ideological function of education but, rather, to a shift in its function. The educational system still functions ideologically, and so Althusser’s analysis of it in terms of ISAs remains apt, at least on a certain level. Nevertheless, I would suggest that it is no longer external to the generation of value, in the sense that I outlined above. Rather, schools, and particularly institutions of higher education, now directly generate value, but often outside labor-power proper. They do so through numerous and varied means, but one of the primary ones is through debt.

## **From Discipline to Control and Debt**

In order to understand the shift, here, it is helpful to turn to Gilles Deleuze’s “Postscript on the Societies of Control,” in which he draws a distinction between disciplinary societies and control societies. The difference between the two, moreover, hinges on debt; he notes that, in control societies, “[a] man is no longer a man confined but a man in debt.”<sup>22</sup> The significance of debt to control societies no doubt corresponds to its mobility and ubiquity. Deleuze notes

that in disciplinary societies, discipline is more contained and static, in that it is confined to the specific sphere of its influence, as Althusser maintained with ISAs. Discipline, of course, is one of the common threads that links institutions together, but it does so analogously: the school and the factory, for instance, are both disciplinary sites, but separately. No doubt they share a common denominator, and shape individuals accordingly, but they do so differently. The differences among domains may indeed and often do resonate to produce a whole, but the whole produced will always remain unstable, for the simple reason that individuals can and do move in and out of specific domains. As Deleuze puts it, in disciplinary societies “individuals are always going from one closed site to another, each with its own laws”; that is, “you were always starting over again (as you went from school to barracks, from barracks to factory.”<sup>23</sup> Another way to put the matter is to say that although in disciplinary societies discipline is widespread, it flounders on its inconsistency across domains and the gaps present in the passage among the latter. Confining discipline to discrete domains means that discipline is not all-confining, which is one of the reasons that Althusser can aver that ISAs may function as sites of class struggle, as mentioned above.

Debt fills in the gaps, rendering the distinction between disciplinary sites moot. In control societies, one still moves among the sites formerly marked as disciplinary. One still, in other words, passes from, between, and among family, school, work and a host of other apparatuses, which gives the appearance of the gap that Deleuze considers essential to disciplinary societies. But debt moves with individuals, floating above the various passages we make between institutions as a sort of general equivalent that loops back on said institutions, shaping them in its own image.

Given that debt functions as a general equivalent, Deleuze notes that the difference between disciplinary and control societies is best expressed in money. He writes that “discipline was always related to molded currencies containing gold as a numerical standard, whereas control is based on floating exchange rates, modulations depending on a code setting sample percentages for various currencies.”<sup>24</sup> The difference between money understood hierarchically as grounded in a stable unit of account versus understood as determined immanently through its very ungroundedness correlates with the difference between discipline and control. That difference, moreover, extends throughout society as a whole, reshaping the way that institutions fashion individuals according to the demands of capital. Deleuze notes, for instance:

In the prison system: the attempt to find “alternatives” to custody, at least for minor offenses, and the use of electronic tagging

to force offenders to stay at home between certain hours. In the school system: forms of continuous assessment, the impact of continuing education on schools, and the related move away from any research in universities, “business” being brought into education at every level. In the hospital system: the new medicine “without doctors or patients” that identifies potential cases and subjects at risk and is nothing to do with any progress toward individualizing treatment, which is how it’s presented, but is the substitution for individual or numbered bodies of coded “dividual” matter to be controlled. In the business system: new ways of manipulating money, products, and men, no longer channeled through the old factory system. This is a fairly limited range of examples, but enough to convey what it means to talk of institutions breaking down: the widespread progressive introduction of a new system of domination.

