# London tops the list of most digital entrepreneur-friendly cities in Europe

*New research suggests that London is the best EU city when it comes to support for digital entrepreneurs. See below to find out why, and which other cities score highly:*

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**Today at the ICT 2015 event in Lisbon, Nesta and the European Digital Forum think tank – which I'm on the advisory board of, I should note – are launching the European Digital City Index, an attempt to measure capital (and a few other) EU cities against a number of criteria set by 90+ digital entrepreneurs, policy researchers and academics.**

The index finds that London, perhaps unsurprisingly, provides the best support for both startups and scale-ups. For both categories, cities like Stockholm, Amsterdam and Helsinki also understandably receive top marks. That said, the ranking does have a couple of surprises in store – take a look:

**Top Ten Cities for Digital Entrepreneurs:**

| Ranking | Startups | Scale-ups |
|---|---|---|
| 1 | London | London |
| 2 | Amsterdam | Stockholm |
| 3 | Stockholm | Amsterdam |
| 4 | Helsinki | Helsinki |
| 5 | Copenhagen | Copenhagen |
| 6 | Paris | Paris |
| 7 | Berlin | Brussels |
| 8 | Dublin | Dublin |
| 9 | Brussels | Berlin |
| 10 | Munich | Munich |

First of all, it's important to note that the index is meant to serve as a guide to the strengths and weaknesses of local ecosystems, by benchmarking a number of criteria in each hub.

It's far from the only index attempting to rank cities and regions based on their performance when it comes to digital entrepreneurship – Nesta in fact provides helpful links to other available resources in its blog post and on the website.

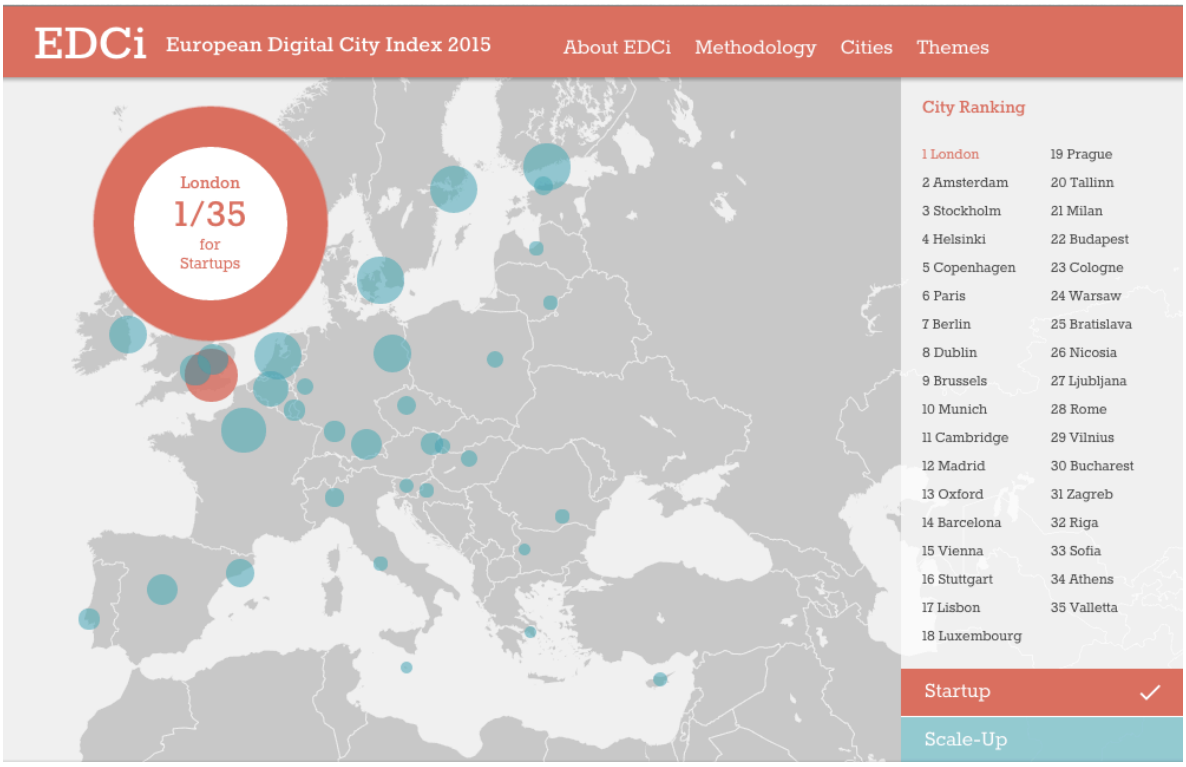
The European Digital City Index covers all capital cities in the European Union, with an additional seven non-capital cities in the EU that are considered to be important hubs of digital entrepreneurship, such as Barcelona, Cambridge and Munich.

