London, New York and Paris top the rankings for smart and sustainable cities

From committing to digital transformation to drastically cutting poor air quality days, cities everywhere are innovating.



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- **Year after year, London, New York and Paris score highly across a range of key indicators in IESE's Cities in Motion Index.**

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- **The 9th edition of the global ranking has added new indicators of city health, such as the number of unicorn startups or corporations listed in the Fortune Global 500 in each city.**
- **From Edinburgh leading in social cohesion to Hong Kong dominating technology, the list shows the many different ways a city can succeed.**

Cities are complex and dynamic organisms, and though most of us know a successful city when we see one, pinpointing what makes it great — whether that be for business or livability — isn't always easy.

For nine years, IESE has been compiling the Cities in Motion Index, spearheaded by professors Pascual Berrone and Joan Enric Ricart. In the most recent report, they analyze 183 cities in 92 countries, 85 of which are capitals.

The goal is to identify what really needs to happen to build a world-class city, from attracting and retaining the best talent to promoting economic development and environmental protections. All these indicators contribute to creating cities that are sustainable, fair and livable, able to weather economic and climate-related shocks.

In the latest results, Europe and North America dominate. Five cities in the top 10 are European: London (1st), Paris (3rd), Berlin (5th), Oslo (7th) and Amsterdam (8th). Three are in the United States: New York (2nd), San Francisco (9th) and Chicago (10th). Rounding out the top 10 are Tokyo (4th) and Singapore (6th).

Beyond the top 10, Europe accounted for over half (26) of the cities in the top 50, while North America was home to a further 14. The remainder were located in Asia (Tokyo, Singapore, Seoul, Beijing, Taipei, Hong Kong and Shanghai) and Australia (Melbourne, Sydney and Canberra).

Meanwhile, the world's developing countries continue to struggle to break into the top spots. Among Latin American cities, the highest-ranked is Santiago (91st), followed by Buenos Aires (115th) and Montevideo (119th). Cape Town (141st) has the best position in Africa.

The global top-10 cities:

1. **London**
2. **New York**
3. **Paris**
4. **Tokyo**

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5. **Berlin**
6. **Singapore**
7. **Oslo**
8. **Amsterdam**
9. **San Francisco**
10. **Chicago**

Indicators of city quality

Research suggests that high quality cities are good not only for being pleasurable places to live in, but they are also good for business. So what makes for a quality or "smart" city?

Each urban center is unique, and where one will triumph in terms of governance or economy, another may be a world leader in transportation infrastructure. The IESE Cities in Motion Index ranks cities according to 114 indicators that feed into the following nine key dimensions.

- **Human capital.** Indicators include the education level of the population and their access to culture.
- **Social cohesion.** Informed by indicators such as protections for vulnerable groups, community development and healthcare.
- **Economy,** including current and estimated GDP, innovation activities and, for the first time in this year's index, the number of unicorn companies and companies on the Fortune Global 500 list.
- **Governance,** which includes the quality of state interventions.
- **Environment,** including pollution levels, water quality and other gauges of ecosystem vitality and climate vulnerability.
- **Mobility and transportation.** Ease of movement and access to public services; indicators also include bicycle ownership rates and the length of metro lines, which indicate a city's investment in its citizens.
- **Urban planning,** including health infrastructure, sanitation services and housing policy, but also artificial intelligence projects that promote urban growth and wellbeing.
- **International profile.** Branding and strategic tourism outreach, including hosting international conferences, hotel offerings and the Restaurant Price Index.
- **Technology.** Smart uses of ICT technologies, broadband availability and the percentages of households with computers/mobile phones.

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The most recent results can be explored in an online map, where it's possible to compare cities and drill down to see scores within each of the nine dimensions. The IESE Cities in Motion calculator is also available: this tool allows users to enter indicator data for a city and discover how it would rank based on this input. The calculator can also be used to show how a city's ranking might change as its inputs change.

The many routes to being a standout city

Cities are large organisms, comprising public and private spaces, and hosting and serving a diverse range of residents and visitors. It's relatively easy to get things wrong. But there are also many areas where cities are applying innovative approaches to improving livability and the urban fabric. Here are a few category leaders from around the world:

Cape Town, #1 in Africa. Though South Africa's second largest city ranks 141st in the index overall, it demonstrates a commitment to improving livability for citizens by facilitating access to information, providing free Wi-Fi on city buses, and using real-time data to support emergency response and surveillance services.

Edinburgh, #1 in Social Cohesion. Despite a growing population, the Scottish capital continues to rank highly for social considerations. It also has a number of new innovation projects, including an operations center that manages the city's real-time data 24 hours a day, improving everything from traffic management and disaster response to the city's carbon footprint.

Hong Kong, #1 in Technology. The city displays an enduring commitment to digital transformation, and initiatives such as iAM Smart and COVID-19 tracking apps show how smart technology can have tangible effects on citizens' everyday lives.

Melbourne, #1 in Oceania. Australia's second city is a leader in biophilic urban design, which integrates nature into the fabric of city life, creating oases of biodiversity in the midst of the urban jungle. Updating this policy for the age of smart cities are initiatives like Data in the Park, which analyzes interactions and behaviors in public space to improve the management, maintenance and future design of green spaces.

Santiago, #1 in Latin America. After a 2017 initiative to convert a quarter of its bus fleet to electric vehicles, the Chilean capital has met and surpassed its goal, with nearly 7,000 vehicles (30% of the fleet) electric to date. This and other green initiatives have also resulted in a 70% reduction in the number of days with poor air quality in the past 10 years.

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Each of these case studies demonstrates the human factor that affects each city: the authors highlight that many cities can be *smart*, but it takes strategy and an active participatory society to make them *wise*.

And although they acknowledge that cities must "design their own plan, set their own priorities and be flexible enough to adapt to change," there are certain generalizable best practices. They include:

- prioritizing technological innovation and adoption to address challenges;
- addressing economic problems such as inflation and rising energy costs;
- seeking balance between economic growth, social justice and sustainability;
- learning from each other.

There are myriad successful urban projects around the world and a wealth of experience that can be adapted to local realities.

Favara, a case study in urban transformation

Though megacities have more resources to be the change they'd like to see, any urban space has the potential to improve its performance across the Cities in Motion indicators. Complementary research by Berrone and IESE's Antonino Vaccaro examines the case of a regional Sicilian town, Favara, which underwent a dramatic transformation spurred on by a local prosocial organization. See how local groups can revitalize a sense of place and leverage opinion formers to their cause, here.

MORE INFO:

Visit the IESE Cities in Motion map and calculator

See also Keeping up with Cities in Motion, the book series, for case studies of good practices.

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