Thus, as Steven Shaviro summarizes the difference between the two, “the disciplinary society is closed and hierarchical, [whereas] the control society is open, fluid, and rhizomatic.”<sup>25</sup>

Two things are important to emphasize here. First, the passage from discipline to control should not be understood in terms of replacement. Institutions may reshape themselves according to a new and different logic, but it is still those institutions that are being reshaped, and some of their former functions remain. The family, for instance, has undergone dramatic shifts as of late, as so-called traditional models of the family have been shattered by the explosion of new and different formations and the latter’s legitimate desire for recognition. Nevertheless, even in the case of “non-traditional” family structures, it is still the family that is in play, no matter how variegated it may be.<sup>26</sup> Second, although control may not function top-down, concentrated in particular, socially sanctioned institutions, it still exercises a type of sovereignty over the individual—or dividual, to use Deleuze’s term—and it does so via debt. Disparate institutions may, at first glance, function in terms of their own, disciplinary laws, but debt renders any sort of autonomy they once had null and void. Debt moves among domains, is always with the individual, as a sort of supplement to his or her identity.

Debt as a supplement to identity in turn comes to supplement for identity itself, if Maurizio Lazzarato’s analysis is correct. According to Lazzarato, individuals under neoliberalism are essentially “indebted” individuals, in the sense that their subjectivity is constituted through the creditor-debtor relationship. That relationship is, according to Lazzarato, primary in both an economic and moral sense, and because of this it functions as a “universal power

relation, because everyone is included within it.”<sup>27</sup> It is this power of inclusion that enables debt to function as a generic means of generating value. Lazzarato writes, “Debt acts a ‘capture,’ ‘predation,’ and ‘extraction’ machine on the whole of society, as an instrument for macroeconomic prescription and management, and as a mechanism for income redistribution. It also functions as a mechanism for the production and ‘government’ of collective and individual subjectivities.”<sup>28</sup> It does so, however, through the appearance of freedom and opportunity, rather than in terms of repression or ideology, which is crucial to its universal function as a mechanism of control. As Lazzarato puts it, “The debtor is ‘free,’ but his actions, his behavior, are confined by the debt he has entered into. The same is true as much for the individual as for a population or social group. You are free insofar as you assume the *way of life* (consumption, work, public spending, taxes, etc.) compatible with reimbursement.”<sup>29</sup>

Because of its mobility, debt functions immanently throughout the social field, extracting value from individuals and institutions while fashioning them as indebted subjects. Indeed, it inserts itself into and shapes subjects through even the most mundane of actions, like carrying and using a credit card. Lazzarato notes, for instance, that we “carry within ourselves the creditor-debtor relation—in our pockets and wallets, encoded in the magnetic strip on our credit cards. Indeed, this little strip of plastic hides two seemingly harmless operations: the *automatic* institution of the credit relation, which thereby establishes *permanent* debt. The credit card is the simplest way to transform its owner into a permanent debtor, an ‘indebted man’ for life.”<sup>30</sup> But debt also parasites itself on existing institutions, to borrow a term from Michel Serres,<sup>31</sup> and this is why the shift from discipline to control that Deleuze marks should not be understood in terms of replacement: debt, as a fundamental aspect of control societies, may change the shape of institutions, but only to the extent that those institutions can function as a means producing value via debt.

## Students and Parasites

Student loans for higher education provide a case in point, at least in the United States, to which my discussion will remain limited. It is common to say that under neoliberalism the character of education has shifted to align itself with the demands of a fully-realized money economy. Deleuze catches wind of this shift, when he notes, “Even the state education system has been looking at the principle of ‘getting paid for results’: in fact, just as businesses are replacing factories, school is being replaced by continuing education and exams by continuous assessment. It’s the surest way of turning education into a business.”<sup>32</sup>

