IS THIS WHAT DEMOCRACY LOOKS LIKE?

Anyone can spot the conventional indicators of a failing democracy. An elected government suspends guarantees such a free speech, privacy, or habeas corpus, usually citing some shadowy foreign threat. Persons are held and imprisoned without specific charges, police agencies are empowered to wiretap and search at will, and daily life becomes increasing militarized. Since 9/11, the US has traveled quite far down that road, with the upholding of the Patriot Act provisions, the institutional growth of "homeland security," the overreach of the 2012 National Defense Authorization Act, and the emergence of a vigorous foreign policy of extrajudicial assassinations. 1

Another sign of a failed democracy is when a supranational body is allowed to bypass the power of an elected governme in order to dictate policy, either directly or through setting terms that circumscribe choices. Most recently, sovereign debt crises have placed several Eurozone nations in this quandary; their economic affairs are largely determined by the European Union's so-called troika—European Commission, European Central Bank, and International Monetary Fund (IMF). The IMF has a long history in this regard as an enforcer for foreign bondholders, especially in imposing structural-adjustment policies on indebted nations in the global South. Global justice advocates in the 2000s saw the World Trade Organization n the same undemocratic light. An unelected body, structured to favor corporate-driven globalization, it undermined national sovereignty by imposing trade rules on populations to whom it was beyond accountability. 2

But what do we call a democracy that permits its financial elites to hold the citizenry in near-servitude through usurious d contracts? Can a democracy be considered healthy when household debt so constrains populations that their life choice are effectively voided, and when the monopoly of creditors extends beyond the economic realm to the political control ov lawmakers? These were the circumstances under which activists gave birth to Occupy Wall Street (OWS, Occupy) in the fall of 2011. In the four years since the collapse of Lehman Brothers precipitated the US financial crash, the asymmetrica treatment doled out to debtors and creditors had become so familiar and routine that the ubiquitous Occupy street slogar "Banks got bailed out, we got sold out!" required no explanation. In Europe, where elites tried to pass on the costs of thei sovereign-debt crises to the most vulnerable populations—the young and the poor—marchers favored a more defiant posture: "We won't pay for your crisis."

Both of these rallying cries were shorthand for a new kind of right, born of conditions, to paraphrase Marx, that were not anyone's choosing. When a representative democracy converts basic social needs into a pool of rents to be collected b private profiteers, then it is legitimate to refuse debts incurred in the process. Indeed, the right to do so may be the only truly democratic option. For the *indignados* and *acampadas* who gathered in Madrid's Puerto de Sol, Greece's Syntagm Square, and other European plazas, and for the OWS cohort that occupied Zuccotti Park and hundreds of other locations worldwide, it was not enough to expose the double standard that appeared to benefit economic oligarchs at the expense the general populace. Activists put on public display blueprints for an alternative society, giving flesh to another slogan, th one borrowed from the global justice movement–"This is what democracy looks like." Peoples' assemblies and spokes councils, based on decision making by consensus, offered a taste of more direct forms of democracy. While establishing protocols to follow, they generated permission to speak openly and to act autonomously beyond the assemblies.

No less palpable was the OWS experiment in microcommunity–building. Under the spotlight of the world's media, Occupie transformed the privately owned public space of Zuccotti Park into something more like a commons. Here, the anarchist principles of mutual aid were put to work in the service of all who came to participate, including the traditional homeless, many of whom were drawn in by the availability of food and the respite from social contempt.

New York City's brutal clearing of Zuccotti Park, in line with other cities' efforts to suppress OWS operations, made plain officials' discomfort with any public demonstration of alternatives to the status quo. Over the course of the winter and spring, Tom Paine's "summer soldiers" drifted away, diminishing many of OWS's myriad working groups to the point of inertia. Reduced to its core constituents, OWS faced the challenge of "rebooting." In the summer months of 2012, the co organizing group took stock of the myriad social justice issues at hand, and increasingly cohered around the theme of de as a program for critique, direct action, and transformation of the rentier economy. By the first OWS anniversary, the del resistors' initiative known as Strike Debt (**http://www.strikedebt.org**) had become established as a central OWS thread consensus held the conditions of indebtedness to be responsible for the making of the 99%, and identified striking at the right of the 1% to impose, and profit from, these conditions as the pathway to forging alternatives. In the long term, the spirit of Occupy demanded that the existing predatory circuits of debt be converted into a system of socially productive credit.

