



eBay Digital Density in Europe

Further evidence that small business
digitalisation delivers inclusive growth

March 2025



EXECUTIVE SUMMARY

Regional economic disparities continue to plague Europe. The dominance of national capital cities presents a particularly striking challenge. As they economically “pull away” from the rest of their respective countries it threatens to undermine balanced growth and social viability.

This paper presents eBay data that counters the perception that Europe’s leading urban growth hubs are always destined to outperform the rest in digital commerce. Rather, the digitalisation of small and medium-sized enterprises (SMEs) can harness technology to address regional imbalances rather than worsen them. Regions perceived as secondary, economically depressed, rural, and less prepared for the digital transition often outperform national capitals and tech hotspots.

Two indexes are used to rank and compare Nomenclature of territorial units for statistics (NUTS) regions within EU Member States and their UK equivalent. **eBay Digital Density** is an index based on the measurement of eBay small business activity on a per-capita basis. The **Regional Prosperity Index (RPI)** measures a region’s per capita GDP. In both cases, the figures are based on per capita activity and normalized to allow for comparisons between regions with larger and smaller populations, and countries with higher or lower overall levels of economic development.

RPI results confirm that the national capital cities are nearly always located in the most advantaged region. The 18 capital regions in European countries with at least five NUTS2 regions have an average RPI value that is 65 percent higher than the country as a whole, compared to an average of just 6 percent higher for the leading eBay Digital Density regions.

Comparing eBay Digital Density leaders to noted European tech hotspots again reveals SME digitalisation as an inclusive tech phenomenon. The 15 hotspots averaged a RPI value of 119, less than the capital regions but still well above average, while the group of leading eBay regions in the same countries scored an average of just 88, a meaningfully more inclusive result.

eBay Digital Density results also challenge predictions of so-called “Digital Readiness”. Based on an analysis of EU NUTS regions that graded and ranked them into quartiles from “least prepared” (Red) to “most prepared” (Green) for the digital transition, the national capitals were unsurprisingly all rated Green. But eBay Digital Density leaders were very diverse, with more leaders coming from regions in the bottom two quartiles than were from Green regions, including four eBay leaders coming from Red regions. These findings demonstrate that SME digitalisation can upset traditional digital expectations.

Finally, eBay Digital Density challenges the expectation that urbanization, including higher population density, is inevitably linked to tech-driven economic success. Nearly every national capital region has the highest population density in their respective countries, and each is predominantly urban. Top eBay small business communities come from a wide range of regions, including some very rural, with six having population densities below 100 people per square kilometer.

eBay Digital Density continues to challenge the assumption that Europe’s national capital regions and tech startup hotspots will dominate every measure of entrepreneurship and mastery of digital tools. Instead, policies and investments to promote digitalisation and ecommerce by independent small businesses can pay inclusive growth dividends in regions otherwise slipping behind.

Key Learnings

- **National capital regions average 1911 people per square kilometer, while leading eBay regions average just 644**, including six top eBay regions with under 100 people per square km.
- **Thirteen eBay Digital Density leaders are regions with GDP per capita below their national average.** National capital regions, by comparison, top their country’s GDP per capita ranking 19 of 23 times.
- **Four top eBay Digital Density regions are rated as “least prepared” for the digital transition**, defying expectations of “digital readiness”.

Stimulating the growth of secondary and urban regions should be a priority for European and national policymakers, for example by implementing public policies and investments that facilitate ecommerce access to SMEs.



INTRODUCTION

The European Union (EU) is home to a vast and digitally proficient population, a huge and productive economy, and one of the most vibrant ecommerce ecosystems in the world. At the same time, promoting bottom-up growth and reducing disparities in development between regions remains a major challenge on the path to building a more inclusive, balanced, and sustainable Europe.

EU policies have contributed to meaningful progress in reducing economic and social imbalances between Europe's major regions. But regional disparities within many countries are worsening. The dominance of national capital cities presents a particularly striking challenge. Their roles as hubs of productivity, technology, entrepreneurship, and growth is generally an attractive development when seen from within these vibrant centers of activity and culture. However, as the capital regions "pull away" from the rest of their respective countries, it threatens to undermine long-term economic growth and social viability.

This paper presents eBay data that supports the contention that the digitalisation of small and medium-sized enterprises (SMEs) can help address regional imbalances by enabling more growth in regions that are often perceived as secondary, economically

depressed, rural, or less prepared for the digital transition. eBay "Digital Density" is a country-level ranked measurement of the per-capita eBay small business activity in Europe's Nomenclature of territorial units for statistics (NUTS) regions.¹ In many EU Member States, the region that dominates the traditional economy, nearly always the highly urban capital region, does not lead in eBay Digital Density. Rather, eBay's ecommerce marketplace is leveling the playing field and allowing independent small businesspeople to tap their entrepreneurial spirit regardless of their local situation, with top eBay small business communities emerging in a very wide range of regions. This digitally-enabled success is often an inclusive counterbalance to the prevailing growth trends.

