

THE COPENHAGEN DECLARATION

on Startup Competitiveness: Toward One Europe for Startups

Disclaimer

This position paper compiles the outcomes of the Scale-up Europe Round Table, held in Copenhagen on 12 November 2025, organised by Danish Entrepreneurs. It reflects the discussions and recommendations generated by participants during the event and does not necessarily represent the views of the organisers or the other participants. The content is for informational purposes only and does not constitute an official position or endorsement by either organisation. Participants included the Mayor of Employment, representatives from business associations, civil servants, investors, researchers, entrepreneurs etc.

A Position Paper from Scale-Up Europe, Copenhagen 2025

Across the European continent, startups and scaleups are driving competitiveness and digital transitions, creating jobs and innovation that strengthen our economies and societies. Yet the path from startup to scaleup remains steep, and due to fragmentation in the European Single Market, the continent remains one of the least incentivizing places to scale a business.

At the official Scale-Up Europe conference in Copenhagen, founders, investors, experts and policymakers gathered to identify what holds Europe's most promising companies back, and how the next phase of the continent's innovation agenda can remove those barriers. Hosted during Denmark's EU Presidency, the event brought forward a clear message: Europe has the talent, ambition and technology - but it lacks the political courage to make entrepreneurship simple again.

About the Roundtable

The proposals in this document were co-created during the Policy Roundtable, held in connection with the Scale-up Europe Conference that served as the official annual opening of Global Entrepreneurship Week Denmark. Together with stakeholders from across the European startup ecosystem, the roundtable identified barriers to starting and scaling a company in Europe and concluded with four proposals aimed at closing the competitiveness gap and strengthening Europe's position as a global leader.

Identified Barriers

During the roundtable, participants consistently pointed to a set of structural barriers that hold back European competitiveness. Across sectors and experiences, the same challenges emerged again and again – revealing a shared diagnosis of what prevents European startups and scaleups from realising their full potential:

- 1. Fragmentation remains the greatest obstacle to European competitiveness.** Entrepreneurs described Europe as “27 markets where you start over every time you cross a border.” While the single market promises freedom of movement for goods and people, scaling a business across Europe still means navigating 27 sets of rules, interpretations and procedures. According to the IMF, the regulatory burden in the EU equals a 44% internal tariff on goods and 110% on services. Compliance, reporting and national adaptations consume up to 40% of SMEs' time. For startups, this acts as a tax on innovation - a cost that slows down growth and keeps European companies smaller than their global competitors.
- 2. The same fragmentation affects investment.** Venture capital, pension funds and institutional investors face such regulatory complexity that investing across borders becomes unprofitable. As one participant noted: “Pension funds flow with regulation”. Today, too much of Europe's savings are funding innovation in the United States rather than here at home. Unless Europe aligns and simplifies its rules, the next generation of growth companies - and the capital that fuels them - will continue to scale abroad.

Europe's competitiveness challenge is a structural problem of complexity, risk aversion and uneven implementation. Solving it requires a shift from control to trust, from more regulation to less and better regulation.

Four Recommendations to Unleash Europe's Growth

Building on the structural barriers identified, participants converged on a clear set of solutions. Despite coming from different sectors and countries, entrepreneurs and investors offered remarkably aligned proposals for how Europe can unlock its full growth potential. Their recommendations centred on four priorities:

One Europe for Entrepreneurs – The 28th Regime Regulation.

Europe needs a harmonised company framework - an “EU INC” - allowing startups to grow seamlessly across borders without facing 27 separate sets of rules. A common regime would cut compliance costs, speed up expansion and reduce the incentive to relocate outside Europe.

One Digital Gateway – A Single Entry Point for Business.

Entrepreneurs called for a single digital gateway to EU rules, authorisations and registrations. Such a platform would ensure consistent guidance, faster processes and equal treatment across all member states. Regulation should not depend on the postcode of a company's headquarters.

One Simple Rule – Regulation that Fits the Stage.

Startups and young firms need regulatory breathing space in their first years. A “Startup Sandbox” could provide lighter, digital-first compliance and smarter reporting. Regulation should be introduced with clear implementation guidelines - not before.

One European Market for Capital.

Europe must make it easier for long-term investors to back innovation. That means aligning risk rules for pension funds, supporting cross-border venture funds, and promoting a genuine Capital Markets Union. The focus should shift from financial stability alone to strategic growth and competitiveness.

From Complexity to Courage: A Call to Action

The message from Copenhagen was clear: Europe does not suffer from a shortage of talent or ideas - it suffers from over-complexity and under-implementation. Entrepreneurs are not asking for protection, but for permission to compete on fair and simple terms. We must champion a regulatory framework that matches the speed and ambition of Europe's innovators. If we want Europe's next generation of scaleups to grow here rather than abroad, we must build a truly integrated single market for innovation. Europe's entrepreneurs have spoken. Now it is time to act - to simplify, integrate, and dare to scale.