| List of EU Capitals (Country) + 7 Hub Cities | | | | | | |
|---|---|---|---|---|---|---|
| Amsterdam (Netherlands) | Brussels (Belgium) | Copenhagen (Denmark) | London (UK) | Nicosia (Cyprus) | Rome (Italy) | Valletta (Malta) |
| Athens (Greece) | Bucharest (Romania) | Dublin (Ireland) | Luxembourg (Luxembourg) | Oxford (UK) | Sofia (Bulgaria) | Vienna (Austria) |
| Barcelona (Spain) | Budapest (Hungary) | Helsinki (Finland) | Madrid (Spain) | Paris (France) | Stockholm (Sweden) | Vilnius (Lithuania) |
| Berlin (Germany) | Cambridge (UK) | Lisbon (Portugal) | Milan (Italy) | Prague (Czech Republic) | Stuttgart (Germany) | Warsaw (Poland) |
| Bratislava (Slovakia) | Cologne (Germany) | Ljubljana (Slovenia) | Munich (Germany) | Riga (Latvia) | Tallinn (Estonia) | Zagreb (Croatia) |

The Index is composed of ten 'themes':

1) Access to Capital
2) Entrepreneurial Culture
3) Mentoring & Managerial Assistance
4) Skills
5) Business Environment
6) Digital Infrastructure
7) Knowledge Spillovers
8) Market
9) Lifestyle
10) Non-digital Infrastructure

With that in mind, it's not hard to see why London, Amsterdam and Nordic cities score so highly. Still, it seems odd that cities like Berlin and Paris don't even make it to the top 5 for either startups or scale-ups, while cities like Barcelona, Lisbon and Madrid aren't even in the top 10 for either category (yet Brussels is, for both).

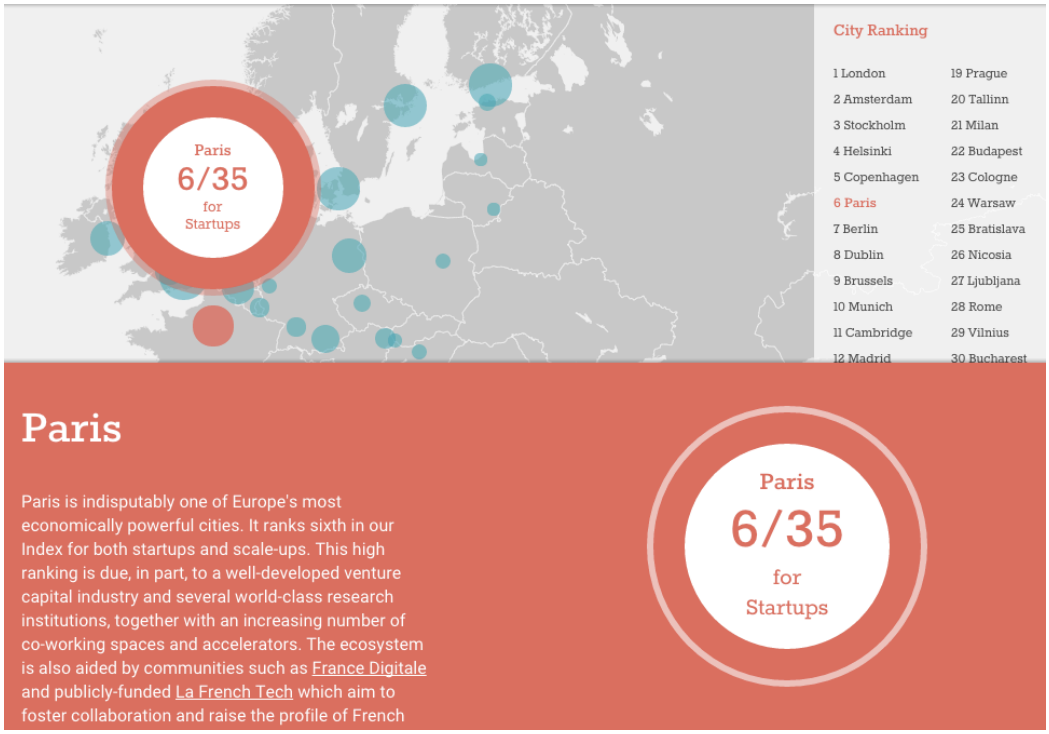



London is also the only UK city to make the top 10 list, although we should note that Cambridge and Oxford appear 11th and 13th, respectively, for startups and scale-ups. London, by the way, scored poorly when it comes to labour cost, cost of office space and the cost of living, which is admittedly true for any mature ecosystem.

You can check out the European Digital City Index website to get an answer to questions you may have, but here's an example of how Berlin's relatively low ranking (and Brussels' high ranking) is explained by Nesta and the **European Digital Forum:**

"Berlin, which has produced a number of billion dollar startups, including online fashion shop Zalando and restaurant delivery service Delivery Hero, is only ranked 7th for these businesses. This is because of its expensive and relatively sluggish digital infrastructure and high cost associated with employing staff. Brussels scores higher for scale-ups because of its greater access to capital."

In 2016, the Index will be updated and expanded to include more EU cities.




Chris Haley, Head of Startups and New Technology Research at Nesta, comments:

“Entrepreneurship, particularly digital entrepreneurship, is vitally important for innovation and growth but not all cities provide equally fertile ground for these businesses. Our research indicates that location does matter, and illustrates the ways in which top cities create a supportive environment and where lessons can be learnt.”

If you’d like to learn more about how the index was put together, you can request a download of the raw data and a PDF with the research methodology right here.