

HSBC wants to abuse the banking levy for its own gain

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[FT.com / Companies / Banks - HSBC seeks bank levy plan backing.](#)

HSBC is seeking support for a plan to direct any industry-wide bank levy into government-sponsored venture capital agencies, as part of a rearguard mission to change the terms of the ongoing bank regulation debate.

I have no problem with venture capital bar four things.

The first is I've run a venture capital backed company and I'll happily say that some supposedly very good VC funds I dealt with knew nothing at all about running businesses. They've got wonderful MBAs. and not a clue how business works. Read *Obliquity* by **John Kay** if you want to know why. **Entrepreneurs are foxes. VCs are hedge hogs - and poor ones at that.**

Second VCs screw entrepreneurs into the ground. There are few people on earth better at devising disincentives than VCs.

Third, they charge the earth for this privilege, and so require rates of return that usually prevent any useful business getting funding.

Fourth, the vast majority of returns end up with the VC managers.

No doubt HSBC see a great profit opportunity in this.

I, on the other hand, think a Green investment Bank run by competent people on sensible salaries would be a vastly better bet.

And I also think much of the funding should go on infrastructure - they very thing banks, by seeking to deny tax to governments, deny to society.