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Asia rising: The new top 10

ASIA RISING: THE NEW TOP 10

1. NEW YORK
   - Population: 16.4 million
   - Per capita GDP: $1,080,000
   - Number of Fortune Global 500 companies headquartered here: 26

2. LONDON
   - Population: 8.6 million
   - Per capita GDP: $850,000
   - Number of Fortune Global 500 companies: 21

3. TOKYO
   - Population: 18.6 million
   - Per capita GDP: $410,000
   - Number of Fortune Global 500 companies: 37

4. PARIS
   - Population: 16.5 million
   - Per capita GDP: $900,000
   - Number of Fortune Global 500 companies: 34

5. HONG KONG
   - Population: 7.1 million
   - Per capita GDP: $1,300
   - Number of Fortune Global 500 companies: 3

6. CHICAGO
   - Population: 4.8 million
   - Per capita GDP: $620,000
   - Number of Fortune Global 500 companies: 2

7. SINGAPORE
   - Population: 9.2 million
   - Per capita GDP: $980,000
   - Number of Fortune Global 500 companies: 3

8. SYDNEY
   - Population: 4.1 million
   - Per capita GDP: $300,000
   - Number of Fortune Global 500 companies: 3

9. SEOUL
   - Population: 9.8 million
   - Per capita GDP: $480,000
   - Number of Fortune Global 500 companies: 2

10. MUNICH
   - Population: 4.8 million
   - Per capita GDP: $550,000
   - Number of Fortune Global 500 companies: 3

THE WORLD’S DETROITS

At the height of its wealth and power, Timbuktu was an important crossroads for trans-Saharan caravans laden with exotic spices and a storehouse of knowledge, boasting as many as 25,000 scholars and some 80 private libraries. In 1524, its ruler, Muna Musa, bought so much gold on his pilgrimage to Mecca that it sparked hyperinflation in Cairo. By the time French explorers stumbled upon Timbuktu in 1828, it had become a dusty backwater, the forgotten capital of a long-forgotten empire. Today it’s not even one of the five largest cities in Mali, one of the poorest countries on Earth. History is littered with the carcasses of once-great cities that couldn’t—or wouldn’t—adapt to changing circumstances. Political scientist Douglas Rae calls cities “among the least agile creatures … they move slowly, reactively, and awkwardly in response to change initiated by more agile organizations.” It has taken a century for the former trading hub of Istanbul to arrest the slow decline that began in 1498, when Portuguese explorer Vasco da Gama made a daring trip around the Cape of Good Hope in a bid to cut the Ottoman Empire out of the Asia trade. Detroit, in a death spastic with the collapse of its car business, might never succeed at such reinvention. That’s why the top cities on this index all have one trait in common. They hedge their bets. Cities with a diverse mix of industries, like Chicago and Hong Kong, find it easier to retool when times change, while those that do only one thing well—Pittsburgh with steel, Glasgow with shipping, and Detroit with those cars—risk being casualties of globalization. Consider Chelyabinsk in Russia, an industrial powerhouse of the Soviet era that was dubbed “Tankograd” during World War II. Once home to some 2 million people, it’s now half that size. Ivanovo, another Russian city that was one of the world’s top producers of textiles, has shut down the extensive tram system it no longer needs. Could today’s rising giants, like Wuxi, a rapidly growing Chinese city of 5 million, become tomorrow’s white elephants? Wuxi is home to Suntech, a leading manufacturer of solar panels. But Suntech has bet its future on old-fashioned silicon, while a more flexible rival technology, thin-film solar, gains market share. Some day, will we be calling Wuxi China’s Detroit?

Ivanovo, Russia

Dying industry: Textiles

Production decline: 1988-1998: About 80%

Left Behind

Dying industry: Textiles

Population decline: 1980-2003: 17%

Liverpool, Britain

Dying industry: Shipping

Fall in employment rate, 1971-1996: 20%

Leipzig, Germany

Dying industry: Cotton

Population decline, 1988-2003: 18%

THE GLOBAL CITIES INDEX

It are at a global inflection point. Half the world’s population is now urban—and half the world’s most global cities are Asian. The 2010 Global Cities Index, a collaboration between Foreign Policy, management consulting firm A.T. Kearney, and The Chicago Council on Global Affairs, reveals a snapshot of this pivotal moment. In 2010, five of the world’s 10 most global cities are in Asia and the Pacific: Tokyo, Hong Kong, Singapore, Sydney, and Seoul. Three—New York, Chicago, and Los Angeles—are American cities. Only two, London and Paris, are European. And there’s no question which way the momentum is headed. Just as more people will continue to migrate from farms to cities, more global clout will move from West to East.

And yet, even as we see the dramatic effects of globalization at work in the rise of up-and-coming cities like Bangalore, Sao Paulo, and Shanghai, what’s also remarkable is just how dominant the great old-school command remain. New York, London, Tokyo, and Paris are the top four, as they were in the first Global Cities Index two years ago, and they are ahead in most of the criteria that make a truly global city. Influential networks boost global impact, and having a giant head start—as New York does in market capitalization, Tokyo in Fortune Global 500 companies, and London in international travel—will only amplify those advantages in the future. Success breeds success.

The seats of traditional political power aren’t necessarily the most global. So what makes a Global City? Not size alone, that’s for sure; many of the world’s largest megalopolises, such as Karachi (60), Lagos (59), and Kolkata (63), barely make the list. Instead, the index aims to measure how much sway a city has over what happens beyond its own borders—influences on and integration with global markets, culture, and innovation. To create this year’s rankings, we analyzed 65 cities with more than 1 million people across every region of the globe, using definitive sources to tally everything from a city’s business activity, human capital, and information exchange to its cultural experience and political engagement. Data culled from annual Fortune Global 500 company head- quarters were in a city to the size of its capital markets and the flow of goods through its airports and ports, as well as factors such as the number of embassies, think tanks, political organizations, and museums. Taken together, a city’s performance on this slate of indicators tells us how worldly—or provincial—it really is. The seats of traditional political power aren’t necessarily the most global. Only four of the top 10 cities are national capitals. Washington comes in at No. 13. Beijing (15) edges out Berlin (16), which trounces Moscow (25). Two of the top 10 global cities are laws unto themselves, operating outside the jurisdiction of a separate national government (Hong Kong and Singapore). The sun set a half-century ago on the British Empire, and yet London continues to shine at No. 2. For now.