We can understand the business aspect of education in numerous ways. It can mean that that education primarily serves business interests, including teaching the skills necessary for employment in specific sectors. The teaching of such skills still often builds upon a broad-based, critical knowledge that has generally been associated with the liberal arts, but only to the extent that the latter serve clearly-defined ends, or “outcomes,” to use the language of accrediting bodies. Hence the promotion of a technical, career-oriented knowledge that is worked into general education curricula and partitioned along particular degree tracks. The re-orientation of higher education along these lines is a complex affair, and includes, among other things various types of corporate partnerships for vocational training programs, the increase in science- and technology-based industry that corresponds with an innovation economy, and the rise of corporate education conglomerates. These shifts blur the line between business and the university not just in terms of the goals of the latter but also in terms of its self-identity and how it is run. Educational institutions, in other words, become businesses, as they take on the organizational features of their corporate counterparts as a means to better position themselves in a crowded, competitive market. The value of academic labor, within this framework, coincides with an emphasis on outcomes and performance.<sup>33</sup>

As should be clear, to call education a business is no mere metaphor or analogy but, rather, descriptive of its function, and this down to its main product, students. It is common to bemoan that education has become just one more sphere of consumption. Students, that is, treat education as a product which they consume, and that leads, of course, to a more pragmatic approach to learning combined with an unhealthy sense of entitlement. Administrators have, no doubt, encouraged this mentality by blurring the lines between business and education in the first place, but such a line of thinking tends to ignore that students are not just consumers but products as well or, more broadly, value-generators.<sup>34</sup>

Students obviously play this role for colleges and universities themselves. Students generate value, in other words, directly for institutions in the form of tuition dollars and social capital, both of which can in turn be used or levied for capital reinvestment. The value of students, from this perspective, is theoretically limited in both economic and moral terms, however, given the non-profit status of the majority of universities in the United States.<sup>35</sup> They also generate value for a host of internal and external players, as the economy which governs higher education is just as porous and intertwined as any other.

Nevertheless, the real value of students, I would argue, lies in debt. As of October 2016, some 43 million borrowers hold roughly \$1.3 trillion in outstanding student loan debt, making it second only to mortgage debt among household

debt loads. Around two thirds of students in the United States take out some form of loans to finance higher education, though the amount obviously depends upon a host of factors, including the economic position of the borrower vis-à-vis cost of attendance. Nevertheless, among borrowers, a graduate of the class of 2016 left college or university \$37,000 in the hole on average, a six percent increase from last year.<sup>36</sup>

The student loan system in the United States does not, of course, present itself as designed to extract value from students, even if it is a highly profitable enterprise. It obviously benefits colleges and universities themselves, which profit from student loan debt directly in the form of tuition dollars. Most colleges and universities rely on student loan debt in one way or another and from a lesser to greater extent, though the for-profit higher education business in the United States has made student loan debt central to its business model. Vendors such as textbook companies and suppliers, food-service providers, and technology companies also profit secondarily from student loan debt, but the debt itself has its own industry. A host of debt servicers, refinance lenders, and financial firms profit directly, as does the federal government, by far the largest issuer and backer of student loans. Depending on which accounting method is used and at current rates, the federal government stands to make a profit of \$88 billion to \$135 billion over a ten-year period.<sup>37</sup>

That was not necessarily the original intent. The first public student loans issued in the United States were part of the National Defense Education Act (NDEA), which was signed into law on September 2, 1958. The NDEA provided across-the-board funding for higher education, including the extension of direct loans to students who could not otherwise afford to attend college or university. But, as the name of the act implies, funding for higher education, including the use of student loans, was not considered an end in and of itself (i.e. based on some romantic notion of education as essential to the cultivation of well-grounded individuals and an informed public) but, rather, was inextricably tied to national security. Passed during the second decade of the Cold War, the NDEA begins with the following declaration, which is worth quoting at length:

The Congress hereby finds and declares that the security of the Nation requires the fullest development of the mental resources and technical skills of its young men and women. The present emergency demands that additional and more adequate education opportunities be made available. The defense of this Nation depends upon the mastery of modern techniques developed from complex scientific principles. It depends as well upon the discovery and development of new principles, new techniques, and new

knowledge.