Responsive to the charge that Occupy had not "produced" tangible outcomes, Strike Debt focused on small-scale demonstration models, with limited but achievable goals. The Debt Resistors Operations Manual, launched on the first anniversary of Occupy, offered a compendium of advice about how to escape all kinds of debt, while urging individual debtors to join in collective action. Our second project, the Rolling Jubilee (**http://www.rollingjubilee.org**) is raising mone to buy up distressed debt for pennies on the dollar, and abolish it. Buoyed by the success and widespread appeal of this second initiative—four hundred thousand dollars was raised in the two weeks before Thanksgiving to wipe out eight millic dollars worth of debt—Strike Debt chapters sprang up in a host of American cities, stoking hopes of a national debtors union, and alliances were forged with European groups fighting debt and austerity, fueling the long-term aspiration to builc an international debtors movement.

The Visibility of Debt

People who take out loans usually don't recognize themselves as debtors until they begin to fall behind in their payments. other words, they don't identify as being "in debt" as long as they are routinely servicing their loans. That's because indebtedness became a smoothly normalized feature of advanced consumer societies in the postwar period. Loans were eagerly pursued and accepted, because debt was sold as a good asset for consumers—likely, if not guaranteed, to generate returns. In an era of cheap credit, and rising realty prices during the housing bubble, mortgage debt in particular became the passport for ordinary people to the speculator's game of fast returns. Education debt, though it had risen precipitously in the US since the mid-1980s, was still regarded as a good asset until recently, because it was a gateway the higher rewards of employment within the top quintile of the economy.

None of this corresponded in any way to the experience of populations in the global South who had been caught in a deb trap for the last three decades, beholden to the foreign paymasters of the IMF and World Bank, and saddled with service payments that seemed to stretch to eternity. [3] After 2008, this gap in the experience of debt narrowed appreciably. Citize of the global North woke up and found their debts had turned bad; their futures, as well as their houses, were facing foreclosure. Their collective psychology of affluence took a hit, and, while the economic impact was ruinous, it had an upside. Nothing else had really worked in persuading them that the cost of maintaining their carbon-rich standard of living was borne out in widespread immiseration and environmental waste in the South.

After a brief eco-Keynesian interregnum of stimulus spending, undertaken, in large part, to make the bank bailouts palatable, the rollout of neoliberal policymaking resumed, aimed at accelerating the transfer of resources from public gooc to private hands. Despite the evidence that household debt bore no resemblance at all to public debt, the claim that ordinary people had somehow been living beyond their means was cynically marshaled to introduce austerity measures that passed on the mounting costs of wars, regressive tax cuts, corporate welfare, bank bailouts, and ill-guided monetary speculation.

In the years since the financial crash, the disparity between the generosity shown to Wall Street (more than $3 trillion dollars of public money spent already, with an additional $12.2 trillion committed by the US government) and the conspicuous lack of relief for household debtors has made it quite clear whose debts are expected to be honored and whose are not. The program of "rescuing" or "recapitalizing" banks continues throughout the Eurozone, even as the axe f on basic social services. In Italy and Greece, technocrats Mario Monti and Lucas Papademos were appointed to government as financial proxies in order to smooth the passage of austerity packages, but their unelected, apolitical stat underlined the reality that democratic process had to be suspended for the highly unpopular policies to proceed. After all, when electorates vote against the wishes of the European Union's troika, as they did twice in Ireland, they are simply asked to vote again until the "right" decision is made. Likewise, in a rare bipartisan vote in September 2008 in the US House of Representatives, when Congress rejected the Troubled Asset Relief Program's (TARP) seven hundred billion dollar bailout of the financial industry, the barely amended bill was sent back several days later for a correct vote.

