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# Could the Internet Do What the Euro Couldn't?

By MARK SCOTT FEB. 26, 2016

ROME — WHEREVER you look in Europe, the 60-year project to unite the Continent is starting to show its age.

Almost a decade of financial crises — including multibillion-dollar bailouts for Greece and Cyprus, often accompanied by onerous repayment terms — have eroded people's trust in many of the institutions that underpin the European Union. And the mass influx of migrants has tested the core tenets of the 28-member bloc, including the freedom to travel unhindered between countries.

Despite such challenges, Europe's policy makers — not typically known for risk taking — are forging ahead with a new plan to align the Continent's disparate, and often contradictory, digital interests. The outcome, though, is far from assured.

The goal is to create a so-called digital single market across a region with more than 60 languages and a population of more than 500 million. Such a market, officials say, would offer unfettered access to services like movie streaming, online shopping and cloud computing no matter where one lived.

The plan is the brainchild of the European Commission, the Brussels-based executive arm of the European Union. The digital single market involves a raft of new policies that would come into force — if everything goes according to plan — by the end of the decade. The proposal has been championed by many political leaders, including Jean-Claude Juncker, president of the European Commission.

By allowing anyone from Ireland to Bulgaria to tap into the same digital marketplace, policy makers argue, Europeans could access a more diverse — and often cheaper — set of online services, from discounted online shopping to video-on-demand programming. Right now, for instance, someone in Spain cannot legally view (or buy) digital movies or sports events that are streamed online by companies based in other European countries.

The hope is that a unified digital marketplace would help improve Europe's moribund economy by creating new businesses and tens of thousands of engineering and other technology-related jobs, according to European Union estimates. And it would help local start-ups harness the combined wealth of one of the world's largest economies.

Already, technology communities have sprouted up in London and Berlin. And while Europe is a long way from competing with Silicon Valley as an incubator for innovation, several European companies, including the German e-commerce giant Zalando, are already worth billions of dollars.

For a new generation of politicians here, the goal — despite the absence of bonhomie among many countries — is nothing short of a digital United States of Europe. "There are going to be no easy victories," said Andrus Ansip, a former Estonian prime minister who is leading the European Commission's digital campaign. "It will be an uphill struggle."

As a straight-talking Estonian, Mr. Ansip does not do exaggeration. And he's right about the obstacles, given renewed anxiety about the global economy and the growing number of migrants on Europe's doorsteps. After all, if politicians can't agree on who should be let across their borders, some question how much time they will spend on ensuring that Amazon purchases or iTunes subscriptions are delivered efficiently.

And many vested interests could still scupper the plans. National television producers, for example, have long supported regulations that restrict people in France, say, from buying video-on-demand services from neighboring Germany. “As soon as you go across a border, it becomes complicated and costly,” said Paul Todd, head of eBay’s European operations, adding that basic hurdles like high shipping costs limit people from reaching new customers. “There are annoying barriers to doing business.”

A potentially deeper problem is that basic Internet skills — along with other essential services like high-speed mobile networks — vary drastically among European countries, as does understanding of e-commerce and general familiarity with the online world.

In Sweden, for instance, where the government pushed investment heavily in the 1990s for a fast nationwide Internet network and subsidized personal computers at home, roughly 85 percent of the population surfs the Web each day, based on European Union statistics. Three-quarters of Swedes also bought goods online last year, close to Americans, at around 78 percent, according to the data provider comScore. It is no wonder, then, that Sweden has become the launching pad for global tech giants like Spotify, the music-streaming service, and King Digital, the mobile gaming company behind the Candy Crush franchise.

Compare that with Italy, where high-speed broadband infrastructure is only now being rolled out, and fast mobile connection outside big cities like Rome is patchy at best. Just over half of Italians are daily Internet users, and fewer than one in four bought something online last year, according to European statistics.

As a result, experts say, those countries accustomed to living in an online world may well plow ahead with Europe’s plans for a digital single market, while less tech-savvy neighbors — including Portugal and Spain — could easily be left behind.

“Everyone says we need a single digital market,” said Giuseppe Recchi, chairman of Telecom Italia, the country’s former telecom monopoly. “But how do you make that happen so that everyone prospers?”

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