



# Beyond Oil

Education for Growth, Inclusion  
and Human Flourishing in  
Venezuela



DAVID ROCKEFELLER CENTER  
FOR LATIN AMERICAN STUDIES  
HARVARD UNIVERSITY



# Investing in the Future: School Finance and Innovation for Quality Education for All



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3:15- 4:00

Moderated by Maria Renee Palomo



HARVARD



GRADUATE SCHOOL  
OF EDUCATION

# Investing in the future: School finance and innovation for quality education for all in Venezuela

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# Agenda

1. **Venezuela's education crisis:** A chronically underfunded and opaque system
2. **Why finance matters:** Principles and lessons from Chile, Colombia, and Brazil
3. **A new school finance model** for Venezuela: A four-component proposal

# 1.

## Venezuela's education crisis

*A system at the bottom of the region — and largely invisible*

## A system in collapse

**1.5M**

children  
out of school  
(35% of school-age pop.)

**200K**

teachers lost  
to migration and  
the economic crisis

**USD 192**

average monthly  
teacher pay vs.  
USD 645 food basket

**3 Days**

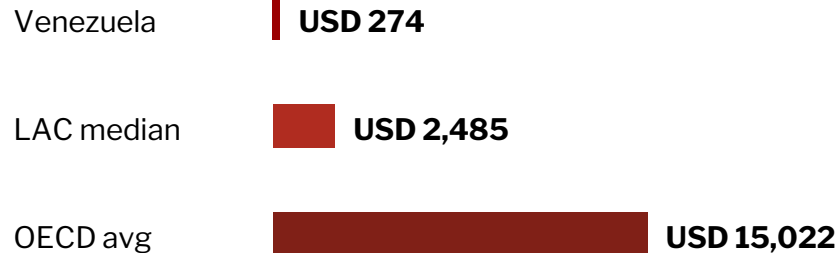
of schooling per week at most,  
due to the implementation of  
the 'Mosaic Schedule' as a  
result of infrastructure and  
personnel constraints

### **Severe learning losses on top of a humanitarian emergency**

In the last available OCER assessment (Ministry of Education), more than 80% of 3rd- and 6th-graders failed to meet minimum language standards and 98% failed in mathematics. Roughly 60% of schools report water shortages, 70% report electricity shortages, and 85% lack reliable internet.

# Underfunded — and almost invisible to the system itself

## Spending per student is a fraction of the regional norm



**Public expenditure on education is 1.3% of GDP — the lowest in Latin America (PREAL recommends 6%; world average is 3.66%).**

## An opaque system — hard to manage, hard to hold accountable

- **180/182** rank on Transparency International's 2025 Corruption Perceptions Index.
- **Since 1988** Venezuela has not participated in any international or nationally representative learning assessment.
- **Volatile budget** swinging 10–20% of public spending year to year, with very limited published detail.
- **No EMIS** — enrollment, dropouts, and infrastructure data are inconsistent and incomplete.

# 2.

## **Why finance matters**

*Principles and lessons from Chile, Colombia, and Brazil*

# A modern school-finance system rests on four fundamental principles & operational dimensions

## **Adequacy + Mobilization**

Mobilize sufficient resources to meet educational needs across the system.

## **Equity + Distribution**

Distribute resources according to student and regional needs — more for those who need more.

## **Efficiency + Execution**

Use resources to maximize learning outcomes per dollar — execute well, not just budget well.

## **Transparency + Monitoring**

Build monitoring and information systems that allow oversight, accountability, and learning.

## Lessons from the region: Chile, Colombia, and Brazil

### Chile

#### *Differentiated voucher (SEP)*

**Mechanism** — *Ley de Subvención Escolar Preferencial* (Preferential School Subsidy Law, or SEP) introduced per-student voucher with 50% top-up for the poorest 40% of students; school-level bonus for serving them.

**Result** — +1/3 SD math gains for public-school students; income-based test gaps narrowed by ~1/3.

**Anchor** — SIMCE national assessment + Education Quality Agency; school classification → autonomy or support.

### Colombia

#### *Equity-weighted SGP + concessions*

**Mechanism** — *Sistema General de Participaciones* (SGP) allocates ~58.5% of subnational transfers to education with weights for vulnerability, dropout risk, geography.

**Result** — PACES vouchers: +0.2 SD test scores; concession schools cut dropout, raised scores in Bogotá.

**Anchor** — SABER assessments + audited Institutional Educational Projects; ETCs hold local autonomy.

### Brazil

#### *FUNDEB + IDEB results-based fund*

**Mechanism** — *Fundo de Manutenção e Desenvolvimento da Educação Básica* (FUNDEB) introduced three formulas (VAAF, VAAT, VAAR) to push federal money to the poorest states and reward results.

