

Business School Insider Paris

MBA view: is Paris the next start-up hotspot?

Business school students discuss what it takes to become Europe's tech hub



The city of light: French capital makes a bid for entrepreneurs © Reuters
Nassia Matsa YESTERDAY

France has benefited from promised [investment unveiled by big technology companies](#) this year as Google, Facebook and SAP have expanded their workforces across the country. Emmanuel Macron's presidency has been characterised by ambitious reform plans and he has pushed to attract foreign investment.

Meanwhile, as the UK's exit from the EU looms, Paris is competing hard with London for talent. The city is also [closing the gap](#) with London as a preferred base for fast-growth companies.

Could Paris be Europe's next corporate hotspot? We put the question to MBA students at some of the world's top business schools.

Join in the discussion in the comments below.

Jessica Zhang, CUHK Business School, The Chinese University of Hong Kong

Amid the Brexit storm, President Macron's pro-business reforms have definitely boosted France's status in the EU and the rest of the world. Chinese corporate giants, like Alibaba, are building

stronger ties with Paris, and Chinese investors are acting on this growing confidence in France and its economy.

Marisha Naz Shakil, Saïd Business School, University of Oxford

At a time when immigration rules are being tightened in both the UK and US, France is making it easier for global tech entrepreneurs to come to their capital. But high tax rates, inflexible labour laws and the perception that non-French speakers are at a disadvantage remain issues that Paris will have to overcome to truly be a hot tech city. For now, there is a perception that it is hard to move fast in France.

Nana Manaphongphan, Rotman School of Management, University of Toronto

Paris gained a reputation as an attractive tech destination with the success of [car-pooling site] BlaBlaCar. The future seems promising from a policy perspective. The establishment of [Station F](#) [a €250m start-up campus], the changed tax policy and the unemployment insurance for entrepreneurs all incentivise new business founders to come to France.

However, the long-lasting problem of unionised labour could stand in the way of the French mission to create a new Silicon Valley. Known for its strict labour laws, France is not the easiest place to conduct business.

Anjana Dattani, Rotman School of Management, University of Toronto

Paris' future as a tech hub looks promising, evident from announcements by Google to [set up](#) a research facility focused on artificial intelligence, Facebook to quadruple PhD funding and Amazon to create 2,000 jobs in the country this year. Incentives to attract foreign entrepreneurs to Paris have encouraged SAP, Toyota and Novartis to announce investment of more than €3.5bn.

President Macron's efforts to increase the bargaining power of business owners and enable small and medium-sized businesses to negotiate with independent employees rather than unions have provided a definite push in support towards entrepreneurship. But France's administrative complexities must be addressed if start-ups are to compete in the global landscape. Reducing red tape can make entrepreneurs focus on scaling instead of selling their start-ups.

Johanna Beer, Saïd Business School, University of Oxford

In 2017, France introduced a new visa, making it easier for start-up founders, employees and investors in tech to obtain French residency status. It is too early to determine the impact of the scheme, but it shows how France is adapting its regulatory environment to attract global tech talent.

Tanja Alsheimer, Warwick Business School, University of Warwick

To maintain momentum, Paris needs to do more to lure the start-up community, which still competes with Berlin.

Entrepreneurs in France are still burdened by excessive bureaucracy, complicated paperwork and high taxes. The German city offers advantages when it comes to bureaucracy, language flexibility and start-up friendly governance policies.

Elvira Vafina, Warwick Business School, University of Warwick

Mr Macron's initiatives to boost France's finance and tech industries are paying off in terms of attracting talent and capital. However, the challenge is not only to build a start-up, but also to maintain growth and mature into a company competing at a European level.

The question is: should France compete with European countries to be a start-up leader? Or would it be better to co-operate with the UK, Ireland and Germany to build a competitive advantage against the US and China? Especially as China is investing many times more than France in AI.

Fernanda Torre, Stockholm School of Economics

Isolated country-specific investments in tech are not likely to dent the path of progress from Chinese or North American technology firms. The European hope may lie in strategic investments in specialised technologies.

Rather than having Paris or any other city as the hottest tech capital, a much more interesting exercise for European leaders would be to allow each country to focus on core differentiation.

Let Paris be the food-tech capital, Stockholm the reference for fintech, Berlin the digital-health hub and Lisbon the go-to place for cleantech.

[Copyright](#) The Financial Times Limited 2018. All rights reserved.

Latest on Paris