The analysis in this report is based on data covering transactions on the eBay marketplace in 2023 unless otherwise indicated. When analyzing the activities of small businesses on eBay, the data was limited to transactions by sellers who were registered business enterprises in one of the 27 Member States of the EU and the United Kingdom with sales of EUR 9,240 and GBP 8,040 (equivalent to \$10,000 USD) or more annually on the eBay marketplace.² In this report, these sellers are called "eBay small businesses".

Addressing regional disparities as national capitals pull away



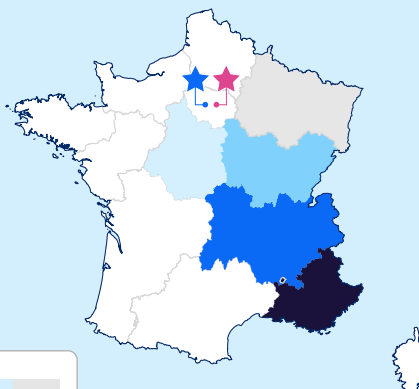
Economic and social imbalances between regions have plagued European markets for decades. EU policymakers have responded, investing consistently increased funds in regional development³ and making progress, with inequality between countries declining over the last two decades, especially with regards to Europe's central and eastern regions.⁴

However, even as national GDP per capita in Europe converged, the economic performance of the regions within each country have tended to grow apart.⁵ Although globalization and technology reduced the impact of distance between countries, geography seems to matter more than ever inside countries.⁶ Some regions have been able to create and strengthen a comparative advantage over neighboring regions, often involving skilled workers, access to capital, and centers of innovation, that are linked to economic development and success.⁷ The result is that regional inequalities within countries are increasingly seen as a top development challenge across Europe.⁸

National capital regions have played a central role driving competitiveness, productivity, as well as innovation and growth. Workers in nearly all European national capital regions are more productive⁹, younger¹⁰, and more highly educated¹¹ than elsewhere in their country, and they draw like people in, leading to "a slow process of geographic sorting."¹²

This "magnetism" of European national capitals is a manifestation of an "urban paradox" as a dominant urban region concentrates investment and resources, exacerbating social, economic, and environmental inequalities.¹³ In economic terms, secondary cities and regions outside the national capital area have the potential to contribute more to output and growth in the European economy if they are supported.¹⁴ There are also social implications of divergence between Europe's leading urban centers and increasingly secondary regions, with globalization and the digital transformation seen as benefitting the young and more highly educated concentrated in urban hotspots versus those who are older and have lesser education.¹⁵

Country in focus: France



The eBay Digital Density figures for France reveal a regional balancing effect in a country with an otherwise economically dominant national capital region. Île-de-France is the wealthiest, most populous and most heavily urbanized region in France, and Paris appears on many lists of Europe's tech startup hotspots. But it sits seventh in eBay Digital Density among the country's 14 NUTS1 regions. Provence-Alpes-Côte d'Azur, with a GDP per capita that is just below the national average and less than two-thirds that of Île-de-France, is tops in eBay Digital Density, while Auvergne-Rhône-Alpes is 2nd, Bourgogne-Franche-Comté is 3rd, and Centre-Val de Loire is 4th, all sitting below the national average in GDP per capita.

Small business digitalisation is an inclusive regional development strategy

In the latest iteration of the European Commission’s Regional Development funding plan, the development of SMEs, especially through digitalisation, is a top priority.¹⁶ There are more than 24 million SMEs in the EU, accounting for 99 percent of all business enterprises and employing over 84 million people.¹⁷ Wholesale and Retail Trade is the EU industry holding the highest share of SME employment and value added.¹⁸ Two of the top EU strategies to foster sustainable growth and resilience are to expand SME digitalisation and internationalization.¹⁹

Both digitalisation and its oft-byproduct, cross-border trade, allow small business retailers to reach hundreds of millions of new potential customers, complementing local in-store sales. However, digital commerce traditionally involved a sometimes-steep learning curve of new skills, methods, and technologies, and larger companies proved more willing and able to jump ahead. For example, 22 percent of EU SMEs reported online sales in 2023, but that was just half the rate of large European businesses.²⁰

Adoption of digital tools by EU SMEs continues to grow, with 58 percent reaching a basic level of digitalisation based on the EU’s Digital Intensity Index, still well short of the European Commission’s goal of 90 percent by 2030.

Platforms, especially marketplaces like eBay, are enabling smaller firms to overcome digital complexity and succeed online.²¹ In fact, once online, small businesses are often adept at operating on multiple ecommerce platforms rather than limiting themselves to just one or two.²² Operating on multiple platforms, especially when they provide improved access to new markets, brings clear diversification benefits, including reducing the risk an individual business faces should a critical destination market or region suffer an economic downturn²³, as well as reducing a small enterprise’s dependence on any single service provider.²⁴

The next sections demonstrates how eBay small business ecosystems in countries across Europe are confirming that SME digitalisation can help ameliorate the regional imbalances often attributed to the digital economy, globalization, and other factors driving the magnetism of top urban centers.



Adrián Nicolás

Desguaces Renault
Murcia, Spain

“eBay let us turn a local family-owned business into an international supplier of goods, with most of our inventory being shipped outside of Spain.”



