European Commission

BLOG POST By Günther Oettinger
22 November 2016

Scale-ups are the new corporates

Today, we presented the new 'Startup and scaleup initiative'. The aim is to remove barriers to scaling up in the single market and create better opportunities for access to finance and skills. Input came from the startup community - not least from the Scaleup manifesto. Technology-based entrepreneurship is emerging as a key building block of the digital economy: new businesses account for nearly all of net job creation and there are now more and more successful scale-up stories in Europe like Spotify, Blockchain or Deliveroo.

Today, there is no longer a major difference between the EU and the US in terms of startup creation. In fact, there are more entrepreneurs per capita in Europe than in the US. However, many EU businesses remain small, fail after a few years, or decide to move to third countries rather than tapping into the EU's potential of a 500 million people customer base. To have a lasting economic impact, create more jobs and enhance Europe's competitiveness, startups need to prosper and grow across borders.

One of the objectives of the Digital Single Market is to pave the way for more European companies to scale up in Europe and grow globally. However, there is still too much regulatory fragmentation and there are still too many administrative obstacles in Europe for this to happen. Furthermore, it is difficult to access enough capital in the growth phase, or attract skilled people.

Future European champions need to be able to compete on an equal

footing with advanced players from the US or China. Therefore, we need to bring founders, investors and corporates to the table when we design and implement policies in order to make them more effective and stimulate the growth of European startups. Only by working together we can make Europe a scaleup continent.

The result of such a dialogue is the [Scaleup manifesto](#) that was written jointly by startups and scaleup stakeholders around Europe. The community has put forward targeted recommendations to policymakers at EU level and in the Member States, and also recommendations for startups themselves to make 'the next big thing' in Europe.

Improving Europe's digital infrastructure, streamlining cross-border VAT procedures, and increasing collaboration between corporates and start-ups are some of its pertinent suggestions. I recommend you read the manifesto for inspiration, comment on it and spread its messages to governments, the private sector, academia or startup founders.

Based on input from the startup community, and not least from the Scaleup manifesto, the Commission today presents a 'Startup and scaleup initiative'. It includes proposals on how to further remove barriers to scaling up in the single market, create better opportunities for access to finance and skills, and to maximise the effectiveness of Europe's ecosystems.

This new initiative builds on and complements other work by the European Commission to help our companies grow in Europe and globally, and to encourage entrepreneurship and the emergence of new start-ups. Overall, the Digital Single Market will reduce the regulatory burden for companies e.g. by harmonising consumer regulation and simplifying VAT rules for eCommerce. With the [Startup Europe initiative](#), we help the European startup ecosystem by connecting and creating [synergies between hubs](#). Finally, with [the SME instrument](#) , other Horizon 2020 funding, and the European Strategic Investment plan, we mobilise billions of Euros for startups. I am confident that with all these efforts we can pave the way for strong and successful technology-based business development in Europe.