We must increase our efforts to identify and educate more of the talent of our Nation. This requires programs that will give assurance that no student of ability will be denied an opportunity for higher education because of financial need; will correct as rapidly as possible the existing imbalances in our education programs which have led to an insufficient proportion of our population educated in science, mathematics, and modern foreign languages and trained in technology.<sup>38</sup>

The NDEA allotted \$47,500,000 in the fiscal year ending June 30, 1959, which increased to \$90,000,000 by the end of fiscal year 1963. Although the act specified that such loans were to be reserved for students who could demonstrate need and ability to maintain good academic standing throughout the course of his or her study, it also specified special consideration for “(A) students with a superior academic background who express a desire to teach in elementary or secondary schools, and (B) students whose academic background indicates a superior capacity or preparation in science, mathematics, engineering, or a modern foreign language.”<sup>39</sup>

The current student loan system, however, has its roots in the Higher Education Act of 1965 (HEA). Like its predecessor, it was a cold war plan to strengthen the resources of colleges and universities through increased funding. One of its main components, however, including making available various forms of financial assistance for students, including federally-guaranteed, low-interest student loans. Upon signing the HEA into law, Lyndon B. Johnson noted that it would allow “a high school senior anywhere in this great land of ours [to] apply to any college or any university in any of the 50 States and not be turned away because his family is poor.” He hoped the legislation would level the playing field, providing a way for those without means “to deeper personal fulfillment, greater personal productivity, and increased personal reward.” It also did not hurt that a more educated citizenry would “allow us to maintain our freedom in a highly competitive world.”<sup>40</sup>

The program has gone through various changes since its inception, which are too numerous to catalogue and do not affect the substance of it. Perhaps the most important change to the program occurred in the 1970s, when bankruptcy protections were removed to protect federal investments from potential abuse.<sup>41</sup> Nevertheless, whereas the student loan system previously functioned as a means of broadening the ideological and disciplinary reach of higher education under the guise of personal “fulfillment” and “reward,” it now functions as a means of control, materially in the form of debt. Lazzarato has noted this function of

higher education in the United States as well, referring to colleges as universities as a combined “factory of indebted students.”<sup>42</sup> Indeed, for Lazzarato, “the American University is the ideal realization of the creditor-debtor relationship. . . . [T]he American student perfectly embodies the condition of the indebted man by serving as its paradigm for the conditions of subjectivation of the debt economy one finds throughout society.”<sup>43</sup> More specifically, under the ideological guise of freedom, responsibility, financial security, and personal fulfillment, through student loan debt students come to understand themselves as permanent debtors. To quote Lazzarato again:

Students contract their debt by their own volition; then they quite literally become accountable for their lives and, to put it in the terms of contemporary capitalism, they become their own managers. Factory workers, like primary school students, are controlled within an enclosed space (the factory walls) for a limited time and by people who, and apparatuses, which remain exterior to them and are easily recognizable. To resist, they might rely on their own resources, on those of other workers, or on the solidarity between them. Control through debt, however, is exercised within an open space and an unlimited time, that is, the space and time of life itself. The period of repayment runs to twenty, sometimes thirty, years, during which the debtor is supposed to manage his life, freely and autonomously, in view of reimbursement.<sup>44</sup>

The “open” character of debt is what makes it an ideal form of control: whatever one does and wherever one goes, debt always follows.

Injecting debt into the higher education system as a means of control and value generation, however, is also extremely efficient, in the sense that its sweep is broad and without much resistance. Lazzarato, of course, notes that students contract debt by their own “volition,” but we should be attentive to the irony in that claim. “Freedom,” for Lazzarato, takes place within a pre-established horizon of expectations. As he puts it in *The Making of the Indebted Man*, “The debtor is ‘free,’ but his actions, his behavior, are confined to the limits defined by the debt he has entered into.”<sup>45</sup>

Such limitation, however, can also be extended to entering into a debt contract in the first place, specifically when it comes to educational loans. The terms of such contracts obviously favor the creditor, in the form of interest, but it also remains the case that any “choice” involved up front is severely hindered by a socio-economic system that more and more requires at least some amount of post-secondary education in order to secure gainful, stable employment. In