Under these circumstances, Occupy and its cognates in other countries were fully justified in defying pressure, even at tl height of their public influence, to make demands on lawmakers to act on grievances. Some commentators saw this reso not to make demands as a radical act of "political disobedience." [4] Yet the more mundane explanation lay in the abject subordination of elected officials to the say-so of corporate wealth. Appeals to legislators who are in the pockets of the 1 were widely regarded as a waste of breath. No less decisive was the vigorous influence of OWS's anarchist undercurrer with its healthy suspicion of state power. Heady talk about "dual-power theory" circulated unevenly but persuasively throughout the OWS core. The interests of vested financial power and representative government were now too closely interlocked for reformist efforts to make any real headway. The new society would have to be built within the shell of the old.

Even when OWS was the world's media darling, the court of public opinion was stacked against any of the radical progra that might have emerged as demands, not least of which was the call for debt cancellation. The morality of paying back one's debts runs very deep, especially in American society. Yet all of the added scrutiny of the financial industry in the wake of the crash revealed, for those who wanted to see, that the principle of honoring debts simply does not apply on W Street. With the veil cast aside, it was now easier to see how banks go about generating debt for others. Loans, after all are no more than electronic figures on a computer screen. They are new forms of money and credit that did not exist hitherto and they are created for the use of the lender. [5] Money is lent into existence as interest-bearing debt, and so financiers need to find borrowers to perform that magical act. In the same vein, they treat their own debts as matters to b renegotiated or written off at will. Only the little people are actually required to pay them off in full.

Yet the rates of default are rising like floodwaters. Current levels of debt—household, government, corporate—are all massively unsustainable. There is no large-scale fix available, they can never be paid off, and the only question is wheth debt forgiveness can or will be administered fairly in the years to come. Bargaining over the outcome could take many forms. Henry Ford and other industrialists once recognized that factory wages had to be raised in order to jumpstart consumer spending a basic principle of the social contract that came to be known as Fordism). In retrospect, this seems like common sense, but, at the time, it went against the grain of capitalist habit. In that same spirit, today's economic managers might entertain the reduction of debt burdens in order to facilitate the reentry of debtors into big-ticket consume life. Whether they can pull this off without damaging the utility, to them, of payback morality remains to be seen. Without any relief, the conditions will ripen for a full-blown debtors movement.

The Education Trap

If such a movement emerges, the student debt crisis will prove to have been a key trigger. Even in the immediate pre-recessionary years, when debt was still considered a worthy asset and employment a plausible prospect, it was eas to see that the mounting student debt burden was a formidable obstacle to any smooth passage for students into the upp strata of middle-class economic life. When the aggregate burden surpassed total consumer debt in 2011, and then reach the one trillion dollar threshold a year later, alarmist talk about the student debt bubble became a regular feature in the business media.

From the outset, Occupy locations around the country were filled with harrowing public testimony about the agonies and tribulations of student debtors. Tumblr and other websites swelled with the stories of others who felt too constrained by g to stand up in the face-to-face agora of Occupy. The act of casting aside the shame and humiliation that accompanies indebtedness (especially acute for borrowers aspiring to enter the middle class) was an important kind of "coming out" fo debtors, and it has been a powerful affective component of the political moment. The alternative—suffering the consequences of debt and default in private—is a thinly documented trail of tears, leading to depression, divorce, and suicide for ever-increasing numbers. By 2012, the average student debt was more than twenty-seven thousand dollars, having doubled since 2007. Defaults had also doubled in that same period of time. Of those who graduated in 2005, 41% are either delinquent or in default.

In 2010, the Obama administration oversaw the passage of legislation (attached as a rider to the health care reform bill) that disbanded the old Federal Family Education Loan Program (FFELP) lending system. FFELP had been an extremely lucrative program for private banks, subsidized as they were, for issuing government-guaranteed loans. [6] As part of the reorganization, all federal loans now originate with the government, though service fees for administering the loans are s designated to Sallie Mae, Nelnet, and other industry giants. But in taking this step, the federal government put its official stamp on the neoliberal funding formula that is now normative in US higher education. Indeed, universities are one of the few places where neoliberalism has not missed a beat in the years since its death was prematurely declared in 2008. [7]

