



Europe's innovation comeback: Macron sparks return of 'Les Pigeons'

Entrepreneurs and financiers drawn to France as brain drain goes into reverse

Harriet Agnew in Paris
12 HOURS AGO

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As Europe's economy recovers, companies and investors across the continent are gearing up for new opportunities, taking advantage of its hidden strengths: education, skills and innovative people. Here we look at why talent is being lured back to France.

For US scientist and inventor Professor Newton Howard the decision to base his latest neuroscience project in Paris was a "no brainer".

"In France you have this tremendous talent pool and then you have the incentives offered by the French government," says Prof Howard, the chief scientist at nizo, which is working on the next generation of brain prosthetics. This compares with the current situation in the US, where there is "rhetoric against foreigners", and the UK, which is "surrounded by uncertainty" because of Brexit, he adds.

In October, Prof Howard met Mounir Mahjoubi, France's minister for the digital economy, to celebrate nizo's decision to move its headquarters from Washington DC to Paris, where it plans to make its next 15 hires.

"We had a wonderful welcome by the minister and his staff," recalls Prof Howard, who considered the US and the UK before settling on Paris.

Prof Howard is typical of a growing number of scientists, entrepreneurs, engineers and financiers who are moving or returning to France in response to some combination of the push of President Donald Trump in the US and of Brexit in the UK, and the simultaneous pull of France under [President Emmanuel Macron](#).

Some of them are French nationals living abroad, while others are foreigners. Collectively, they represent tentative signs that a multiyear brain drain from [France](#) may have reached a turning point. "It's no longer a one-way trip out of France," says Reza Malekzadeh, a general partner at venture capital fund Partech in Silicon Valley. "That's the big difference."

While there is a lack of reliable data, the French national statistics bureau estimated in 2016 that about 3m people who were born in France now live abroad. Under Socialist president François Hollande, entrepreneurs who faced punitive taxes and stiff regulations called themselves *Les Pigeons*, slang for suckers. They fled France for London or Silicon Valley, drawn to a "can-do" mindset and a large pool of potential investors and customers. For many, returning home was unthinkable.

However, dozens of interviews with entrepreneurs and investors suggest that opinions of France are changing. A special fast-track tech visa, introduced by Mr Macron, has already received 1,000 applications and there have been "several hundred" more from scientists who want to move to France, says Mr Mahjoubi.

So far in 2017, France is, for the first time, [raising more venture capital](#) than the UK. After the first eight months of the year, France had raised €2.7bn of venture capital, compared with €2.3bn for the UK and €1.1bn in Germany, according to Dealroom, a European venture capital database.



More than one in two US investors plan to recruit new employees in France in the next few years, compared with one in five in 2016, according to a recent report by consultants Bain and the American Chamber of Commerce in France.

The Family, a platform for entrepreneurs that is at the heart of the French start-up scene, says that since Mr Macron was elected, it has received weekly requests about job opportunities in France.

Tony Fadell, one of the fathers of the iPod and founder of Nest Labs, moved to France last year after about 25 years or so in the US and is running a venture capital firm from Paris. He says he wanted "to get fresh inspiring ideas and great technologies from places outside Silicon Valley".

Other senior executives moving from London to Paris include Pascal Cagni, who ran Apple's operations in Europe from 2000-12 and is now France's business ambassador, and Johannes Huth, who runs private equity firm KKR in Europe. "I am fascinated with what's happening in France; I think Mr Macron is a very positive influence," says Mr Huth.

For some, the election of Mr Macron was the catalyst they needed to return. "The way that Macron created [his political movement] *En Marche* is very entrepreneurial," says Michael Amar, a serial entrepreneur and investor, who decided the day after the French election to leave Silicon Valley for Aix-en-Provence, one of several regional cities that have become technology hubs. "He's a role model for entrepreneurs."

Mr Macron's pro-business and tech-friendly government is crystallising momentum that has been quietly building up in France for years, businesspeople say.

As well as a €10bn fund to foster technology innovation and the launch of the French tech visa, Mr Macron has pushed through plans to scrap the wealth tax on everything except property assets and introduced a flat 30 per cent tax rate on capital gains — measures long demanded by entrepreneurs and wealthy investors.

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This momentum had been established before the election of Mr Macron, some say, thanks in part to changes introduced by Mr Hollande. These include tax credits for research that built upon the country's strong engineering schools. "French tech was already gaining ground before the macro situation changed," says Rand Hindi, whose start-up Snips runs an artificial intelligence-powered voice assistant that can be added to different devices.