1965 some 5.9 million individuals sought a college degree; estimates for Fall 2016 put enrollment at 20.5 million.<sup>46</sup> Although certainly representative of greater access to higher education, that increase has coincided with decades of wage-stagnation and ballooning tuition and other costs, which latter are partly the result of decreases in federal and state support combined with administrative bloat. Hence student loan debt, as a way of filling in the gaps. Given that, ideologically and materially, a degree remains an important stepping-stone to the so-called middle class, to ask students *not* to take out debt—or even to limit it as much as possible, which is often impossible—is not much of an option.

Increasingly, the choice to take on debt, and often astronomical amounts of it, to gain access to the benefits of higher education takes on the character of a Lacanian “forced choice.” For Lacan, the “forced choice” signifies the alienation of the subject in the symbolic order, through which its supposed freedom is constituted. The “forced choice,” that is, indicates the bind that the symbolic order puts the subject in, in the sense that any action that the subject might take is constrained in advance by factors outside the subject’s control. Lacan uses the example of the command “Your money or your life!” As Lacan comments, “If I choose money, I lose both. If I choose life, I have life without the money, namely, a life deprived of something.”<sup>47</sup> We could say something similar with student loan debt. So long as a college degree remains, to a large extent, a prerequisite for gaining a modicum of economic security, contracting for debt is a necessity, at least for the majority of students. Deciding not to go into debt is to risk life itself.

It is, of course, the “forced” nature of student loan debt that makes students ideal hosts for the generation of value, in that when it comes down to it, there are few other options available to them. The student thus finds him- or herself in a parasitic relationship, one in which he or she has little room to manoeuver. It is a bit like Michel Serres’s reading of La Fontaine’s fable of “The Countryman and the Serpent,” in *The Parasite*. The fable, which is worth quoting in its entirety, goes:

A countryman, as Aesop certifies,  
A charitable man, but not so wise,  
One day in winter found,  
Stretched on the snowy ground,

A chilled or frozen snake,  
As torpid as a stake,  
And, if alive, devoid of sense.

He took him up, and bore him home,  
And, thinking not what recompense  
For such a charity would come,  
Before the fire stretched him,  
And back to being fetched him.

The snake scarce felt the genial heat  
Before his heart with native malice beat.  
He raised his head, thrust out his forked  
tongue,  
Coiled up, and at his benefactor sprung.

“Ungrateful wretch!” said he, “is this the way  
My care and kindness you repay?  
Now you shall die.” With that his axe he takes,  
And with two blows three serpents makes.  
Trunk, head, and tail were separate snakes;

And, leaping up with all their might,  
They vainly sought to reunite.  
It’s good and lovely to be kind;  
But charity should not be blind;  
For as to wretchedness ingrate,  
You cannot raise it from its wretched state.<sup>48</sup>

A straightforward reading of the fable would emphasize the charitableness of the countryman, his concern for the snake’s well-being without apparent regard for recompense. The countryman’s act of goodwill contrasts sharply with the snake’s ungratefulness, manifest in the snake’s attempt to strike at the one who saved him. The fable, in this sense, praises the virtue of charity, but also cautions against overdoing it, of being mindful of how and to whom one gives. It is all well and “and good and lovely to be kind,” the fable reminds us, but it pays to be a bit shrewd when it comes to beneficence. “Charity should not be blind,” the fable moralizes, because no matter how one treats others, some will always care less and even show contempt. One cannot do much to dislodge an “ingrate” from his or her “wretched state”!