Government, at all levels, is fast exiting the business of funding higher education. Instead, lawmakers in Washington and state capitols across the nation are compelling users—the would-be beneficiaries of the system—to finance their educat privately. The federal government is committed to lending monies, at unjustifiable rates of interest, to facilitate that end. This transfer of fiscal responsibility from the state to the individual—which is the chief hallmark of neoliberalism—has bee steady for more than three decades, but the rate of transfer has quickened in recent years, driving up tuition costs in all sectors (rising by 500% since 1985), but at state universities in particular. In the public mind, the "privatization of education" is typically characterized by university-industry partnerships, intellectual property agreements, corporate sponsorship of research, or "contract education"— whereby a firm will pay a community college to "upskill" its trainees. B the quintessential act of privatization is this shift in responsibility for funding onto individuals, and, like other neoliberal rollouts, it is largely a government-driven program, aimed primarily at wealth transfer and not equalization of opportunity.

At a time when lending rates are at a historic low, federal loans are offered at rates far above (6.8% for unsubsidized Stafford loans, and 7.9% for PLUS loans for parents) those at which the government borrows money, and the profits are extravagant; 120% of every defaulted loan is recovered. Of course, the rates and returns are much higher for the private sector. While banks now only issue 20% of all student loans, the rate of issuance is greater than for federal loans, and s private lending is expected to surpass the government sector in ten to fifteen years. Unlike almost any other kind of debt, student loans are nondischargeable through bankruptcy, and, over time, collection agencies have been granted extraordinary powers to extract payments, including the right to garnish wages, tax returns, and Social Security benefits. It's no wonder that student loans are among most lucrative sectors of the financial industry. Nor is it any surprise to find a thriving market in securitized loans (almost a quarter—$234.2 billion-—of the aggregate $1 trillion in debt) known as SLA (Student Loans Asset-Backed Securities). Given the predatory nature of student lending, many commentators have compared SLABS to the subprime mortgage securitization racket that inflated the housing bubble and triggered the financ crash. Since SLABS are often bundled with other kinds of loans and traded on secondary debt markets, investors are no only speculating on the risk status of student loans, but also profiting from resale of the loans though collaterized derivatives. In the meantime, creditors stand to profit most from defaults, when additional fees and penalties kick in, and they often seek out high-risk borrowers just as subprime lenders did during the housing bubble.

This is not the only way debt-based profit is mined from the daily business of higher ed. As low-income families get pricec out of public colleges, they are pushed into the for-profit system, the mercurial rise of which has been fuelled by the read availability of federal loans. Even for families with multigenerational experience of college, the staggering array of higher education choices can be confusing. But first-generation students, with limited access to information about their choices are easy prey for the "admissions counselors" of the for-profit colleges that function as a conduit for the lending industry Almost all—95%—of students in the for-profit sector graduate with debt (versus 58% of students at all institutions), and graduation rates at these for-profit institutions, already perilously low, are falling. The result is a familiar demographic profile. While the largest student debts are racked up by students from middle-income families seeking a private universit degree (mainstream media producers feast on the stories of these "profligate" individuals), the overall impact of debt is magnified among low-income families. African Americans, among all racialized groups, graduate with the highest debt on average, and in Deep South states, where community colleges do not participate in the federal loan system, they are mo disadvantaged of all.

Most of the initiatives that have sprung up in response to the student debt crisis are aimed at limited economic reforms, such as restoring bankruptcy provisions and other protections that are enjoyed by consumer debtors. But paying for education is not like buying a flat-screen TV, and student loans should not be packaged in the same way. Doing so will nc alter the customary neoliberal practice of treating public goods, like education, as a profit center. The long list of develop and developing, countries—none as affluent as the US—that provide free public education demonstrate how different national priorities are elsewhere. The US is an outlier in this regard, and efforts to export the pay-per model have met wit strong student resistance, most recently, in Chile, England, and Quebec. In response to decisions by state elites to pay c sovereign debts by slashing education budgets, the European student resistance stepped up its militancy. And in North America, the red square, symbol of the Quebec movement (*carrement dans le rouge—squarely in the red*), most recentl became the clothing accessory of choice in campus towns across the US.