He cites the 2012 creation of Bpifrance, a public investment bank that has poured money into French start-ups, as well as Station F, a giant campus for new companies funded by billionaire entrepreneur Xavier Niel.

"The image of the French tech scene from abroad has changed," says Olivier Bonnet, a Frenchman who returned to Paris this summer to join ride-sharing platform BlaBlaCar as vice-president of engineering, after 13 years at Apple in California. "There is a first generation of successful tech companies that is giving self confidence to France as a start-up nation."

Other factors, such as the clampdown on immigration in the US — a key source of tech talent — and the vote for Brexit, have also made France more attractive.

Jean Meyer launched Once, a dating app, in London in 2015. Staying in France then would have been "inconceivable", he said. The UK was far more appealing in terms of its ability to lure international talent, access to capital and more flexible labour market. But after the vote for Brexit, it became almost impossible to hire such staff in London, so Mr Meyer moved back.

"The lack of visibility following Brexit was a huge problem," says Mr Meyer, explaining that non-UK citizens were reluctant to commit to a future in London. He adds: "We were trying to lure a chief marketing officer but we got rejected by four or five amazing candidates just because we were in London."

Snips, which originally planned to hire 20 people in New York and 30 in Paris, has hired 46 in the French capital and only three in the US. "Once Trump and then Macron got elected, it changed the opportunity for us," says Mr Hindi. "It made it very difficult to hire anyone in America who isn't American. We have cut back on our plan to build up in the US and decided to double down on recruitment in France."

Sofiane Ammar, a serial entrepreneur, left London for Aix-en-Provence this summer to run "thecamp", a futuristic campus that hopes to generate new approaches to universal issues.

"I didn't feel comfortable with the idea that the UK would be outside Europe," he says. "And I felt that the election of Macron opened the door for entrepreneurs and the start-up nation. What is happening now in France is extraordinary."

The changing attitude to entrepreneurs is striking. Solomon Hykes has first-hand experience of this. He set up an IT infrastructure business, now called Docker, in 2008 from his mother's basement in Paris. He spent two years trying — unsuccessfully — to find investors in France, and became increasingly demoralised. "Everyone and everything were bringing me down, telling me one thousand ways I was going to fail," he recalls, a marked contrast to the atmosphere he found when he visited California.

"In California people assume you're going to succeed, they're interested in discussing how. The second someone in California was willing to write me a cheque, I was gone." After securing an investment from YCombinator, a prominent Silicon Valley seed investor, Mr Hykes moved to San Francisco at the end of 2010 and built up the company into a unicorn (a privately held company worth over a billion dollars).

But a year ago Mr Hykes changed his mind on France, partly because of its strong engineering talent. "It would be extremely hard to grow Docker only by hiring engineers out of Silicon Valley. They're just not affordable. In France there's an expertise that is hard to find at any cost in Silicon Valley," he says.

Alain Thibault, the French entrepreneur behind the SeaBubbles electric transport pods that "fly" on the water, announced in October that they would sail first on Swiss waters, because of the administrative and regulatory burden that had held development back in France. He says that despite "the strong momentum of Emmanuel Macron and Anne Hidalgo [mayor of Paris], this start-up nation" is in name only.

Audrey Richard-Laurent has moved back and forth between California and Paris since 2012. Now she is choosing to launch her wellbeing and productivity platform, Awakeful, in San Francisco or Los Angeles rather than Paris. "Creating a company in the US is super simple compared to France," she says. "And France is a small market compared to the US."

Persuading French expats to return home — or expand their businesses in France — is one thing, but France is also attracting a younger generation of tech-savvy Americans put off by the high cost of living in Silicon Valley.

Rob Zyskowski, a software engineer, settled on Paris over London and New York. He joined Alan, an insurance tech start-up where French co-founder also returned from Silicon Valley to help set up the business. "There was a lot of fear and anxious energy in San Francisco," says Mr Zyskowski. "It felt like it had got to the point where the only way is down. In Paris the feeling is of a burgeoning scene."

His sentiment is shared by Jorie Koster-Hale, an American from New Mexico who now works as a data scientist at tech company Dataiku in Paris. "France is becoming more and more on the radar as a place with innovation and opportunities," she says, "even if you're not French."

Upcoming articles in our series on Europe's innovation comeback will look at how Switzerland leads on training and why Brussels is pinning its hopes on the 'internet of things'

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