Visit Adrián’s store

Country in focus: Italy



Italy proves that eBay small businesses can thrive in a country’s most economically challenged regions. Italy suffers persistent north-south regional disparities along a wide range of indicators. Against that backdrop, the highest levels of eBay Digital Density are in many of its most distressed regions. eBay Digital Density leader Campania, home of Naples, has an unemployment rate of nearly 18 percent and is 19th of 21 in GDP per capita. But eBay small businesses in Campania are not alone in pushing back against Italy’s regional imbalances. The top eight regions in eBay Digital Density all have GDP per capita levels below the national average, including the bottom four by income: Calabria, Sicilia, Campania, and Puglia.

eBay sellers countering urban hot spot dominance

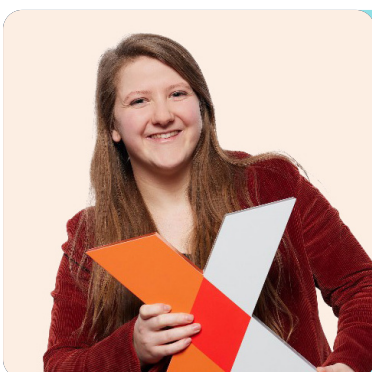
In this section we calculate and use two indexes to rank regions at primarily the NUTS2 level in EU Member States and the UK. One, called **eBay Digital Density**²⁵, is a measurement of eBay small business activity on a per-capita basis. The second, which we call the **Regional Prosperity Index (RPI)**²⁶, measures a region's per capita GDP. In both cases, the figures are based on per capita activity, allowing for more helpful comparisons between larger and smaller population regions. Second, both indexes normalize their values by presenting a region's performance, whether for eBay small business activity or per capita GDP, as a percentage of the national average, so that 25 percent above the national average results in an index value of 125. This allows for a greater sense of divergence from the norm, whether the underlying baseline of GDP or eBay activity is higher or lower.

The RPI results confirm that the capital city regions of Europe are nearly always the wealthiest and most advantaged regional economy in each Member State. In 19 of the 23 EU markets with more than one NUTS2 region, the capital region enjoys the highest GDP per capita, often by a significant margin.²⁷ EU capital regions are even more likely to be the most urbanized in their respective country as measured by population density. There are only two exceptions, Italy's Lazio region and the Noord Holland region of the Netherlands, home to Amsterdam, each sitting second in population density.

The regions that lead in eBay Digital Density in their national market are a far more diverse collection. Rather than following the national capital pattern of being the wealthiest and most urbanized, the most robust eBay small business communities come from a wide mix of regions based on geography, population, population density and economic conditions (See map on pages 9-10 for examples). While 9 of the 23 regions leading in eBay Digital Density also top their country's RPI, 12 of the top eBay Digital Density leaders have a GDP per capita that is below their national average.

Comparing national capital regions to eBay Digital Density leaders

We first compare the national capital regions from each country to the top eBay Digital Density regions based on the RPI scores. We limit this analysis to countries with at least five NUTS2 regions to offer enough inter-regional differentiation for both eBay small business communities as well as GDP per capita.²⁸ Those 18 national capital regions have an average RPI value of 165, meaning they enjoy, on average, 65 percent higher per capita GDP than their country as a whole. We then did the same calculation using the region in each country with the highest eBay Digital Density. Those eBay Digital Density leaders were just 6 percent wealthier than their country, meaning an average RPI value barely above the national GDP per capita.



Kimberly Antonissen

Maxodeals
Roosendaal, Netherlands

"eBay expanded our business significantly. We were able to start selling internationally at a very rapid pace, increasing visibility, turnover, and overall growth."



Visit Kimberly's store

In Member States with five or more NUTS2 regions, only four national capital regions, those home to Prague, Athens, Budapest and Bucharest, top both the national RPI and the eBay Digital Density ranking. They are also the only examples among the 18 eBay Digital Density leaders where the top eBay small business community is located in the region with the highest per capita GDP. The same analysis without these four national capital regions reveals an even starker contrast between national capitals and eBay Digital Density leaders. The remaining 14 capital regions average 162 for the RPI, or 62 percent above their national average. The 14 regions that lead in eBay Digital Density in those countries average a RPI value of just 86, meaning their residents often live in regions with per capita income below their national average, sometimes significantly so, including Italy's top eBay Digital Density region, Campania, at just 62 percent and Valencia (Spain) at 77 percent.

