

Emmanuel Macron makes bid for Silicon Valley on the Seine

By Jimena Rubio, LL.M. Candidate 2018 | November 6, 2017

France's 49 year old president, [Emmanuel Macron](#), is betting high on the development of startups and new tech businesses in France and it's starting to work! As a result, France's tech sector is becoming more and more attractive to entrepreneurs that were once discouraged by the countries rigid labor laws and high taxes.

What Macron's government is trying to do is improve the chances of startup companies in becoming worldwide leaders. "I want this country to become a country of unicorns (private companies valued at more than 1bn)" said Macron at the [Viva Tech](#) conference in Paris in June.

By reforming France's strict labor law framework while injecting state backed venture capital funding, Macron plans to create an atmosphere where France's great talent in engineering can be directed to create leading billion dollar tech companies. The countries great engineering talent is specially noted in areas such as software, healthcare, deep tech and artificial intelligence.

Even though France still faces great challenges in pushing through the labor market and fiscal reforms as well as creating more next stage investment opportunities, the governments actions are already having positive results. During this year, [French venture funds](#) managed to raise more cash (€2 billion and counting) compared to other leading tech countries in Europe like Germany and Britain.

Where private capital was lacking, government funds have been feeling the void to help jumpstart the countries tech sector. Today, the largest investor in the country is BPI France, a government owned investment bank that has spent more than €4 billion over the last four years in both direct startup investments and funding for local venture funds.

Furthermore, to expand their *knowhow* in the wider tech world and to incentivize funders to come to France, the state bank also invested in U.S and pan-European venture capital firms. The new "[French Tech Visa](#)" that implements a visa program for foreign tech talent is another example that proves how France wants to expand and open their tech environment to the world.

Regardless of the government's positive intentions to boost France's tech sector, a valid concern for entrepreneurs in France is that the government's central role in the industry might upscale into market interference. Let's not forget that in 2013, the French government blocked Yahoo's intention to buy *DailyMotion*, a [French video streaming startup](#) who was then sold to the French media giant *Vivendi*, for a lower price.

Furthermore, the industries incredibly fast paced growth tends to suggest that state-backed programs and funding are not enough to create successful global tech companies but rather these efforts should be combined with efforts and involvement from the private sector. Regardless, we can say that Macrons efforts have caught the eye of the industry and we look forward to seeing

what France’s tech sector can accomplish during his government. We might see Paris turn into the next French Silicon Valley.

“All the entrepreneurs who are here today, I want to give you back your freedom but I also want to make you realize that it is an immense responsibility. The world that we currently live in, the world that I want to lead with you, the world in which France is a leading nation, it is a world that cannot share the same values as the world of yesterday.” Emmanuel Macron VivaTech 2017.