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Top of the class

Oct 12th 2006

From Economist.com

A European school heads the Economist Intelligence Unit's ranking of MBA programmes for 2006, but American institutions remain a cut above the rest

Top 10 full-time MBA programmes		
Rank (2005 position)	School	Country
1 (1)	IESE Business School—University of Navarra	Spain
2 (3)	Dartmouth College—Tuck School of Business	US
3 (4)	Stanford Graduate School of Business	US
4 (6)	University of Chicago—Graduate School of Business	US
5 (5)	IMD—International Institute for Management Development	Switzerland
6 (2)	Northwestern University—Kellogg School of Management	US
7 (n/a)	Harvard Business School	US
8 (7)	New York University—Leonard N Stern School of Business	US
9 (8)	University of Michigan—Stephen M Ross School of Business	US
10 (10)	University of California at Berkeley—Haas School of Business	US

Source: Economist Intelligence Unit

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For the second year running IESE, a Spanish business school, has topped the Economist Intelligence Unit's ranking of full-time MBA programmes. But thoughts that European schools can now be considered the equals of their American counterparts are somewhat premature.

The rankings, which are based on a survey of business schools and students across four categories, show that with a few notable exceptions the best schools in the world can still be found in the United States. Indeed, American schools occupy eight of the top ten spots in the latest ranking, with only IESE and Switzerland's IMD meriting a place alongside institutions such as Dartmouth, Stanford, Chicago and Harvard.

American schools still hold some big advantages over their European counterparts, particularly in terms of finance. One reason for this is that American institutions are benefiting from the generosity of wealthy alumni. Stanford, for example, recently announced that Nike's founder, Philip Knight, had pledged the school \$105m, which will be put towards building a new campus. At Harvard last year, endowments and gifts were a greater source of revenue than its MBA tuition fees. American schools also make more money due to their sheer size. The average full-time MBA intake at the top North American schools is 217; in Europe it is a mere 88.

More money means better teachers, improved research opportunities and ultimately superior students. But it is not only in terms of finance that American schools lead their European counterparts. They also draw strength from being the pioneers of business education. Dartmouth's Tuck school, which opened in 1900, claims to be

the world's oldest graduate business school. In contrast IESE, one of Europe's oldest, was founded in 1958—with Harvard's assistance. History cements a school's reputation, but also has a more measurable effect: a rich history means a bigger, older (and thus often more successful) alumni network for a school's careers office and fundraisers to tap.

Top 10 programmes by category				
	Open new career opportunities	Personal development and educational experience	Increase salary	Potential to network
1	Indian Institute (Ahmedabad)	Henley	Ashridge	EM Lyon
2	Chicago	Hong Kong UST	IESE	Henley
3	IESE	Monash	Henley	Notre Dame (Mendoza)
4	Stanford	University of Hong Kong	IMD	Vlerick
5	IE	Stanford	NIMBAS	HEC Paris
6	Dartmouth (Tuck)	INSEAD	Strathclyde	ESCP-EAP
7	New York (Stern)	Dartmouth (Tuck)	Hult	Cambridge (Judge)
8	Virginia (Darden)	Bath	Oxford (Saïd)	Thunderbird (Garvin)
9	Columbia	Northwestern (Kellogg)	London	Southern Methodist
10	Northwestern (Kellogg)	Michigan (Ross)	Cranfield	Cranfield

Source: Economist Intelligence Unit

But it's not all doom and gloom for schools on the European side of the pond. European MBA students can expect to earn significantly more than their American counterparts. Of the top ten schools in the EIU's "Increase Salary" category, only one, Hult, is American. One reason for this is that European MBA students tend to be older with more work experience. On average students at Ashridge in Britain, for example, enter the programme with 11 years' experience and leave to earn a salary of over £131,000 (\$243,000). It is also a reflection of a buoyant jobs market in many of the sectors which are natural homes for European MBA graduates, such as Britain's financial services and Germany's business services industries.

European schools are also considered more "international" than those in America, with more faculty, students, alumni and job-placements coming from outside the countries in which the schools are situated.

Outside the top ten, some European schools are making good progress. Having begun in 1990, the University of Cambridge's MBA programme might be considered something of an upstart. But it seems only a matter of time before it is routinely mentioned alongside the world's best. Other schools, such as Henley Management College in Britain and Spain's Instituto de Empresa also fared well, while London Business School and INSEAD have formidable reputations. For the rest, as competition for students intensifies, the gap between them and the leading schools may become harder to close.