Comparing tech startup hot spots to eBay Digital Density leaders

The top eBay Digital Density regions include far more middle and lower economic tier regions than widely recognized European tech and startup “hot spots”.²⁹ Like we did with national capital regions, we compared the RPI values of select hotspot regions with the eBay Digital Density leader in their respective countries. Once again, there is meaningful divergence in regional prosperity. The digital hotspots collectively had an average RPI nearly 20 percent above their national average (119). This is well below the average for the full set of national capital regions. However, the eBay Digital Density leaders in those countries score an average of just 88 on the Index for GDP per capita, and only two of the top eBay small business regions in those countries enjoyed a GDP per capita above their national average.³⁰

eBay Digital Density success does not parallel traditional “digital readiness”

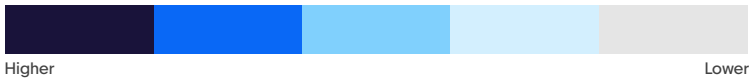
A 2022 study from *Maucorps et al.* projects the regional growth effects of the digital and green transitions in Europe.³¹ They calculate “digital readiness” at the NUTS2 regional level based on five criteria that are combined into a single joint score and then they classify the regions into four color-coded quartiles: Green (High readiness), Yellow (Medium high readiness), Orange (Medium low readiness), and Red (Low readiness).³² They contend that their digital readiness analysis suggests that the digital transition will amplify polarization in regional income levels, with already economically strong metropolitan regions benefitting most, noting in particular the “high innovation potential” of those regions.

Looking at eBay Digital Density in the context of the *Maucorps et al.* digital readiness analysis further illustrates the inclusive growth potential of eBay small business activity. All national capital regions in the 17 EU Member States with at least five NUTS2 regions fall into the Green quartile based on the *Maucorps et al.* formula.³³ However, once again, the eBay Digital Density leaders paint a different picture of digital readiness and a more inclusive example of real-world digital success. While seven of the 17 respective eBay Digital Density leaders are in the Green quartile, eight come from the bottom half (split evenly between Red and Orange) and two regions are in Yellow level.

eBay Digital Density success happens across “digital readiness” levels

Green	Yellow	Orange	Red
Brabant-Wallon (Belgium)	Syddanmark (Denmark)	Steiermark (Austria)	Югоизточен [Yugoiztochen] (Bulgaria)
Praha (Czech Republic)	Provence-Alpes-Côte d’Azur (France)	Oberpfalz (Germany)	Campania (Italy)
Comunitat Valenciana (Spain)		Limburg (Netherlands)	Lubuskie (Poland)
Åland (Finland)		Småland med öarna (Sweden)	Algarve (Portugal)
Attiki (Greece)			
Budapest (Hungary)			
București-Ilfov (Romania)			

eBay Digital Density



Higher Lower

National border
 Regional border
 Highest population
 Highest GDP per capita



Alina Pascu

KIT Xenon Tuning
Bucharest, Romania

"One of the major goals of our company has been to start selling abroad. Currently, our eBay account brings a significant source of income this way, as well as an important customer base."



Visit Alina's store

Ireland

The Southern region, with its collection of tech company facilities is 1st in GDP per capita, but the Eastern and Midland region has the highest eBay Digital Density.



Julien Dubois

Valued
Paris, France

"I recommend eBay for their excellent communication and their support in complying with applicable laws."



Visit Julien's store

France

Provence-Alpes-Côte d'Azur tops eBay Digital Density but has a GDP per capita below the national average and less than two-thirds of Ile-de-France, which sits 7th in eBay Digital Density.



Michelina Romano

Rubik Elettronica
Rimini, Italy

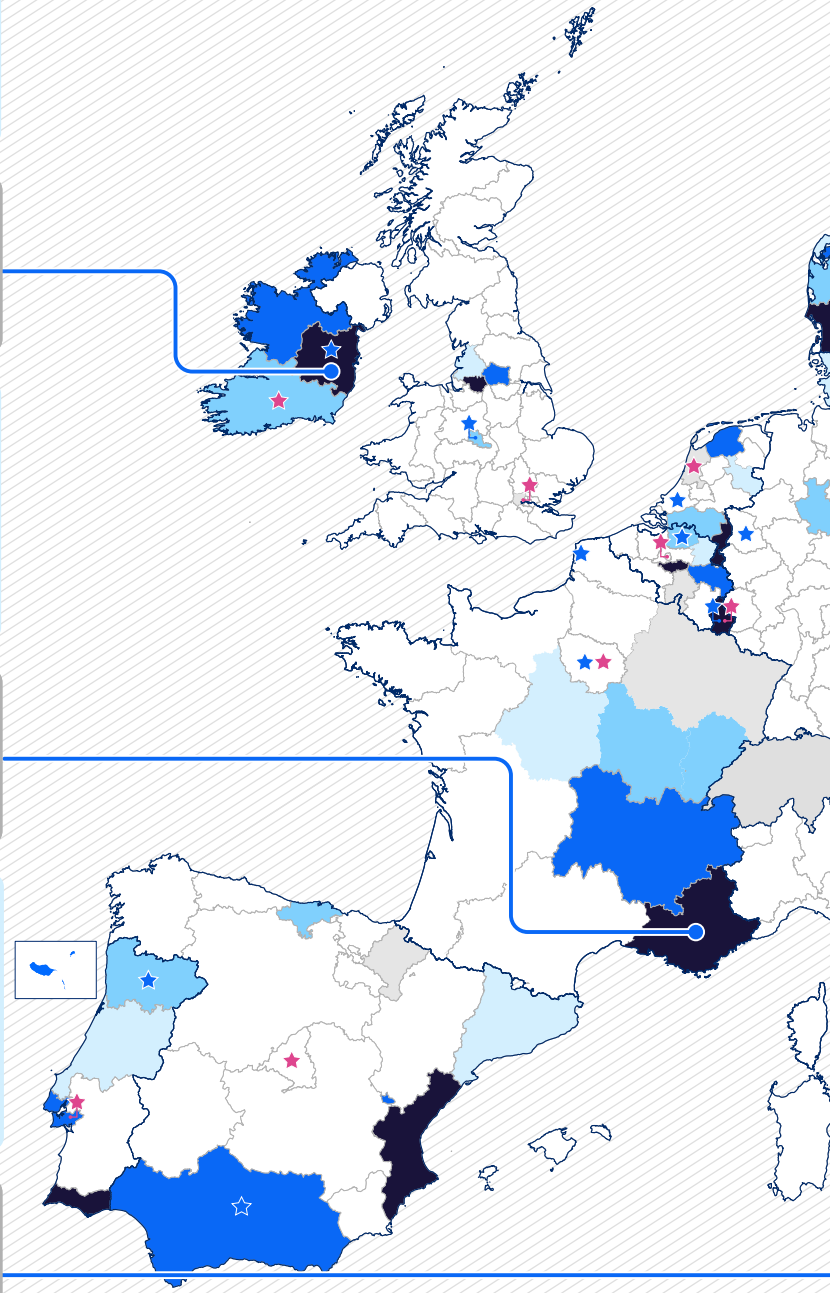
"eBay has allowed me to transform what was a passion into a real thriving business, reaching new customers and markets throughout Italy and the world."