Serres, however, adopts what might be the snake’s perspective. Although the moralizing sense of the fable focuses works on the interplay between charity and gratitude, or in the case of the snake’s ungratefulness, Serres suggests that the snake “asked for nothing; he was hibernating perhaps.” Serres writes:

The serpent is not a lessee; he was not looking for a haven; he was answered without having called. He was given an uncalled-for opinion. Someone made himself the serpent's benefactor, savior, and father. You are sleeping quite peacefully, and when you wake up you find yourself in debt. You live with no other need, and suddenly, someone claims to have saved your country, protected your class, your interests, your family, and your table. And you have to pay him for that, vote for him, and other such grimaces. Thus the serpent awakens obliged to another.<sup>49</sup>

From this perspective, the snake can appear as perfectly justified in its actions against the countryman. The fable on this reading is less about charity than the countryman's attempt to extract value from an unwitting other, all under the guise of compassionate consideration. For this reason, "the host is less a host than he thought. Less hospitable than he thought."<sup>50</sup>

The parasitism present in the fable provides a way to understand the student loan system in the United States. Although ostensibly designed to benefit students, to give those in need a leg up by taking them out of the cold, so to speak, its real beneficiaries lie elsewhere. As mentioned above, the student loan system in the United States has always emphasized the private and social benefits of higher education. Student loans are thus a way of shuttling more individuals qua students into an increasingly variegated labor market, and in this sense serve as a means to discipline students to become value generators via work. So much is consistent with the function of Althusser's ISAs, discussed above. But we should also take cognizance of the shift from discipline to control via debt. From this perspective, student loans do not just function as an external, preparatory mechanism but, rather, fashion individuals in terms of value separate from labor. In that separation, the student becomes a perpetual debtor but also a perpetual generator of value, above and beyond his or her labor-power.

Nevertheless, like the snake, this is a situation that students have not asked for. Bracketing the ideology of higher education that ties it with personal worth, the entire system is given in advance. Most systems, of course, are, but students who cannot afford to pay the ever-increasing costs of higher education have few real options available: prior to selling their labor-power, they now sell their value to private and federal creditors in the form of debt. When students do, eventually, enter the labor market, work becomes not only a means of generating value for the employer but, also, a means of gaining the necessary income to service contracted debt.<sup>51</sup> Value generation is thus doubled. Such is the basic parasitism of the student loan system in the United States.

## Conclusion: The End of Debt and Value

I mentioned above Althusser's claim that ISAs can function as sites of class struggle, and this has to do at least in part with the confined nature of discipline. The dispersal of debt throughout the social order, however, makes finding sites of struggle more difficult. It is still possible, of course, to organize around these sites, but such organization remains limited in advance to the extent that the function of the latter have shifted to control, to the generation of value via debt. As a mobile and dispersed form of control, debt is always there, always generating value—no matter the struggle.

Unless, that is, debt itself becomes the locus of struggle. The ubiquity of debt is what makes it an effective means of control and value-generation in the first place, but it is also its point of weakness. Debt can only generate value that it coincides with the promise of payment and, at some point, payment itself. Hence its contractual nature, and it is on this aspect of debt that the moralizing reading of La Fontaine's fable depends. Without that promise, however, debt loses not only its ability to generate value but also, and just as significantly, its grasp on subjectivity. To struggle against debt, to make debt a site of struggle itself, thus takes the form of refusal, which for current student debtors means default.

In their book *The Undercommons*, Stefano Harney and Fred Moten use the image of the indebted student who refuses to pay as an indication of the "bad debt" that constitutes what they call "the undercommons," a fugitive public that organizes itself in the cracks of and against existing regimes. They write:

The student is not home, out of time, out of place, without credit, in bad debt. The student is a bad debtor threatened with credit. The student runs from credit. Credit pursues the student, offering to match credit for debt, until enough debts and enough credits have piled up. But the student has a habit, a bad habit. She studies. She studies but she does not learn. If she learned they could measure her progress, establish her attributes, give her credit. But the student keeps studying, keeps planning to study, keeps running to study, keeps studying a plan, keeps elaborating a debt. The student does not intend to pay.<sup>52</sup>

That lack of intention, however, must be collectivized.<sup>53</sup> As La Fontaine's fable reminds us, a single snake is easily dispensed with, decapitated; an army of them is much harder to deal with. Until current and former students form collectives against their debt, however, indebtedness will remain their subjective and

material condition—as they continue to generate value for their creditors.