Investment or Indenture?

Analysts who have investigated Occupy's claims about the 1% have concluded that, of all the factors responsible for the upward redistribution of wealth, financial manipulation of debt ranks very high. [8] But the imposition of debt is not just a mc of wealth accumulation, it is also a form of discipline and social control, with acute political consequences. This was mos notable in the case of the IMF "debt trap" visited upon so many postcolonial countries as part of Cold War client diploma In the global North, debt has been institutionalized for so long as a "good" consumer asset that we forget how homeownership was promoted as an explicitly antisocialist policy in the US in the 1920s. Subsequently, the long-term mortgage loan became the basis of anticommunist citizenship; William Levitt, the master merchant-builder, pronounced th "no man can be a homeowner and a Communist." In the postwar decades, a first-class citizen was someone who had entered into a long-term relationship of debt with a bank (a circumscribed ethnic population, given that most people of col were denied access to mortgage loans). Over time, the threat of a ruined credit score effectively limited the political agili of our "nation of homeowners."

Has the story been appreciably different for student debtors? Protest is no longer a rite of passage as it was for most students in the 1960s and 1970s. The rising debt burden has played no small part in stifling the optional political imaginat of students in the decades since then. In an infamous 1975 Trilateral Commission report, Michel Crozier, Samuel Huntington, and Joji Watanuki argued that Western governments faced an "excess of democracy" from the aggregate demands that were issuing from electorates who had recently become involved as political participants. This "overloadin of government by ordinarily apathetic populations was unhealthy, in their opinion, and so democracy needed to be "moderated." Among other provisions, the report suggested that it may be "necessary to lower the job expectations of tho who receive a college education." [9] In retrospect, the task of dampening the political ardor of the college-educated has been most effectively accomplished by imposing student debt.

Students are now typically handed out debts on day one of college, are obliged to seek out low-pay jobs to stave off furth debt, and are compelled to think of their degree as a bargain for which their future wages have been traded. These are n conditions under which a free critical mind is likely to be cultivated, but they are perfectly serviceable to elites who do no want an educated, radical citizenry to make "excessive" demands on democracy. This is one of the reasons why a politic movement might more effectively target student debt abolition than limited economic reforms. [10]

With wealth now diverted more exclusively to the 1% (bypassing the top quintile of earners to which most college gradua aspire), the belief that education debt is a smart investment in a high-income future has eroded. Should we, instead, compare student debt to a form of indenture? [11] While offensive to some, the analogy has been a useful provocation to many debtors and analysts of the topic. In a knowledge economy, where a college degree is considered a passport to a decent livelihood, workforce entrants must go into debt in return for the right to labor. This kind of contract is the essence indenture.

For the traditionally indentured, who today include tens of millions of migrant workers crisscrossing the globe, employmer is usually guaranteed or is readily available, and the bonds are paid off in a relatively timely manner. By contrast, student debt can endure for decades, even beyond the grave, and, of course, employment is more and more precarious. A damaged credit score—from one or two delayed payments—will generate additional obstacles to finding work, since mar employers consult the student debt payment schedules of applicants to gauge their reliability.

The emerging pattern for those who want to preserve the integrity of their credit record is to put their preferred career pa on hold for several years, and therefore risk abandoning them, until they have paid off their loans through employment options that are much less desirable to them. Ironically, the quickest pathway toward discharging debts is to find work in t finance industry, issuing loans, or speculating on derivatives. For those caught in the limbo of more precarious labor, the burden of finding the means to pay off student debt may drastically reduce the choices traditionally available to the colleg educated workforce. The outcome is a nightmare to national economic managers struggling to keep the standard elemen of the American Dream in place: homeownership, family formation, and upwardly mobile consumer behavior.