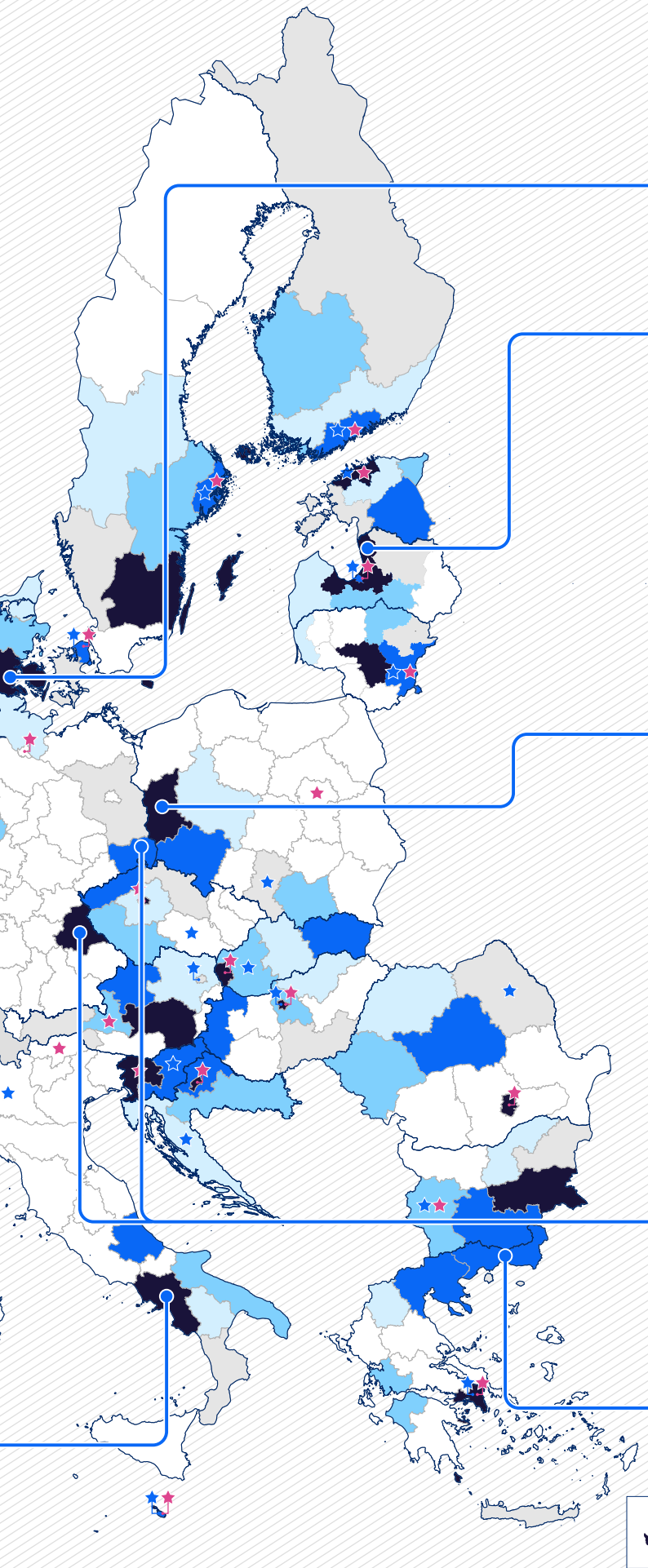


Visit Michelina's store

Italy

Campania is 1st in eBay Digital Density in Italy despite having the country's highest unemployment rate and 3rd lowest GDP per capita.





