
Contents

Acknowledgements	vii
Introduction	ix
Chapter 1. Venture Capital, Behavior and Performance of Stakeholders	1
1.1. The analytical framework	4
1.1.1. The contractual model and agency problems.	4
1.1.2. The resource-dependent approach	9
1.2. From the theoretical framework to the empirical findings: observed behaviors.	11
1.2.1. Methodological problems	11
1.2.2. The arbitrations made: the entrepreneurial risk	13
1.2.3. The change of the relationships over time	17
1.2.4. Behaviors of refusal	19
1.2.5. Risk aversion of venture capitalists	22
1.3. The contribution of venture capital to the performance of innovative companies.	28
1.3.1. Innovation, growth and employment	29
1.3.2. Survival rates and entrepreneurial persistence	34
1.4. Conclusion	36
Chapter 2. The Sectoral Dynamics of Venture Capital	41
2.1. Orientation by sector	44
2.1.1. The orientation of venture capital by sector in the United States . .	46
2.1.2. The trajectory in Europe.	48
2.1.3. The lessons learned.	50
2.2. High-tech industries, a less stable group.	55

2.2.1. Knowledge base, high-tech sectors, and venture capital: the macroeconomic influence	56
2.2.2. The influence of advanced industries on the performance of the US economy	59
2.2.3. Business creation, growth thresholds, and the new technology sector	63
2.2.4. Elements of explanation	66
2.3. An econometric model for determining high-tech investment in Europe	74
2.3.1. The approach used: the analytical framework and assumptions made	75
2.3.2. The econometric model	78
2.3.3. Results and discussion	82
2.4. Conclusion	89
Chapter 3. The Three Structures for Interpreting Venture Capital: The Market, Industry and Institutions	91
3.1. An interpretation of venture capital in market terms	92
3.1.1. From market efficiency to wealth creation	93
3.1.2. Characteristics and functions of the market	96
3.1.3. The venture capital market	97
3.1.4. Why talk about a new market?	102
3.1.5. Risk management at market levels	104
3.2. An interpretation of venture capital in terms of industry	107
3.2.1. The spread of an industrial logic	107
3.2.2. The relative weight of venture capital investment in relation to GDP	112
3.3. The role of institutions in the dynamics of the venture capital industry	126
3.3.1. An econometric model for determining venture capital investment	127
3.3.2. Specific analysis of institutional factors	135
3.4. Conclusion	140
Conclusion	143
References	151
Index	161