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## Responding to Crisis: Risk, Opportunity and Strategic Wagers

James Buchanan  
*Xavier University*

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# Responding to Crisis

## *Risk, Opportunity and Strategic Wagers*

**By James Buchanan**

**T**here is a great deal of debate about whether higher education is in the throes of serious systemic crisis and thus in need of radical transformation or whether what we are experiencing is merely a challenging period which needs to be weathered until we can return to something like business as usual. On the one hand, it often seems as if everything is a crisis – an economic crisis, an environmental crisis, an urban crisis, a crisis in the Middle East, and on and on. Has “crisis” become yet another hyperbolic description of every concern? Or are these really crises?

In the end, crisis is what we make of it. The real question of whether something is or is not a crisis really depends upon whether and how we choose to respond to it. Is the real environmental crisis the fact that we have never been able to convince the public that there actually is a crisis? Or is it not really a crisis? If a doctor tells me that I have a medical crisis, I am not likely to just wait for some protracted period to see what happens. A genuine crisis demands

of us that we take action, that we make changes, maybe even radical ones.

Is higher education in a crisis? The presidents and boards of trustees of virtually every college and university are now faced with this question. To many observers of American higher education, including those cited in the lead article in this issue, the conclusion seems to be that we are in a real, long-term, systemic crisis. Predictions that half of the colleges and universities in the U.S. will shut down in the next 15 years, even if off the mark, make this clear.

The combination of rapidly increasing infrastructure costs, a market that will not support further increases in tuition, the challenge of finding new sources of development money for our endowments, and increasing discount rates leads us to the hard, but unavoidable, conclusion that higher education as currently structured is economically unsustainable.

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*James Buchanan, university professor, is director of the Edward B. Brueggeman Center for Dialogue at Xavier University, Cincinnati, Ohio.*



a loose but existing system of over 100 Jesuit colleges and universities worldwide that share this common mission. This is an asset base that no other university system can claim. How might we leverage this programmatically and economically?

In addition to asset-based development models, there is an emerging literature and movement toward what is called the new collaborative economy (Jeremy Rifkin, for example) or the collaborative commons (Lawrence Lessing, for example). There has been discussion about collaboration among AJCU schools in the last few years, but this has not resulted in significant structural collaborative action. I suggest that AJCU, working with Jesuit institutions worldwide, create a new global educational system. Working together and using distance educational technologies, we can develop a global system unrivaled in the educational marketplace.

This long-term strategic wager would require that we develop new transinstitutional structures. Developing these would require the commitment of both time and money. However, it would be shared time and money. This would also mean a change in the way in which we deliver education that would enrich our educational cultures. New collaborative, transinstitutional structures would have short term, destructive impact on existing structures as they are replaced with the new ones. It would require new models of sharing resources, of giving up what may be the competitive advantages that each of our institutions has over others, but could result in AJCU as a system having significant competitive advantage over other educational institutions and systems. It would lead us toward a different administrative and educational philosophy and culture committed to a larger collaborative model of higher education.

## *Advantages*

The advantages to a new collaborative global Jesuit educational system would be first to our students. This world network would provide an unparalleled opportunity to study all over the world, to learn languages and cultures in those countries, and to prepare students for a global marketplace and for assuming their roles as global citizens. It would allow our diverse student populations to engage with each other around the world. All of this fits perfectly with our Jesuit mission. It would also change the culture of our home universities because our students would bring that international experience back to our campus life and to our classrooms. It also becomes a powerful recruiting tool for international students.

But there are also significant economic advantages to a new collaborative model of global education. Not only can we gain new efficiencies by sharing administrative processes and costs, but this also has the advantage

of helping to address the infrastructural costs that are threatening all of our institutions. By having a significant number of our students studying abroad every semester, using facilities in other Jesuit institutions and using direct or home bill models for tuition and housing, we will be able to increase our student population while minimizing the corresponding infrastructural costs. Whatever the costs might be for running collaborative global programs, they would pale in comparison with the costs of building and maintaining new dorms, classroom buildings, sports facilities, cafeterias, and adding faculty and staff to serve an increased student population. By using distance education technologies we would be able to maintain contact with our students and control over the quality of their education.

**T**he other long-term economic advantage to such a strategy is that the development of transinstitutional structures in this area would open up the possibility of a range of other collaborative programs. While it may seem counterintuitive that we each might gain competitive advantage through collaboration, this is at the heart of the new models of innovation and the advantages of emerging collaborative economic models.

The question of whether this type of new collaboration among AJCU schools is possible and whether developing a Jesuit global education system will work is valid. We don't know – it is a wager. But the belief behind all strategic wagers is that if they do work the huge upside is worth the risk. Such a plan might look too radical and too complex, but if we are in a true crisis maybe radical is what is required. We need to accept that in any such endeavor, there will be failures along the way, but any commitment to innovation accepts that there will be failures, failures from which we learn. We must also believe that ultimately, if the strategic vision driving the wager is solid and carefully planned, in the end we will not fail because we, together, are committed to the that vision. By collaborating we do not eliminate risk, but we do share it.

The long-term strategic wager proposed here may be too complex and too bold, but the principles upon which it is based are the real point. To explore areas of a shared asset base model of development and to move, where we can, into transinstitutional structural collaboration as a system of Jesuit higher educational institutions – regionally, nationally, or globally – could provide a bold new foundation resulting in a range of new programs and efficiencies. Ultimately how much we are willing to wager clearly depends upon whether we believe that there is a crisis or how severe we believe the crisis to be. I am convinced that the institutions that have the vision and the boldness to make long-term strategic wagers will be the ones that not only survive the next 15 years but will thrive. ■