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- 1 See, for instance, the section on “Estranged Labor” in *Economic and Philosophical Manuscripts of 1844*, in Karl Marx, *Early Writings*, translated by Rodney Livingstone and Gregor Benton (London: Penguin Books, 1974), 322-334
  - 2 Karl Marx, *Capital: Volume 1*, translated by Ben Fowkes (London: Penguin Books, 1976), 271.
  - 3 Ibid., 272.
  - 4 Ibid., 273.
  - 5 This is not to deny that people work for various, and sometimes complex reasons, and even take pleasure in work. However, underneath such reasons remains the brute fact that most people work—i.e. enter into a waged employment relationship—because they have to. Indeed, the notion that one should take pleasure in one’s work can itself function as an ideological mechanism that covers over work’s simple necessity. See, for instance, Frédéric Lordon, *Willing Slaves of Capital: Spinoza & Marx on Desire* (London: Verso, 2014); and Franco “Bifo” Berardi, *The Soul at Work: From Alienation to Autonomy* (Los Angeles: Semiotext(e), 2009).
  - 6 Marx, *Capital*, 275.
  - 7 André Gorz, *Critique of Economic Reason* (London: Verso, 1989), 36.
  - 8 Marx, *Capital*, 293.
  - 9 Ibid., 293.
  - 10 Ibid., 302.
  - 11 See Karl Marx, *Preface of A Contribution to the Critique of Political Economy*, in *Early Writings*, 424-428.
  - 12 For some of the interpretative issues, see Raymond Williams seminal essay, “Base and Superstructure in Marxist Cultural Theory,” *New Left Review* 1/82 (November-December 1973).
  - 13 Louis Althusser, *Lenin and Philosophy and Other Essays*, translated by Ben Brewster (New York: Monthly Review Press, 1971).

- 14 Ibid., 142-3.
- 15 Ibid., 143.
- 16 Ibid.,143.
- 17 Ibid., 154.
- 18 Ibid., 147; original emphasis.
- 19 Ibid., 155.
- 20 For a discussion of Plato's views regarding philosophy and truth as fundamentally opposed to any form of monetary exchange, see Marcel Hénaff, *The Price of Truth: Gift, Money, and Philosophy*, translated by Jean-Louis Morhange (Stanford: Stanford University Press, 2010), 23-99.
- 22 Gilles Deleuze, *Negotiations*, translated by Martin Joughin (New York: Columbia University Press, 1997), 181.
- 23 Ibid., 177, 179.
- 24 Ibid., 180.
- 25 Steven Shaviro, "The 'Bitter Necessity' of Debt: Neoliberal Finance and the Society of Control," 2; available at <http://www.shaviro.com/Othertexts/Debt.pdf>
- 26 This is the argument of certain queer theorists against the family as well. See, for instance, Valerie Lehr, *Queer Family Values* (Philadelphia: Temple University Press, 1999); and Lee Edelman, *No Future: Queer Theory and the Death Drive* (Durham: Duke University Press, 2004).
- 27 Maurizio Lazzarato, *The Making of the Indebted Man*, translated by Joshua David Jordan (Los Angeles: Semiotext(e), 2011), 32.
- 28 Ibid., 29.
- 29 Ibid., 31.
- 30 Ibid., 20.
- 31 Michel Serres, *The Parasite*, translated by Lawrence R. Schehr (Minneapolis: University of Minnesota Press, 2007).
- 32 Deleuze, 179.