Denmark

The capital region Hovenstaden is 1st in population density and GDP per capita, but rural Syddenmark is 1st in eBay Digital Density.



Latvia

The NUTS3 region that includes the capital city Riga is the wealthiest and most highly urbanized, but the rural Pieriga region, with less than half the GDP per capita, leads in eBay Digital Density.



Michał Szpin

GlobalParts
Warsaw, Poland

"We choose to sell on eBay because it's a fantastic platform for quickly scaling our business across various countries."



Visit Michał's store



Poland

Warszawski stołeczny leads the Polish economy, but the Lubuskie region, one of the most rural, is 1st in eBay Digital Density.



Paul Jonas

Revive
Cologne, Germany

"When I got started, I didn't give much consideration to reaching customers outside of Germany. Now, thanks to eBay, I sell all over the world, giving used furniture a new life and working towards a more sustainable, circular economy."



Visit Paul's store



Germany

Oberpfalz and Dresden are the top two in eBay Digital Density in Germany, but rank 10th and 31st in GDP per capita. Hamburg and Oberbayern, the two richest regions, rank just 21st and 35th in eBay Digital Density.



Greece

The Attiki region leads in eBay Digital Density and GDP per capita, but rural Anatoliki Makedonia, Thraki, with barely half the GDP per capita, is a close 2nd in eBay Digital Density.

Urbanization and population density not tied to eBay success



Frank Burguera | California Motorcycles | Oliva, Spain

The phenomenon of urban hotspots pulling in growing numbers of people, especially younger, more highly educated and more productive workers, is well understood. Similarly, areas facing economic development challenges often include more remote and rural areas with low population densities and minimal urbanization. Unlike many traditional measures of tech-led economic activity, high population density and greater urbanization are often not tied to eBay small business success.

Overall, the 23 Capital City regions average 1,911 people per square kilometer while the eBay Digital Density leaders average just 644.

Comparing regions based on population density

As noted above, the only two exceptions to European capital regions having the highest population density are Italy's Lazio region and the Netherlands' Noord-Holland region. Each sits second nationally. The regions that lead eBay Digital Density are a far more diverse collection. Top eBay small business communities often come from regions with secondary cities, but they sometimes also come from heavily rural regions. Six eBay Digital Density leaders have population densities below 100 people per square kilometer, including Sweden's Småland med öarna at 27 and Finland's Åland with just 20.³⁴



Kristian Rautert

Buy2Sell
Sønderborg, Denmark

"eBay gave me access to the worldwide market and provided the necessary tools to grow and develop my entrepreneurial site. Buying and reselling electronic goods is my big passion because I believe in a world where we can recycle, upcycle, and reuse all technical products. I want to make this happen on a global scale with great passion, because old does not mean bad—every item can find a new, valuable life somewhere in the world."



Visit Kristian's store

Comparing regions on an urban-to-rural scale

De Beer et al. developed a Eurostat-type urban-rural typology of NUTS2 regions using a three-tier urban scale classifying NUTS2 regions as Predominantly Urban, Intermediate, or Predominantly Rural.³⁵ This can be used with other NUTS2 datapoints such as eBay Digital Density and highlights the heterogeneity of that ranking's leaders.

All national capital regions in the 18 largest countries are Predominantly Urban. The eBay Digital Density leaders are again a far more diverse group. Ten of the top eBay regions are categorized as Predominantly Urban, but even that group is far

different from the national capitals. While four national capitals are also eBay Digital Density leaders, the top eBay regions in Spain, France, and the United Kingdom are home to major secondary cities such as Valencia, Marseille, and Manchester. At the other end of the urban-rural scale, six eBay Digital Density leaders are Predominantly Rural on the *de Beer et al.* scale, including Oberpfalz, Germany and Syddanmark, Denmark.

eBay Digital Density leaders among the *de Beer et al.* urban-rural scale

Predominantly urban	Intermediate	Predominantly rural
Brabant Wallon (Belgium)	Югоизточен [Yugoiztochen] (Bulgaria)	Steiermark (Austria)
Praha (Czech Republic)	Lubuskie (Poland)	Syddanmark (Denmark)
Comunitat Valenciana (Spain)		Oberpfalz (Germany)
Provence-Alpes-Côte d'Azur (France)		Åland (Finland)
Greater Manchester (United Kingdom)		Algarve (Portugal)
Budapest (Hungary)		Småland (Sweden)
Campania (Italy)		
Limburg (Netherlands)		
București-Ilfov (Romania)		

Country in focus: United Kingdom



The NUTS2 region of Greater Manchester is not just #1 in eBay Digital Density the United Kingdom, it is the top eBay small business region in terms of activity in all European markets combined. And it sits at the center of a true “superhub” of eBay small business success, with the neighboring NUTS2 regions of Lancashire and West Yorkshire holding 2nd and 4th in eBay Digital Density in the United Kingdom. And pulling out to look at the United Kingdom’s twelve NUTS1 regions, the fact that eBay is helping regionally balance the economy is clear, with the top four regions in eBay Digital Density being North West, West Midlands, East Midlands and Yorkshire and the Humber. They sit 5th, 8th, 9th, and 7th in per capita GDP. London, dominant in GDP per capita, sits at a decidedly mid-table 6th in eBay Digital Density.

