

Online Appendix A. Variable Definitions and Data Sources

Variable	Definition	Data Source
Inv Amt/GDP	The dollar amount of venture investments divided by the country's GDP, then multiplied by 1000.	SDC Platinum - VentureXpert
# VC Inv	The number of venture investment deals.	SDC Platinum - VentureXpert
Religiosity	A country's religiosity measure, defined as the percentage of respondents who answered "very important" or "rather important" to Question 9 of the World Value Survey: "Important in life: religion."	World Value Survey (WVS) Question 9
Catholic/Protestant/Muslim	Dummy variables which equal 1 if the country's primary religion is Catholicism, Protestantism, or Islam, and 0 otherwise.	2000 CIA World Factbook
Legor UK	A dummy variable which equals 1 if the country has British legal origin, and 0 otherwise.	La Porta, Lopez-de-Silane, Shleifer, and Vishny (1999); Djankov et al. (2007)
GDP	Log of a country's gross domestic product per capita.	World Bank
Mkt Cap	A country's total market capitalization divided by its GDP.	World Bank
Trade	Sum of exports and imports of goods and services divided by GDP	World Bank
IPO Value	Dollar value of all IPOs in the year.	SDC Platinum
# IPO	Number of IPOs in the year.	SDC Platinum
GDP Growth	Percentage growth rate of GDP.	World Bank
GDP per capita growth	Percentage growth rate of GDP per capita.	World Bank
Interest	Percentage real interest rate.	World Bank
CIFAR	Accounting standards index based on companies' 1990 annual reports on inclusion or omission of 90 accounting items.	Center for International Financial Analysis Research
R&D	Research and development expenditure as percentage of GDP.	World Bank
Tax	Taxes on income, profits and capital gains, as percentage of total taxes.	World Bank
Education	Tertiary school enrolment rate in percentage.	World Bank
Same Religion	A dummy variable which equals 1 if the VC country and the enterprise country have the same primary religion, and 0 otherwise.	2000 CIA World Factbook
Same Language	A dummy variable which equals 1 if the VC country and the enterprise country have the same language, and 0 otherwise.	2000 CIA World Factbook
Same Legal Origin	A dummy variable which equals 1 if the VC country and the enterprise country have the same legal origin, and 0 otherwise.	La Porta et al. (1999); Djankov et al. (2007)

Distance	The natural log of the geographical distance between the VC and the enterprise countries' most populous cities.	CEPII geographical distance ¹
Border Conflict	A dummy variable which equals 1 if the two countries in a dyad have had border conflicts since 2000.	Wikipedia ²
Risk Aversion	WVS Items A195: importance of venture and taking risks; and E047: worry or welcome possibility related to changes.	World Value Survey
Attitudes toward science and technology	WVS Items E219 (do science and technology make our way of life change too fast), E220 (do we depend too much on science and not enough on faith), and E234 (the world is better off/worse off without science and technology).	World Value Survey
Investor Protection (Shareholder and Creditor) Trust	Shareholder protection and creditor protection indices. WVS Item A165: most people can be trusted.	La Porta, Lopez-de-Silanes, Shleifer, and Vishny (1999) World Value Survey

¹ http://www.cepii.fr/CEPII/en/bdd_modele/presentation.asp?id=6

² https://en.wikipedia.org/wiki/List_of_border_conflicts

Online Appendix B. Correlation Matrix

This table reports the correlation matrix among our key variables. Variable definitions can be found in Online Appendix A. Continuous variables are winsorized at the 1% and 99% levels.

