

The EU referendum

Of Brexit and B-schools

A vote to leave the EU would be harmful to Britain's business schools

On June 23, as Britain decided to exit the European Union, businesses in all sectors of the economy are pondering the implications for their livelihoods. Business schools are no different.

The referendum has caused a curious thing to happen. Some deans of business schools, whose job is to be bullish about their prospects almost regardless of the surrounding circumstances, are abandoning PR-speak and talking honestly about the potential impact of a Brexit.

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Angus Laing, dean of Lancaster University Management School (LUMS), says his institution, like most British business schools, relies heavily on its global standing to attract students. In 2014-15, Brits accounted for just 49% of the students on the country's MBA programmes, compared with 58% in 2007-08, according to the Higher Education Statistics Agency (HESA). Though the proportion of students from elsewhere in the EU has stayed roughly the same over that time—5% of the total—the share of those from outside the EU has increased from 37% to 48%.

Lancaster is no different. More of its MBA candidates, too, come from outside the EU than within it. But a vote to "leave" would affect the flow of all international students to the school. "They might feel they were joining something that was less open

and less connected to Europe," fears Mr Laing. The dean is also concerned that leaving the EU would negatively affect the school's joint programmes with other European schools (Lancaster runs a joint Master's of Management programme with EMLYON and LMU Munich business schools). That could have a knock-on effect on its ability to attract students.

Staff, too, would be a concern in post-Brexit Britain. Some 46% of LUMS's faculty are from outside the United Kingdom—and more than half of those are EU nationals. Though Mr Laing accepts that the school has a good record of obtaining visas for non-EU staff, the greater cost and barriers could affect it in the long run. "Anything that hampers us inevitably benefits our competitors in the US and mainland Europe," he reasons. The school also receives substantial funding from the EU to carry out research, which may disappear in the event of Brexit.

Finding jobs for MBA graduates is another worry. A report earlier this year by PwC, a professional services firm, estimated between 70,000 and 100,000 jobs would be lost in Britain's financial sector by 2020 were it to leave the EU. That matters because the City is a huge draw for newly-minted MBAs. Consultancy and professional services are also likely to be affected by Brexit, says Moody's, a rating agency. Even if business schools could be assured that the flow of MBA applicants would not be hampered by Brexit, those same students need somewhere to go once qualified. "I find it very difficult to see that the type of global citizen you're recruiting to a ranked MBA programme would be of a mindset to support a much smaller, more insular view of the world," says Mr Laing.

It is hard to disagree.

