

# NOTHING PERSONAL, JUST BUSINESS

## Why punishing student protesters makes good financial sense



20 JUNE 2020

To judge only from appearances, the [Student Conduct summonses](#) and punishments meted out to people like [Carlos Cruz](#) and the [Undocu Collective](#) — alongside particularly vocal critics of the Larive and Kletzer regime at UCSC — would seem like the petty revenge projects of thin-skinned administrators. How else are we to understand the fact that only students of color were consistently identified and singled out from dozens of participants in dining hall actions? Or that only ace lampooner Ryan Page or the fiery Stephen Engel should have been charged with “impeding ingress and/or egress to campus” on afternoons when hundreds were in the streets? Beyond racist administrators, union-busting tricks, or mere pique, another more impersonal incentive is responsible for setting the punitive gears of the Student Conduct machine in motion.

It’s called **ERM**, or **Enterprise Risk Management**, a business protocol adopted by UCOP in 2003 that is concerned, among other things, with enforcing compliance with campus policy and ensuring continuity of operations for the “enterprise,” i.e. the UC. The UC’s business model *itself* demands that staff and student “misconduct” be assessed, managed, and eliminated. Put another way, the more probable reason that Student Conduct officers seem to pursue us so doggedly is less the whim of an imperious chancellor than a systemwide mandate to fulfill ERM directives. A work stoppage or a protest — especially if it involves a hard picket — is a threat to so-called “business continuity” (read: revenue flows) and therefore to the UC’s oft-touted S&P rating, the strength of which allows the UC to borrow at [favorable interest rates](#) (S&P rated the UC higher for its proactive ERM, which, as the UC boasts, saved millions through lower interest rates). One of the most insidious effects of this shift to ERM has been that “risk” is reimagined

beyond hazard risks like earthquakes, to include new categories such as reputational risk, strategic risk, communication risk, compliance risk, and of course financial risk. Because “risk” is now defined as [anything](#) which disrupts (or has the potential to disrupt) “normal operations,” anything from floods, biohazards (including [pandemics](#)), medical malpractice, student behavior, protests, journalism, and even overly productive [olive trees](#) can be calculated, rationalized, and managed under the ERM paradigm. Understanding itself as facing constant scrutiny from [external sponsors](#) — amid every labor action, every sexual misconduct case, every IT breach — the UC is bound by the dictates of ERM to return its “operations” to “normal” as quickly as possible, by any means necessary.

While the UC is not alone among higher education institutions in its implementation of ERM, it was, and continues to be, a vanguard practitioner. As the “[first non-financial institution](#) to receive credit rating agency acknowledgment” of its ERM program, the UC routinely wins awards from various information and intelligence companies (e.g. Treasury & Risk), and has wielded its ERM maturity model and robust data warehouse to launch [five captive insurance companies](#), accumulating assets of over \$1billion in just eight years. Touted as an “integrated business tool,” ERM is designed to aid campus stakeholders in everything from investment choices to “managing” student and worker demonstrations. The ultimate objective of this program, as described by UCOP’s Grace Crikette, is to foster a healthy risk culture and “[Make Everyone a Risk Manager](#).” This is exactly as creepy as it sounds, and it is baked into every level of the UC enterprise. Student Conduct is one among many administrative teams engaged in the enterprise-wide mission to cultivate “[cultures of reporting](#)” and “ethical decision making” (the [Demonstrations Operations Team](#) at

UCSC is another). The dubious slippage that occurs here is that the ethical behaviors and practices that warrant reporting are not informed by rich traditions of philosophical inquiry or social justice, but by risk calculations embedded in ERM models. The Student Conduct process is not oriented at reducing actual harm to students, faculty or staff. It is one arm of a wider apparatus designed primarily to preserve the University's credit rating along with advantageous [reinsurance rates](#). This is why it seeks to reform those who violate its codes, and swiftly expel more deeply non-compliant workers. At once, student conduct sures up the University's "risk culture" and furnishes proof of its concerted efforts to do so for the benefit of UC's "external sponsors."

Leaving aside the question of the jurisdictional applicability of Student Conduct enforcement to labor actions (i.e. UC's shameless union-busting), the most disturbing aspect of this material relationship between Student Affairs, ERM, and UC's bond rating is that student dissent and academic freedom are being stifled by the steady financialization of *all* university operations. Student and worker protests are, in fact, calculated as a "social and political risk" alongside natural hazards: COLA and COVID were the two great ERM challenges of 2019-20. But even more telling is the fact that the university calculates the likelihood of these particular risks as essentially expected (and thus, to an extent, legitimate) responses to its own policies. When these responses materialize in the form of our strikes and mass demonstrations, the "risk" becomes an "emergency," and the use of force is not merely justified but fiscally mandated.

The fact is, the UCSC wildcat strike's demand for a COLA exposed a risk at the heart of the UC's business model, which [has long exhausted all capacity to sustain its workforce](#). It also laid bare the "compliance" priorities of university operations, and the functions of its internal processes and protocols. In the operational dictionary of the ERM university, the graduate worker COLA movement is registered not as a demand for a dignified wage, but as a systemwide risk, against which the university mobilized all its capacities, from [violent police](#)

[intervention](#) to [militarized surveillance](#) and [racial profiling](#).

The ERM program at the University of California ultimately (and openly) intervenes in university "culture," seeking to establish an enterprise culture centered around risk. It must — necessarily — restrict academic freedoms and mediate political expression on all its campuses, lest they become reputational risks that undermine the UC's financial stature. And when ERM fails to stave off such a *cultural* emergency as the wildcat strikes, it must generate evidence of its extensive efforts to restore University "safety" (read: security, ultimately in the financial sense). The transparently shameless \$300,000 daily pricetag for riot police on the picket line functions as evidence of UCSC's commitment to ERM culture, proof to insurers and investors that it takes this risk very seriously. The beatings and arrests then served both as brute repression and a minimization of the fallout of the strike on the UC's insurance rates and S&P ratings.

The COLA movement needs to develop a deeper understanding of the UC's ERM program as the shadowy background to its terrain of struggle. ERM dictates the administrative response to our strikes, direct actions, flyering, and press, but it also reveals sites of effective intervention. We are 20,000 workers employed at 50% of a low salary, who teach half of all undergraduate instructional hours while receiving only 2% of the total operational budget as wages. From the prevailing administrative perspective of ERM, graduate student workers are a living and breathing risk to the UC business model by virtue of our precarious but indispensable position within it. We sustain the status of UC campuses as research institutions and facilitate the normal operation of the UC, which deeply indebts undergraduate students for grades and degrees of questionable value — both roles are crucial to the UC model — but our labor is dismally underpaid.

In short, that 20,000 of us are [not paid enough to live where we research and teach](#) is a festering risk to be constantly managed, surveilled, and policed. It is time we became a real emergency.

twitter @spreadthestrike  
send images to share on social media  
and with the press payusmoreucsc@gmail.com

Stay up to date at: [www.payusmoreucsc.com](http://www.payusmoreucsc.com)  
+ COLA campaigns from all UCs on social media  
UC Instagram: @payusmoreucsc + @a\_place4us\_  
twitter: @payusmoreucsc + @a\_place4us\_