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]	[17]	[18]
[1]Inv Amt/GDP																		
[2]# VC Inv	0.48																	
[3]Religiosity	-0.15	-0.34																
[4]Protestant	0.25	0.49	-0.29															
[5]Catholic	-0.22	-0.29	0.14	-0.56														
[6]Muslim	-0.02	-0.16	0.37	-0.13	-0.27													
[7]Legor UK	0.20	0.12	0.33	0.13	-0.57	0.45												
[8]GDP	0.01	0.26	-0.79	0.31	0.07	-0.24	-0.43											
[9]Mkt Cap	0.18	0.11	-0.14	0.22	-0.31	0.24	0.36	0.20										
[10]Trade	0.21	-0.04	0.14	0.08	-0.18	0.46	0.28	0.06	0.41									
[11]IPO Value	0.07	0.25	-0.22	0.04	-0.21	-0.06	0.08	0.17	0.27	-0.23								
[12]# IPO	0.13	0.34	-0.34	0.29	-0.54	-0.02	0.27	0.21	0.32	-0.10	0.58							
[13]GDP Growth	0.21	0.05	0.29	0.00	-0.14	0.12	0.24	-0.42	0.13	0.05	0.15	0.14						
[14]GDP Per Capita Growth	0.23	0.09	0.20	0.03	-0.17	0.05	0.18	-0.34	0.13	0.05	0.19	0.18	0.99					
[15]Interest	-0.06	-0.02	0.26	-0.03	0.11	-0.09	-0.10	-0.11	-0.05	-0.23	0.20	-0.04	-0.07	-0.08				
[16]CIFAR	0.11	0.21	-0.41	0.32	-0.16	0.25	0.16	0.52	0.44	0.32	-0.04	0.11	-0.24	-0.25	-0.44			
[17]R&D	0.19	0.36	-0.72	0.56	-0.54	-0.14	-0.19	0.64	0.22	0.01	0.28	0.51	-0.19	-0.10	-0.03	0.26		
[18]Tax	0.11	0.12	-0.10	0.05	-0.36	0.33	0.46	0.23	0.47	0.24	0.31	0.47	0.00	-0.02	-0.03	0.27	0.26	
[19]Education	-0.01	0.12	-0.33	0.52	0.00	-0.19	-0.33	0.39	0.03	0.11	-0.17	0.01	-0.02	0.02	-0.11	0.21	0.29	-0.36

Online Appendix C. Subsample Analysis of Developed Countries

The dependent variables are Inv Amt/GDP in columns 1 and 2 and # VC Inv in columns 3 and 4. We only analyze subsamples of high-income countries (columns 1 and 3) and OECD countries (columns 2 and 4). Definitions of variables can be found in Online Appendix A. Year fixed effects are included; standard errors are clustered at the country level. T-statistics are reported in parentheses. *, ** and *** indicate statistical significance at the 10%, 5% and 1% levels, respectively.

Dep. Var. Sample	(1) VC Inv Amt High Income	(2) VC Inv Amt OECD	(3) # VC Inv High Income	(4) # VC Inv OECD
Religiosity	-0.872*** (-4.24)	-0.953*** (-5.36)	-5.456*** (-5.97)	-5.894*** (-5.90)
Protestant	0.669*** (2.71)	0.813*** (2.99)	4.566*** (8.00)	4.926*** (5.44)
Catholic	0.528*** (4.57)	0.366** (2.08)	5.667*** (12.08)	5.390*** (7.16)
Legor UK	0.189 (0.58)	-0.390 (-0.87)	3.318*** (5.05)	1.867 (1.26)
GDP	-0.148 (-0.60)	0.062 (0.65)	-1.216** (-2.33)	-0.079 (-0.23)
Mkt Cap	-0.672*** (-4.09)	-0.423** (-2.04)	-1.614*** (-4.60)	-1.023** (-2.28)
Trade	0.609*** (4.52)	0.650*** (6.08)	-2.008*** (-4.42)	-2.275*** (-5.17)
IPO Value	-0.019 (-1.20)	-0.009 (-0.69)	0.017 (1.54)	0.036** (2.23)
# IPO	-0.001 (-1.43)	-0.001 (-1.19)	-0.002 (-1.29)	-0.001 (-0.57)
GDP Growth	-0.094 (-1.13)	-0.192* (-1.74)	-0.303 (-1.43)	-0.605 (-1.42)
GDP Per Capita Growth	0.133 (1.51)	0.222** (2.12)	0.495** (2.18)	0.834* (1.92)
Interest	0.003 (0.15)	0.006 (0.32)	-0.026 (-0.65)	-0.034 (-0.81)
CIFAR	0.039** (2.40)	0.042*** (3.98)	-0.071** (-2.01)	-0.064 (-1.53)
R&D	0.142** (2.07)	-0.042 (-0.39)	1.605*** (6.86)	1.075*** (3.16)
Tax	-0.002 (-0.21)	0.012 (0.92)	-0.052** (-2.09)	-0.011 (-0.20)
Education	-0.013 (-1.23)	-0.004 (-0.72)	-0.075*** (-4.22)	-0.036*** (-2.78)
Constant	0.431 (0.24)	-2.882** (-2.59)	26.550*** (7.85)	11.450 (1.38)
Observations	88	102	88	102
Pseudo R2	0.492	0.464	0.159	0.142

