How does FE need to change?

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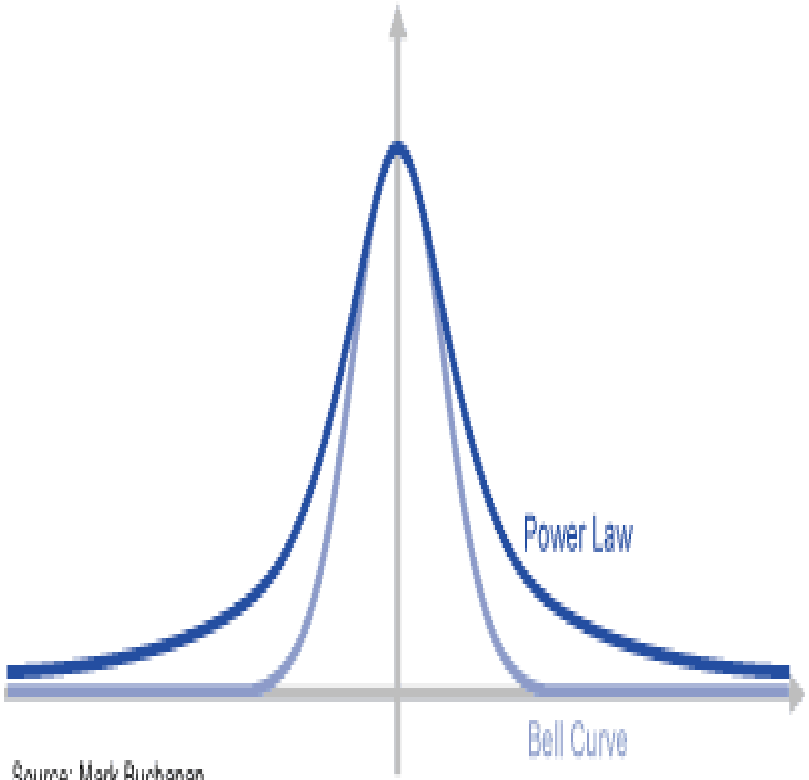
The very big picture

- Credit Crunch
- A battle of two curves
  - Gaussian
  - Power Law
- Classical View
- Market instability
- The power of the unexpected
- The failure of forecasting
- Neither left nor right

Exhibit 1:

The Bell Curve vs. the Power Law: The Importance of "Fat Tails"



Source: Mark Buchanan

The Map or the Territory?

- What world do you live in?
- Classical Model
  - rational, calculating, self interested
- Real World
  - Insufficient information
  - Morale and Social constraints
  - Every group matters
- Public Sector Ethos
- You can’t predict the future

The state we're in

- The recession is with us
  - Every little helps
- The long tail is coming
- The state of the public finances
  - IFS Analysis
- Skills needs
  - Bigger, different, unpredictable
- More for less

Sacred Cows to the Slaughter!

- An end to initiative-fund
  - And a price and a standard for everything
  - What's the best you can do for the money?
- An end to the 'qualifications escalator'
  - UKCES model – balancing supply and demand
- An end to 'dead weight by design'
  - Beneficiary pays
- An end to 'complexity by topsy'
  - Simplicity, agility, responsiveness

A vision for FE

- A system which well networked, agile and free to respond
- Spots green shoots and helps them flourish
- Maximises the *impact* of public funding
- Focuses subsidy on the disadvantage and added public value
- Skills and re-skills to meet demands which are known
- Educates for an unpredictable future.

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Making Learning Work
– from classroom to boardroom

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