CONCLUSION

Regional disparities continue to plague Europe. Policymakers have made meaningful strides towards resolving these challenges at the country-level, but inside many European countries regional imbalances are worsening. National capital regions are accelerating as technology and growth hubs, but their “magnetic” tendency to concentrate entrepreneurs, workers, and financial capital threatens opportunities in other regions, which can depress overall economic potential and undermine social cohesion.

eBay Digital Density data, a measurement of the per capita eBay selling activity carried out by registered small businesses, provides a hopeful counterweight to the perception that the digital transition is a win only for national capital regions and other urban hotspots. Rather than win – lose, digitalisation can be win – win. While Europe’s national capital regions are nearly always first in key measures including GDP per capita and urban density, often by a significant margin, eBay Digital

Density presents more balanced leaders. The most robust eBay small business communities come from a wide mix of regions whether viewed through the lens of geography, GDP per capita, population, population density, or other economic measures, with some of Europe’s most economically challenged areas, rising near, and even to, the top.

This report illustrates that Europe’s national capital regions and tech startup hotspots do not dominate every measure of entrepreneurship or mastery of digital tools. Rather, digitally-enabled small businesses across Europe are succeeding, proving that technology and marketplaces that level the playing field are opening new opportunities for entrepreneurs just about everywhere. Policies and public investments that facilitate ecommerce by independent small businesses run counter to more of the “rich getting richer,” but instead can pay dividends in many regions perceived as falling behind the hotspots.

