

London Tops the Ranking of the World's "Smartest" Cities

The latest edition of IESE's Cities in Motion Index reveals that one European, one North American and one Asian city claim the top three spots.

March 10, 2015



London remains the undisputed leader in the rankings of the smartest cities in the world. It is followed by New York, which grabbed second place, and Seoul, in third. Rounding out the top 10, we see five other European cities -- Paris, Amsterdam, Vienna, Geneva and Munich -- and two Asian ones -- Tokyo and Singapore, the latter of which advanced 11 positions over the course of just two years.

Of the top-25 list, 15 are European, five are North American, four are Asian and one is Oceanian. Urban development in Latin America and Africa still has much room for improvement, as Latin America's top city, Santiago, is ranked 86th and Africa's top city, Cape Town, is ranked 117th.

These are some of the key data points from the second edition of the [IESE Cities in Motion Index](#) (CIMI), prepared by IESE's [Center for Globalization and Strategy](#) under the direction of Professors [Pascual Berrone](#) and [Joan Enric Ricart](#), working together with their research team.

The CIMI is a composite index that assesses the level of development of 148 cities worldwide using 66 indicators which cover 10 distinct dimensions: human capital, social cohesion, economy, public management, governance, environment, mobility and transport, urban planning, international outreach and, finally, technology.

Tracking winners and losers

The success of London, which excels in the "human capital" and "public management" dimensions of the index, is only tarnished by its low performance on "social cohesion," in which it ranks 90th out of 148 cities. Social cohesion is also one of the two biggest weaknesses of New York. The Big Apple, the global economic capital, ranks 103rd for social cohesion and 111th for its environmental dimension.

In addition to the progress shown by Singapore, now in the top 10, it is worth highlighting the rapid rise of Hong Kong, which in two years climbed 15 places to stand at 17 in the latest results. Meanwhile, Boston and Barcelona advanced 13 positions each to stand in positions 11 and 34, respectively.

In the lower half of the ranking, the meteoric rise of Shanghai bears mention, as it advanced 19 positions to stand at 83. Also, Sarajevo rose from the ranking's depths, scrambling up from position 135 to 120.

On the flip side, notable declines were seen for Stockholm, which slipped from the privileged position 12 down to 24, and Rio de Janeiro, which dropped the most of all the cities measured -- 16 spots -- from 117 to 133.

Detailed results

In addition to an overall ranking -- with a detailed explanation of the factors and indicators considered -- and to regional rankings -- which show the top five cities for Europe, Asia-Pacific, Latin America, North America and the Middle East -- the report also provides a breakdown of the scores for each city along the 10 dimensions analyzed.

This breakdown offers information to help interpret the results, as we can see where progress has been made and where there is still room for improvement for each city.

Urban lessons

The report contains a series of reflections and recommendations based on the results observed:

- *There is no single model of success.* One size does not fit all; there are different ways to achieve high rankings for this index. Cities should stop looking for a single winning formula and define their priorities according to their own strengths and vision for the future.

- *It is not enough to be good in one area.* There are cities that lead the ranking in one dimension but remain low in the standings for their weaknesses in other areas. To play in the Champions League, a minimum balance is required.
- *It is important to consider the big picture and break down silos.* The dimensions analyzed are interrelated and affect each other. As such, city managers should consider their connections and keep a global perspective.
- *The perfect city does not exist.* It is very difficult for a city to excel in all dimensions. Even London and New York, the top two in the ranking, have their weaknesses.
- *Changes are slow; a long-term view is required.* Although some cities have seen rapid ascents -- like Singapore, Boston, Hong Kong, Barcelona and Shanghai, to name a notable few -- major projects tend to require a long-term view.
- *Cities do not operate in isolation; national context matters.* The reality of the country in which a city is located will have an effect, so city managers must be able to identify threats and opportunities within the national context.
- *Cities do not always have the reputation they deserve.* When comparing CIMI rankings and the Reputation Institute's "Reputation Index" (RI), there are some surprising disparities. Notably, Seoul is ranked third globally by the CIMI, but it comes in 77th in the RI rankings, based on perceptions. Meanwhile, Florence is ranked fourth by RI, but comes in 63rd according to the CIMI. Sometimes reputations and reality do not correspond.

A better index

The second edition of the index has expanded its reach, improved its accuracy and fine-tuned year-over-year comparability:

- *More cities evaluated:* The number of cities evaluated grew from 135 to 148, with the addition of large cities like San Francisco, Delhi, Hong Kong and Singapore.
- *More indicators:* The 10 dimensions are measured using 66 indicators -- 35 percent more than in the previous edition.
- *Introducing measures of perceptions:* The latest edition includes subjective indicators, incorporating inhabitants' perceptions of cities. To this end, the index incorporates data from Numbeo, an online database that collects information directly from citizens on subjects such

as quality of life and the environment.

- *Increased variability at the city level*: Some indicators that were at the country level have been replaced with indicators sourced at the city level, for more nuanced analyses.

- *Improved methodology*: The CIMI has been refined to reflect the latest statistical practices used to create synthetic indices.

The second edition of the CIMI includes a new analysis of the 148 cities included in this report. With new indicators and more information, all cities' rankings can be tracked and compared over the past three years, with data covering 2012 through 2014.

In sum, the index does more than diagnose the strengths and weaknesses of a particular city in its quest to be both smart and sustainable. The index also provides a planning tool with empirical evidence on trends and models of success.

Mayors, city managers, urban solutions companies and all those interested in improving the quality of life for city inhabitants can make the most of this report.

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