**Press Release**

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**Multinational corporations eye**

**super-profits in India’s school sector**

*Private Schools for the Poor, A low in Education*

A new [Education International](https://www.ei-ie.org/en/websections/content_detail/3247) independent research on school privatisation in India reveals the plans of global edu-businesses to invest in, grow, and profit from education for the poor. With 68.7 per cent of the population earning below US$2 a day and 41.6 per cent of population earning below US$1.25 a day, the push toward private schools for the poor is a matter of serious concern. The commercialisation of education is in flagrant violation of India’s Right to Education Act, and will deepen inequality and undermine an already ailing education system.

The report [*Profiting from the Poor: the Emergence of Multinational Edu-businesses in Hyderabad, India*](https://download.ei-ie.org/Docs/WebDepot/ei-ie_edu_privatisation_final_corrected.pdf)*,* co-authored by Kamat S., Spreen C.A. and Jonnalagadda I., shows that private schooling has grown significantly. Enrolment in private schools is now over 50 per cent in the regions of Andhra Pradesh (AP) and Telangana and over 80 per cent in Hyderabad alone.

The city has become a laboratory for global edu-businesses such as Pearson PLC, in alliance with international investors and private equity firms, to test new models of private provision and tech solutions on students from low-income. While there are many types of private schools, it is the ‘low-fee’ private schools, described as ‘affordable schools’ that are of primary interest to multinational investors. There are an estimated 1300 such schools clustered in and around the Old City in Hyderabad.

The presence of an information technology industry is an essential part of the business model being pursued. Replicating a ‘start-up’ business model, edu-businesses appear, intent to test and incubate new products and services and develop new models of for-profit schools. Schools for the poor are expected to operate on a large scale with untrained and unqualified teachers who are paid subsistence wages.  
Pearson, along with venture capital firms, such as Gray Ghost, private foundations such as the Bill and Melinda Gates and Michael and Susan Dell Foundations, are promoting edu-businesses to market products and services to the low-fee schools in Old City. They also offer school proprietors high interest loans to scale up and start-up funds to set up franchises and create profitable business models for schools for the poor.

The recent Memorandum of Understanding between the government of AP and Bridge International Academies, to run the state’s primary and early childhood education is an ominous sign of things to come. Supported by Pearson, billionaires Gates and Zuckerberg, DFID-UK and the World Bank, Bridge has come under heavy criticism in Uganda and Kenya for its scripted curriculum and dependence on untrained teachers.

“It is disturbing that the Indian government is investing a mere 3.8 percent of GDP in education, failing to implement the necessary budgetary requirements to reach Sustainable Development Goal 4. It is equally disturbing that the government is failing to implement and enforce regulations necessary to guarantee every student the right to be taught by qualified teachers, delivering an engaging curriculum in school infrastructure consistent with national standards”, said Angelo Gavrielatos, Project Director, Education International.

[Click here](http://tinyurl.com/studentsbeforeprofit) to download the report

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