**Result** — Primary enrollment +12% and secondary doubled (1990–2022); steady PISA gains.

**Anchor** — Prova Brasil / SAEB + The Basic Education Development Index (IDEB); Transparency Portal; School Development Plans (PDE) for low IDEB scores.

# 3.

## **A school finance model for Venezuela**

*A four-component proposal*



# Four Recommendations for a School Finance System to deliver quality education for all in Venezuela

1. Implement a Dual Financing System
2. Establish the Venezuelan Institute for Educational Quality (IVCE)
3. Implement an Accountability & Evaluation System
4. Implement an Education Management Information System (EMIS)

# Component 1 – A Dual Financing System

## A · Per-student voucher

- **Money follows the student** to qualifying public or private schools, paid on a 3-month rolling attendance average.
- **Differentiated weights** for poverty (bottom 40%), special needs, priority-student concentration, level, and rural/marginal location.
- **Strict eligibility rules** – participate in national assessments, no admissions screening, no fees for priority students, mandatory Educational Improvement Plans.
- **Concession option** for schools the State cannot run well – vetted private operators under performance contracts.
- **Pilot first** – launch the voucher in 3 states with 10,000 students before scaling nationally.

## B · Targeted Regional Fund

- **Direct-to-school grants** to school management committees – bypasses subnational leakage.
- **Not tied to attendance** – protects schools where per-pupil flow can't sustain operations alone.
- **Three weighting criteria** – rurality and isolation, infrastructure decay (water/electricity/sanitation/internet), and regional poverty (NBI / MPI).

## Component 2 – Venezuelan Institute for Educational Quality (IVCE)

### An independent technical agency

- **Sets** performance standards for students, teachers, and schools.
- **Runs** national standardized assessments and institutional evaluations.
- **Communicates** results publicly to families, schools, and government.
- **Evaluates** policies and programs – designing impact studies before, not after, rollout.
- **Coordinates** support, autonomy, and consequences across the school portfolio.

### In a redesigned governance ecosystem

- |  |   |
|--|---|
| <b>National Education Council</b>      | Sets the long-term vision.                              |
| <b>Ministry of National Education</b>  | Defines policy, funding, and operating requirements.    |
| <b>IVCE</b>                            | Evaluates students and institutions; informs decisions. |
| <b>Superintendency of Education</b>    | Fiscal control and audits of public funds.              |
| <b>Local Public Education Agencies</b> | Run the network of public schools, with local councils. |
| <b>Public + private providers</b>      | Deliver schooling within standards and incentives.      |

## Component 3 – Accountability & Evaluation System

### Accountability & evaluation driven by 6 components

#### Standard Setting

Student competencies per grade level and expected teacher performance standards

#### Results Communication

Evaluation results shared with students, parents, teachers, and administrators through a public digital platform

#### Performance Evaluation

All participating schools (public, private, and concessions) must partake in national standardized assessments

#### Maintain Financing Eligibility

Submission of 1) Monthly Attendance Reports; 2) Educational Improvement Plans; and 3) Financial Reports

#### Institutional Audits

Superintendency reviews financial reports and runs random / complaint-based audits

#### School Classification System

Categorization of schools based on evaluation results

*Level 1*

### Autonomous

- High-performing schools  
Greater discretion in resource use  
Lead Best Practice Exchanges with peers

*Level 2*

### Standard

- Satisfactory performance  
Regular evaluation cycles  
Access to tools and shared learning

*Level 3*

### Intervention

- Low-performing schools  
Mandatory technical and pedagogical support from IVCE  
3 years to improve before losing eligibility

## Component 4 – Education Management Information System

### 1 Student Registry

Unique digital ID per child – enrollment, attendance, outcomes, priority status.

### 2 School Registry

Unique digital ID per school – funds received, model, teachers, infrastructure reports, Educational Improvement Plans.

### 3 Attendance Ledger

Daily attendance feeds the 3-month rolling average that triggers voucher payment.

### 4 Financial Records

Ledger of every transfer to and from schools, supporting the Superintendency's audits.

### 5 Learning Outcomes

Student-, school-, municipal-, state-, and national-level standardized test results.

*Differentiated interfaces for ministries, schools, and the public – accountability + transparency by design.*

# From collapse to opportunity—finance is the lever that can rebuild Venezuela's education system

## Policymakers

Treat school finance as a strategic lever, not a line item. Anchor the transition on adequacy, equity, efficiency, and transparency, and pilot the dual financing system before scaling.

## Providers & communities

Public, private, community, and innovative providers can compete and collaborate within clear rules — autonomy in exchange for participation in standards, assessments, and reporting.

## International partners

Help finance the transition, support the IVCE and EMIS, and bring regional evidence and tools — Venezuela does not need to invent this from scratch.

*Every Venezuelan child deserves access to high-quality, politically neutral education — and how we finance schools will decide whether that promise becomes real.*



# Thank you

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