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Digital Single Market

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Europe's Web Entrepreneurs ... A Major Priority

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Internet entrepreneurs are known for being a very special breed who need support in different forms, from the right legal framework for cross-border e-commerce to the right business conditions for venture capital to flow. Much of this is embodied in the European Commission's efforts to create the right conditions for the digital economy to flourish – the so-called Digital Single Market.

“Web entrepreneurs represent a specific category of entrepreneur who creates new digital services and products that use the internet as an indispensable part of their business proposition,” notes the European Commission. “With the internet increasingly finding its way into our lives in unforeseen ways, web entrepreneurs thus have an increasing impact on society.”

Using innovative technologies and platforms, they create products, services and solutions that improve and enrich our everyday lives – from smartphone apps for healthy living, to geo-location services for navigating new cities, and timesaving technologies for juggling family and work life. Twenty years ago, who could have imagined how the internet would change our lives?

Tailored support

For the benefits of the internet and its next generation, the ‘Future Internet’ (of things and services), to be experienced across Europe, the conditions have to be just right to encourage web entrepreneurship.

“They require tailored support measures to strengthen the web ‘startup ecosystem’ and break down remaining barriers,” notes the Net Innovation team.

Foremost among the challenges faced by web entrepreneurs is access to finance – there must be incentives for early-stage investors to compensate for the inherent risks of backing an internet startup.

Europe also stands accused (according to Eurobarometer) of lacking an “innovation and entrepreneurial culture”, in the leagues of competing regions such as the USA and Asia. A lack of tech-leadership (see also page 23) and skills gaps are also given as reasons holding back European web entrepreneurship.

The Commission has launched a series of six initiatives under its Web Entrepreneurs Action Plan (see

also pages 8-9) to tackle these concerns. “These measures seek to promote a renewed culture of innovation and talent development at a European level,” notes the Net Innovation team.

Blog

Never underestimate the SME ... or the internet

The vast majority of European businesses are small and medium-sized enterprises (SMEs). They provide two-thirds of private-sector jobs and contribute to more than half of the total value-added created by businesses in the EU. Small businesses are also the “true backbone of the European economy”, contributing both to economic growth and innovation and R&D. As the internet economy grows rapidly in the coming years (see also market trends on pages 4-5), it is critical that the EU harnesses the potential of this racehorse before it has bolted - and that the benefits are passed on to other regions wishing to exploit Europe’s vast market potential for ICT and internet-related developments.



“There is less media attention [paid] to successful entrepreneurs in Europe than in non-European countries, in particular in Denmark, Hungary and Poland, reflecting a lesser preferential societal attitude to entrepreneurship...”

(INNO GRIPS report ‘Social attitudes to innovation and entrepreneurship’)

“Some Member States perform better than others, so successful approaches should be replicated, adapted and scaled across the EU. Key resources for web entrepreneurs can be effectively stimulated and pooled at EU level to create single points of access, independent of their national origin, or location.”

Europe is also lagging behind competing regions in terms of global leaders in this sector. Fewer startups are founded by European web entrepreneurs and, even those that are relatively successful, rarely “grow up” to become global leaders (exceptions being members of the Startup Europe Leaders Club, see interviews on page 28 and page 31).

The Entrepreneurship 2020 Action Plan has highlighted specific short- and medium-term actions to improve the present situation for web entrepreneurs. A host of other initiatives and projects, such as the FIRE projects, supported by DG CONNECT, are taking place to provide “joined-up” solutions to stimulate the internet economy, many of which are featured in *net-innov future*.

More info

- INNO GRIPS - http://ec.europa.eu/enterprise/policies/innovation/files/proinno/innovation-intelligence-study-4_en.pdf [1]

(Article from *net-innov future* [2] magazine (2014)).

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