- 33 Dan Schiller, *Digital Capitalism: Networking the Global Market System* (Cambridge, MA: MIT Press, 2000), 143-202.
- 34 To use an analogy, it is similar to users of social media, such as Facebook. Facebook users certainly consume Facebook's product, but from Facebook's perspective, its users are the product, that is, a means of generating value. As the security technologist Bruce Schneier put it to a meeting of the RSA back in 2010, "Don't make the mistake of thinking you're Facebook's customer, you're not—you're the product. It's customers are the advertisers." See Rose Eveleth, "Ello Says You're Not a Product, but You Are," *The Atlantic* 26 September 2014; <http://www.theatlantic.com/technology/archive/2014/09/ello-says-youre-not-a-product-but-you-are/380809/>
- 35 Matters are, of course, different for for-profit universities, which although they enroll a fraction of students account for 25% of federal financial aid dollars. For statistics related to for-profit education in the United States, see [http://forprofitu.org/fact-sheet/#\\_ftn4](http://forprofitu.org/fact-sheet/#_ftn4).
- 36 For these statistics, see <https://studentloanhero.com/student-loan-debt-statistics/>
- 37 Matthew Chingos, "End government profits on student loans: Shift risk and lower interest rates," *The Brookings Institute*, 30 April 2015; <https://www.brookings.edu/research/end-government-profits-on-student-loans-shift-risk-and-lower-interest-rates/>
- 38 National Defense Education Act, 1958; <https://www.gpo.gov/fdsys/pkg/STATUTE-72/pdf/STATUTE-72-Pg1580.pdf>
- 39 Ibid.
- 40 See his "Remarks at Southwest Texas State College Upon Signing the Higher Education Act of 1965," 8 November 1965; [http://www.lbjlib.utexas.edu/Johnson/lbjforkids/edu\\_whca370-text.shtm](http://www.lbjlib.utexas.edu/Johnson/lbjforkids/edu_whca370-text.shtm)
- 41 Ashlee Kieler, "You Can't Discharge Your Student Loans in Bankruptcy because of Panicked 1970s Legislation," *The Consumerist* 17 March 2015; <https://consumerist.com/2015/03/17/you-cant-discharge-your-student-loans-in-bankruptcy-because-of-panicked-1970s-legislation/>
- 42 Maurizio Lazzarato, *Governing by Debt*, translated by Joshua David Jordan (Los Angeles: Semiotext(e), 2013), 67.
- 43 Ibid., 64.

- 44 Ibid., 69.
- 45 Lazzarato, *The Making of the Indebted Man*, 31.
- 46 Thomas Brock, "The Changing Landscape of Higher Education: 1965-2005," *The Future of Children* 20.1 (2010); <http://futureofchildren.org/publications/journals/article/index.xml?journalid=72&articleid=523&sectionid=3589>. For recent statistics, see the National Center for Education Statistics, <http://nces.ed.gov/fastfacts/display.asp?id=372> .
- 47 Jacques Lacan, *The Four Fundamental Concepts of Psychoanalysis: The Seminar of Jacques Lacan*, Book XI, trans. Alan Sheridan (New York: W. W. Norton & Company, 1981), 212.
- 48 The fable can be found at <http://www.lafontaine.net/lesFables/fableEtrphp?id=824>.
- 49 Serres, *The Parasite*, 22.
- 50 Ibid., 23.
- 51 See Matthew Tiessen, "Infinite Debt and the Mechanics of Dispossession," In R. Braidotti and P. Pisters (Eds.), *Revisiting Normativity with Deleuze*, edited by Rosi Braidotti and Patricia Pisters (New York: Continuum, 2012), 115-30. Tiessen suggests that the shift to control societies founded on debt entails that work is less about consumption than it is debt servicing.
- 52 Fred Moten and Stefano Harney, *The Undercommons: Fugitive Planning and Black Study* (Brooklyn: Autonomedia, 2013), 62.
- 53 This is the goal of the Debt Collective, which has its origins in the Occupy Wall Street Movement. Among other things, the Debt Collective has been working on organizing collective bargaining and strikes against student loan repayment. As they say, "Alone, our debts are a burden; together, they make us powerful." See their page at <https://debtcollective.org/>.