

Developing Venture Capital Systems beyond the Economic Capital Concept

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Abstract:

Purpose – The purpose of this paper is to explore an expanding venture capital (VC) system beyond economic capital concept, based on “triple bottom line” of enterprises.

Design/methodology/approach – A complete VC system is given, first of all, and then the gap in the existing VC system is explored. To develop a VC system, the gaps must be filled based on a university-government-industry triple helix. Since corporate value view has been changed from one-dimensional to three-dimensional, social as well as cultural, and humanistic elements must be considered in a broader VC system. The approaches include developing social capital, cultural capital and promoting risk awareness.

Findings – The VC system in a country/region consists of economic and non-economic capital investment. Both play important roles in parallel. Social and cultural capital investment will work as “soft capital” to remit the gaps from an insufficient economic capital system.

Originality/value – The policy implication of this paper is that policy makers may give more thought to developing non-economic capital to fill the VC gaps in either an existing or an expanding VC system.

Key words:

Capital ventures, Cultural capital, Social capital, Triple bottom line, Triple helix, Venture capital, Venture capital gap, Venture capital system