**Appendix A**
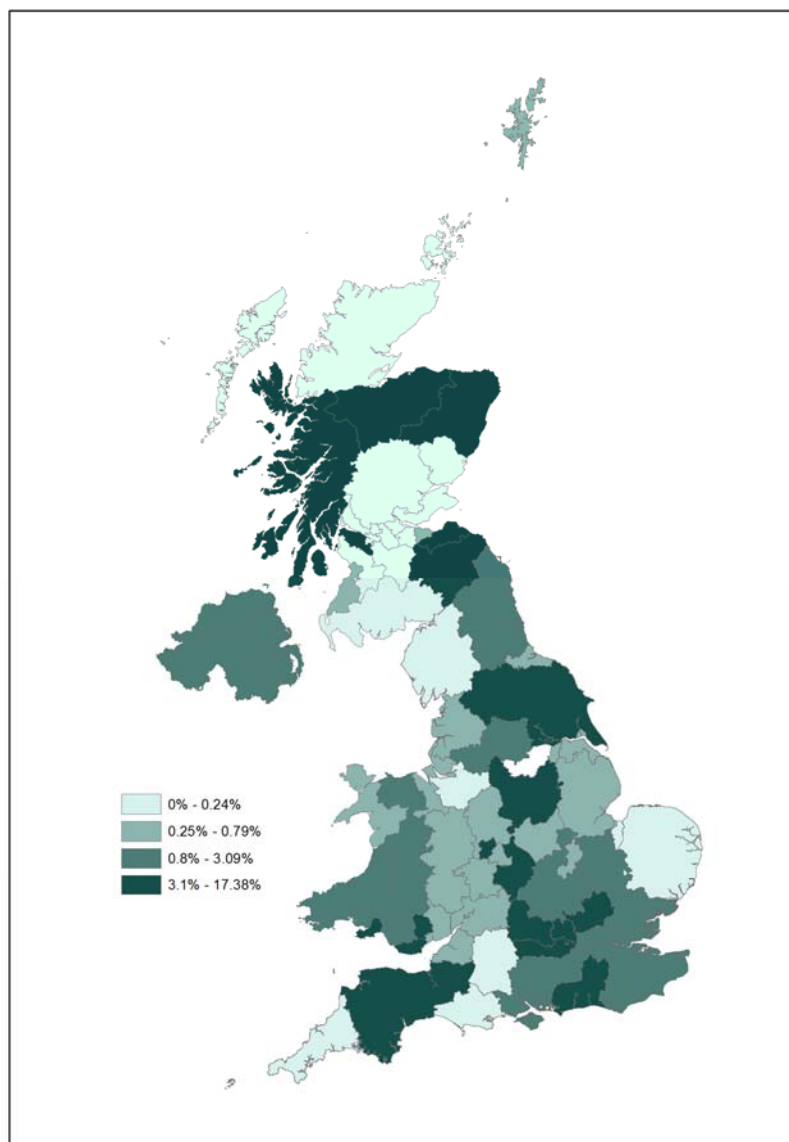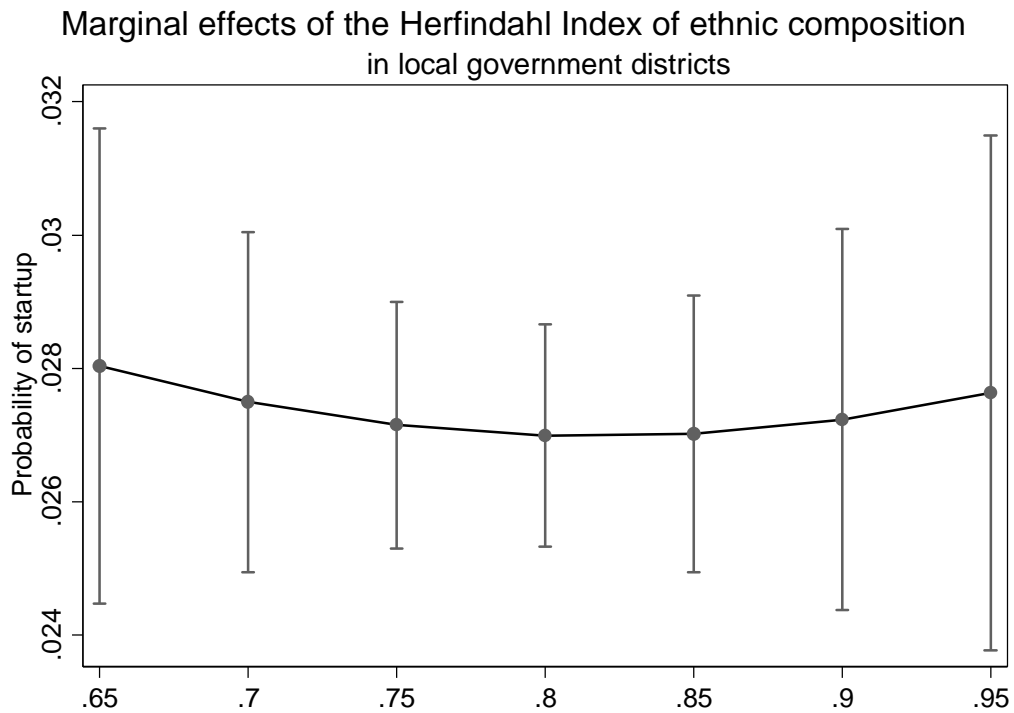
Figure A1. Mean nascent start-up rates across local government districts, UK, 2003-2013



Source: Global Entrepreneurship Monitor UK data.

The map presents the spatial distribution of the dependent variable. While in the regressions it is left at the individual level, for the sake of illustration, it is aggregated at the level of local government districts. It shows considerable variation in entrepreneurship across Britain and Northern Ireland.

Figure A2

## Marginal effects of the Herfindahl Index of ethnic composition
### in local government districts

The potential range of Herfindahl Index runs from zero to one, where zero (on the left) represents more diversity and one (one the right) represents less diversity. The graph is constructed so that is shows variation in a range of one standard variation below and above the mean value that is where the estimates are the most credible. And while the graph cannot be extrapolated much on the right hand side, it can be extrapolated considerably on the left hand side. This indicates that the probabilities of the startup are much higher where diversity is high.