RESOURCES

- ¹ The report uses the Nomenclature of territorial units for statistics (NUTS) 2021 classification in which the EU has 92 regions at NUTS1, 242 regions at NUTS2 and 1166 regions at NUTS3 level. Additional background on the NUTS is available from Eurostat at: <https://ec.europa.eu/eurostat/web/nuts>.
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- ³ European Commission (18/03/2025) “European Regional Development Fund turns 40.” Available at: https://ec.europa.eu/regional_policy/en/newsroom/news/2015/03/european-regional-development-fund-turns-40.
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- ⁸ Rodríguez-Pose, Andrés (06/02/2018) “The revenge of the places that don’t matter.” VOX EU. Available at: <https://cepr.org/voxeu/columns/revenge-places-dont-matter>.
- ⁹ Odendahl, Christian and John Springford (13/05/2019) “Why Europe’s Capital Cities are Pulling Away From Their Countries – And What We Can Do About It.” Centre for European Reform. Available at: <https://www.cer.eu/in-the-press/why-europes-capital-cities-are-pulling-away-their-countries-%E2%80%93-and-what-we-can-do-about>. Note: Berlin is the only European capital city that is less productive than the average of the country as a whole.
- ¹⁰ O’Sullivan, Fergus (11/10/2018) “Europe’s Capital Cities Keep Getting Richer and Younger.” Bloomberg. Available at: <https://www.bloomberg.com/news/articles/2018-10-11/the-onward-march-of-europe-s-capitals>.
- ¹¹ Eurostat (31/10/2017) “City dwellers: highly educated but weighed down by housing costs.” Press release. Available at: <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/edn-20171031-1>.
- ¹² Odendahl, Christian and John Springford (13/05/2019) “Why Europe’s Capital Cities are Pulling Away From Their Countries – And What We Can Do About It.” Center for European Reform. Available at: <https://www.cer.eu/in-the-press/why-europes-capital-cities-are-pulling-away-their-countries-%E2%80%93-and-what-we-can-do-about>.
- ¹³ Eurostat (08/07/2016) “Urban Europe — statistics on cities, towns and suburbs — the dominance of capital cities.” Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Archive:Urban_Europe_%E2%80%94_statistics_on_cities,_towns_and_suburbs_%E2%80%94_the_dominance_of_capital_cities&oldid=296362. Note: For more on “urban paradoxes”, see Rueda-Sabater, Enriquet (07/09/2021) “Urbanization and Its Paradoxes.” Do Better. Esade Foundation. Available at: <https://dobetter.esade.edu/en/urbanization-trends>.
- ¹⁴ Parkinson, Michael and Richard Meegan, et al. (November 2013) “Second Tier Cities and Territorial Development in Europe: Performance, Policies and Prospects.” A report from ESPON, the European Spatial Planning Observation Network. Available at: https://archive.espon.eu/sites/default/files/attachments/SGPTD_Executive_Summary_-_Final_Version_27.09.12.pdf.
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- ²⁵ Calculating eBay Digital Density: eBay Digital Density is a measurement of the per capita eBay selling activity carried out by registered eBay small businesses in a jurisdiction. eBay Digital Density in this report is calculated at the NUTS1, 2, and 3 regional levels. The level of eBay Digital Density is based on two factors – (1) the number of eBay small businesses per 100,000 inhabitants and (2) the total sales by eBay small businesses per 100,000 inhabitants. These two factors are combined in a weighted average and normalized in an Index based on how a region's eBay seller community performs in relation to the national average.
- ²⁶ Calculating the Regional Prosperity Index: Like with our calculation of eBay Digital Density, the Regional Prosperity Index provides a per capita ranking at the NUTS2 regional level in EU Member States and their equivalent in the UK, in this case of GDP per capita. If the per capita GDP in a region is the same as their national GDP per capita, meaning income was perfectly average, the Regional Prosperity Index value would be 100. If a region's GDP per capita is twice the national average, the index value is 200. This is the case whether the national GDP is 20,000 euro or 40,000 euro per person. This allows for comparable rankings of the regions within a country based on how much above or below the national average the regional economy is, which is helpful when comparing between Member States at different levels of economic development. It also allows for regional comparisons of Regional Prosperity across the EU and the UK based on how much the regional GDP per capita is above or below its national GDP per capita.
- ²⁷ The only exceptions are Austria's Wein region (Vienna), which is #3 in per capita GDP among the country's eight NUTS2 regions, Germany's Berlin region, which is #11 of 38, Italy's Lazio region, home to Rome, which is #7 of 21, and Ireland's Eastern and Midland region, home to Dublin, and #2 among three regions.
- ²⁸ As both eBay Digital Density and the Regional Prosperity Index are normalized figures comparing NUTS2 regions within a country (for the majority of countries covered in this report), the calculation is not applicable to countries with one NUTS2 region as their values always equal 100 and the one region always ranks first. Therefore, eBay Digital Density and Regional Prosperity are not calculated for Cyprus, Estonia, Latvia, Luxembourg, and Malta. Similarly, intra-country regional comparisons at the NUTS2 level in small states suffer from similar shortcomings due to limited regional distinctions, so countries with fewer than five NUTS2 regions are not included in cross-European comparisons in this report unless specifically noted.
- ²⁹ The Tech Start-Up Hot Spots used in this section are London, Berlin, Paris, Amsterdam, Barcelona, Munich, Madrid, Stockholm, Dublin, Milan, Copenhagen, Helsinki, Hamburg, Lisbon and Cambridge. They are drawn from: Ohr, Thomas (24/11/2020) "TOP 30: Europe's biggest startup hubs in 2020." *EU Start-Ups*. Available at: <https://www.eu-startups.com/2020/11/top-30-europes-biggest-startup-hubs-in-2020/>. Because Ohr's list included two cities in countries with just one NUTS2 region, we added Lisbon and Cambridge from: Baganovic, Sofia (05/07/2021) "10 best cities for entrepreneurs: EU edition." *TravelPerk*. Available: <https://www.travelperk.com/blog/10-best-cities-for-entrepreneurs-eu-edition/>. Finally, as London is an urban center that includes multiple NUTS2 level regions, we used the Outer London West and North West for this calculation.
- ³⁰ Eastern and Midland (Ireland), with a Regional Prosperity Index score of 105, and Algarve (Portugal), with a Regional Prosperity Index score of 103.
- ³¹ Maucorps, A., Römisch, R., and N. Vujanovic (2022) "The Future of EU Cohesion - Effects of the Twin Transition on Disparities across European Regions." *Bertelsmann Stiftung*. Available at: <https://www.bertelsmann-stiftung.de/de/publikationen/publikation/did/the-future-of-eu-cohesion>.
- ³² The five factors contributing to digital readiness in the Maucorps et al. analysis are: (1) Labor productivity (a proxy for the level of technology); (2) Internet access (a) internet at home, b) broadband at home, c) online interaction with public authorities and d) internet access; (3) Business sophistication (a) employment (sectors K-N), b) gross value added (sectors K-N), c) innovative SMEs collaborating with others and d) marketing or organizational innovators; (4) Lifelong learning (Percentage of persons aged 25 to 64 who stated that they received education or training.); and (5) Labor market efficiency (a) employment rate (excluding agriculture), b) long term unemployment, c) unemployment, d) productivity, e) gender balance unemployment, f) gender balance employment, g) female unemployment, h) people not in education, employment or training (NEET) and i) in voluntary part-time /temporary employment.
- ³³ The 2022 Maucorps et al. paper only addresses the European Union's NUTS2 regions and does not include the United Kingdom, hence there are only 17 EU Member States with five or more NUTS2 regions.
- ³⁴ The most rural eBay Digital Density leaders, with population density below 100 per square kilometer, are Steiermark (Austria), Югоизточен [Yugoiztochen] (Bulgaria), Åland (Finland), Lubuskie (Poland), Algarve (Portugal), and Småland med öarna (Sweden).
- ³⁵ de Beer, J., van der Gaag, N., and R. van der Erf (April 2014) "New classification of urban and rural NUTS2 regions in Europe." Working Paper no.: 2014/3. *Netherlands Interdisciplinary Demographic Institute (NIDI)*. Available at: <https://www.nidi.nl/shared/content/output/papers/nidi-wp-2014-03.pdf>.



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