Top university administrators have had little to say about the rapid escalation of tuition costs over the last two decades, least because the salaries of the 1% within higher education have risen in tandem. They seem content to weather the current storm. It is unlikely that costs will stabilize until demand falls off, and even if this were to happen nationally, the growth in overseas demand—fueled by the desire of the swelling middle class in the global South for brand-name degrees —would more than make up the deficit. Analysts put the global growth rate at 80% over the next decade, and that figure may well dictate how college administrators, faced with weakening political will on the part of their state legislatures, reac to budgetary dilemmas. The rush to establish offshore programs and branch campuses is a telltale symptom of their response. There are many risks involved in such ventures, especially those located in authoritarian countries. But the prospect of adding overseas revenue streams will continue to attract higher education's fiscal managers, driven by desperation or ambition or simply by their training in neoliberal economics. [12]

Financialization and its Antidotes

For those caught in the limbo of precarious labor, any remuneration gleaned from the ever-morphing landscape of capital work has to be applied, in large part, to debt service on loans that were incurred simply to prepare themselves for work ir the first place. The kinds of ballooning household debt they are now confronted with—for education, housing, healthcare, and social reproduction—comprise all the costs that they alone now have to bear solely in order to subsist and prepare themselves for the workforce. 13 Wages, if they can access them, are more and more used for paying back the debts tak on to position themselves as fit in mind and body for the workforce.

This preparation for employability includes the direct fiscal burden of keeping themselves in good health, increasingly through gym membership fees, more costly nutrition (the affordable US diet of processed food makes people sick), and preventive medicine and other therapies to reduce stress. None of these are typically covered by health insurance, but a are now considered normative and essential to maintaining a requisite mind-body balance for the well-tempered knowled worker. Add on the costs of upskilling-—he given wisdom is that everyone now needs a Masters degree, not just a Bachelors, in order to compete for decent employment in the knowledge economy. And let us not forget the mortgages, a loans, and consumer credit that have turned our shelter, transportation, and daycare needs into debt traps.

The time and the resources expended on all of these basic needs are more and more perceived as a hedge (in the language of financial instruments) against falling below the threshold of employability in the decades to come. This calculating outlook is consistent with the mentality of a financialized society, which has exhausted its capacity for profit-taking in the present and resorts to circulating ever more paper claims on the future. 14 Borrowing is always an act of renouncing the future, especially when high or compound interest rates swallow up great chunks of it. But when the cost servicing a debt surpasses the actual value of the debt, then another threshold—negative equity—is reached. The premi of a democracy to deliver an incrementally improved future begins to collapse. This failure is particularly egregious in the case of democracies like the US, for whom the creation of a relatively stable middle class with rising expectations was it pinnacle achievement of the mid-twentieth century. In recent decades, its standing in the rankings of social mobility has steadily declined, in inverse proportion to the sharp redistribution of income to top earners.

Historically, the power of creditors to make unchecked demands on the population at large leads directly to peonage and slavery. 15 Ancient societies resolved the problem by royal fiat in the form of a Jubilee, or periodic debt cancellation. 16 Conversely, freedom from debt was intrinsically bound up in the ideal of citizenship. For the Greeks, a citizen was someone who had the time to participate fully in the life of the polis, which is why labor was done solely by noncitizens (*banausoi* and *metics).* 17 Indeed, the rationale for denying them citizenship was that their labor precluded them for fulfillir the time-intensive roles demanded of citizens. So, too, in Rome, it was the labor of slaves drafted from imperial conquest that allowed citizens to exercise and maintain their freedoms.

Oligarchies develop out of democracies when the creditor class is allowed to dictate policy. The security that a parliamentary government offers to bankers rests on its capacity to hold each citizen responsible for public debts. But wi rapid accumulation of debt, creditors seek to override public sovereignty and squeeze out debt service through the imposition of austerity. Governments are forced to "save the banks" by absorbing the costs of their bad debts, fraud, and speculation. Demonizing whole populations as indolent or profligate, transnational financial agencies demand fiscal discipline to restore the public balance sheets. At this point, the choices for any democracy become quite stark, as they have in many countries over the last decade. The power of foreign bondholders to extract payments is pitted directly against national self-determination.

