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News, Views and Careers for All of Higher Education

Oct. 23

Apollo Goes Global

Compared to some of its peers in the for-profit higher education market, such as Laureate Education and Kaplan Education, the Apollo Group has made relatively little inroads abroad. And the University of Phoenix parent has largely stayed on the sidelines as private equity funds have poured in to for-profit education in recent years.

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Both of those trends became a memory Monday, as [Apollo announced that it would team up](#) with one of the country’s biggest private equity firms, the Carlyle Group, to commit \$1 billion toward investments in the “international education services sector.”

The new joint venture, Apollo Global, to which Apollo will commit \$801 million and own 80 percent, will replace the existing Apollo International, a separate company in which Apollo had invested. Carlyle, which manages \$76 billion in assets, will commit \$200 million, but Neil Lefkowitz, a lawyer for the Washington firm of Dickstein Shapiro, which represented the private equity group in the discussions with Apollo, said that the \$1 billion commitment is a floor, not a ceiling, on the potential value of the joint venture.

Apollo officials were not clear about the extent to which the new venture would invest in postsecondary education, as opposed to elementary and secondary education, and they did not clearly define what they meant by “education services.” But in a call for investors on Monday afternoon, Greg Capelli, executive vice president and director of Apollo and chairman of the new venture, suggested that Apollo Global would seek to capitalize on Apollo’s existing strengths — most of which are in higher education — “foreign demand and the high value placed on

the American education system,” and “increasing U.S. barriers to foreign students.”

Capelli said the new venture would be likely to focus its international spending, which will be a mix of investments and partnerships, on the “attractive demographics” of Latin American and Asia. The former is where Apollo’s international investments to date have been focused, and [Carlyle itself also owns an institution in Mexico](#), Universidad Latinoamericana.

The announcement by Apollo comes on the heels of the company’s announcement that the University of Phoenix would begin its first two doctoral programs, [including one in higher education administration](#).

[Apollo also said Monday](#) that a veteran of traditional academe’s experimentation with new modes of delivering education and information had joined its board: [Ann Kirschner](#), a City University of New York dean who was among the creators of Fathom, Columbia University’s now-disbanded online learning venture.

— [Doug Lederman](#)

Comments

What’s changed in higher education?

Also not addressed is the delivery mode — will this be dominated by distance learning, or will there be brick-and-mortar facilities, or will this be a mix?

In any case, the global paradigm shift in education that this represents shows the extent to which market forces and perhaps the globalization of the work force is reshaping education.

The shift in focus is clearly away from characterological Bildung, and personal enrichment is being redefined by contexts of increased competitiveness, and work force stratification and differentiation.

In John R. Turner’s terms, then, the degree salesmen now represent US higher education, globally.

[Glen McGhee](#), FHEAP, at 9:20 am EDT on October 23, 2007

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