Additional file

Online appendix - additional data information

**Trial**: Dummy variable equal to 1 if respondent has ever tried to set up a business, zero otherwise; LiTS 2010 q.530.

**Startup**: Dummy variable equal to 1 if respondent has ever managed to set up a business, zero if respondent tried but failed; LiTS 2010 q.532.

**Diversity and religion dummies**: Religious fractionalization is based on self-reported religion; see exact formula in text; LiTS 2010 q.716.

**Male**: Dummy variable equal to 1 if respondent is male; LiTS 2010 q.102.

**Age**: Age of respondent; LiTS 2010 q.104.

**Risk**: Rating of the respondent’s willingness to take risks on a scale 1-10 (higher means more risk-loving); LiTS 2010 q.537.

**Secondary education**: Dummy variable equal to 1 if respondent completed lower secondary, postsecondary or upper secondary education; LiTS 2010 q.515.

**College education**: Dummy variable equal to 1 if respondent completed bachelor or master’s education; LiTS 2010 q.515.

**Father’s education**: Years of respondent’s father’s full-time education; LiTS 2010 q.718.

**Member communist party**: Dummy variable equal to 1 if the respondent, or any member of his family, were a member of the former communist party; LiTS 2010 q.714.

**Urban**: Dummy variable equal to 1 if respondent lives in an urban setting; LiTS 2010 q.tablec.

**Loan accepted**: Dummy variable equal to 1 if respondent attempted to and was successful in borrowing money for the business conditional on trial; omitted category is those that did not try to borrow; LiTS 2010 q.534 and q.535.

**Loan rejected**: Dummy variable equal to 1 if respondent attempted to but was un-successful in borrowing money for the business conditional on trial; omitted category is those that did not try to borrow; LiTS 2010 q.534 and q.535.

**Locality average wealth**: Respondent’s perceived place on a 10-step income ladder, aggregated at the PSU level; LiTS 2010 q.227.

**Locality average trust**: Respondent’s score of trust in other people (1-5 scale), aggregated at the PSU level; LiTS 2010 q.302.

**Locality average corruption**: Average number of respondents in a PSU who believe that people like them have to make unofficial payments or gifts when requesting official documents or when going to court for a civil matter; LiTS 2010 q.601.

**Friends**: Dummy variable if respondent meets with friends more than once a month; LiTS 2010 q.325.

**Weak ties**: Dummy variable if respondent knows someone else, excluding friends, relatives, classmates or boss, whom he can ask for help; LiTS 2010 q.327.

**Internal**: Dummy variable if respondent believes that effort and hard work, or intelligence and skills are most important for success in his country (omitted category is intelligence and skills or breaking the law); LiTS 2010 q.328.

**No Move**: Dummy variable if respondent has lived all their life in this city/town/village; LiTS 2010 q.705.

**PSU Geographic characteristics**: retrieved in October 2012 from: www.gpsvisualizer.com; www.diva-gis.org; www.maps.google.com; www.batchgeo.com. For determining the location of mines we used the Raw Materials Database of SNL Metals and Mining. PSU population was provided by IPSOS-Mori, the company which administered the survey.