Deep cuts in social expenditures inevitably shrink national economies, spreading immiseration and increasing the debt burden over time. Popular protest is virtually guaranteed. After a wave of "IMF riots" in several Latin American countries during the period of structural adjustment, governments in Ecuador (1999) and Argentina (2001) made the decision to default on their foreign debts. In the wake of the 2008 financial crash, the backlash to austerity provoked massive protes all over Europe: Lithuania, Latvia, France, Iceland, Ireland, England, Italy, Spain, and Greece. Occupy Wall Street was in that lineage. It generated working groups devoted to anticapitalist activism around a myriad of social ills, but its root targ was the unchecked power of Wall Street creditors to extract rents. The brutal suppression of all of these insurgent voice (including the draconian antiprotest laws passed in Quebec province) dramatized the extent to which state violence woul be used to back the creditors.

Under these circumstances, the only way of salvaging popular democracy is by asserting the right to refuse debts that w incurred illegitimately. "Odious debt" is the legal term applied in the case of authoritarian rulers borrowing without citizen consent and for their personal benefit. But the scope of odious debt should surely be extended to individuals and households targeted by predatory lenders in unjust ways. In addition, when populations are compelled to finance the provision of basic social goods through private debt, we might consider these to be "antisocial debts," with what the Chinese call the "three mountains" of education, housing, and healthcare, all weighing heavily on the shoulders of the people. Any representative government that permits banks to impose these harms on an unprotected populace has all bu forfeited its democratic legitimacy.

Calls for debt strikes and debt abolition are one thing, but constructing alternatives is a bigger challenge. The Occupy Student Debt Campaign (http://www.**occupystudentdebtcampaign.org**) that I helped to organize favors a write-off of current student debt, in the jubilee tradition, whereby elites periodically forgive unsustainable debt burdens. But this single corrective act by itself won't alter the formula for the debt-financing of education. So we adopted a set of principles aime at reestablishing an affordable education system. For seventy billion dollars a year, the federal government could, and should, cover the tuition of all students enrolled in two- and four-year public colleges. In the twentieth century, the decisio to properly fund K–12 education was a prerequisite for a society that wanted a stable middle class. If the American middl class has any future in this century, then a decision will have to be made to extend the guarantee to tertiary education. In addition, we argue that education loans should be interest-free—no one should profit from them. So, too, all universities, including private ones, which benefit from public largesse in all sorts of ways but not least through the federal loan progra should adopt full fiscal transparency. Students and their families surely have a right to know how college administrators spend their tuition checks.

Public regulation of the finance industry has failed, and so, in the larger Occupy movement, commons-based initiatives a increasingly preferred as the way forward. Many of these are in the tradition of mutual aid, which emphasizes cooperativ conduct. Mutualist enterprises should operate to provide free credit for the benefit of all, rather than for the profit of creditors who extract their unearned incomes from loans, investments, and rent. Democratically run mutual banks or crec unions already offer services along these lines, and, recently, they have seen a dramatic rise in membership as a result customer flight from commercial banks. "Really free" banking should strive to generate zero-interest loans in order to mee social needs such as the up-front costs of community ventures.

Employee-owned companies and workers' cooperatives are flourishing, and, all told, more than one in three Americans belongs to a co-op of some kind (2012 is the United Nation's Year of the Cooperative). Community land trusts offer a mo of affordable housing that prevents foreclosures of homes on trust land. Community-supported food projects are a burgeoning alternative to the industrial food system, and "really, really free markets" are dedicated to sharing resources—both goods and services—on the basis of a gift economy. Manufacturing cooperatives like the Mondragon federation in the Basque country are models of industrial democracy and self-managed unions. More and more, industria unions, like the United Steelworkers, are allying with Mondragon to create hybrid union/co-op organizations.

While viewed by mainstream economists as heterodox, each of these mutualist initiatives mentioned above has a long history of working practice in societies around the world. They are all driven by the principle that production is a common good, and that credit should be accessible to all, including those too poor to have any debt (three quarters of the world's population). The debtors' movement, which is springing from the forehead of OWS, may be driven by the powerful ideal o debt strikes, but it will have to prove itself in constructing alternative economies. The appetite for more direct forms of democracy, plainly evident over the last year, will almost certainly shape the outcome.

Footnotes:

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