Online Appendix D. Trust and Venture Investing

The dependent variables are Inv Amt/GDP in columns 1-3 and # VC Inv in columns 4-6. Definitions of variables can be found in Online Appendix A. Year fixed effects are included; standard errors are clustered at the country level. T-statistics are reported in parentheses. *, ** and *** indicate statistical significance at the 10%, 5% and 1% levels, respectively.

Dep. Var.	(1) VC Inv Amt	(2) VC Inv Amt	(3) VC Inv Amt	(4) # VC Inv	(5) # VC Inv	(6) # VC Inv
Religiosity			-1.432*** (-3.39)			-4.923*** (-4.90)
Trust	0.037 (0.05)	-0.131 (-0.23)	0.441 (0.79)	0.022 (0.01)	-1.174 (-0.64)	-4.461*** (-3.17)
Protestant		0.090 (0.51)	0.739*** (3.97)		2.935*** (4.49)	2.498*** (4.41)
Catholic		0.716 (1.65)	0.918*** (3.32)		3.339*** (3.05)	3.434*** (3.79)
Muslim		-0.657** (-2.03)	0.265 (0.73)		-1.123 (-0.88)	-1.355* (-1.85)
Legor UK	0.587*** (3.10)	0.907*** (4.10)	0.444*** (2.71)	0.979 (0.79)	2.173* (1.71)	3.631*** (4.17)
GDP	0.015 (0.09)	-0.268 (-1.59)	-0.550*** (-3.49)	0.048 (0.08)	-0.702 (-1.33)	-0.858*** (-3.09)
Mkt Cap	-0.012 (-0.06)	-0.123 (-0.66)	-0.040 (-0.30)	0.488 (0.58)	0.716 (0.64)	-0.279 (-0.51)
Trade	0.256 (0.90)	0.449** (2.13)	0.415*** (2.64)	-1.307 (-0.99)	-0.491 (-0.62)	0.509 (0.90)
IPO Value	0.006 (0.63)	0.010 (1.08)	0.006 (0.73)	0.061 (1.58)	0.057 (1.54)	0.039 (1.27)
# IPO	-0.004*** (-4.47)	-0.003** (-2.56)	-0.002* (-1.69)	-0.006 (-1.01)	-0.008* (-1.66)	-0.011*** (-4.54)
GDP Growth	0.172 (0.97)	0.054 (0.34)	-0.230* (-1.70)	-1.060** (-2.19)	-1.155*** (-2.58)	-0.616 (-1.58)
GDP Per Capita Growth	-0.153 (-0.87)	-0.031 (-0.19)	0.250* (1.84)	1.102** (2.27)	1.165** (2.39)	0.639 (1.54)
Interest	0.002 (0.22)	0.002 (0.24)	0.008 (1.07)	-0.026 (-0.97)	-0.051*** (-2.77)	-0.017 (-0.92)
CIFAR	-0.001 (-0.06)	0.016 (1.65)	0.006 (0.53)	-0.020 (-0.31)	-0.030 (-0.43)	-0.059* (-1.96)
R&D	0.371*** (4.03)	0.602*** (4.14)	0.252** (2.17)	0.913** (2.06)	1.572*** (2.97)	1.815*** (3.48)
Tax	-0.008 (-0.87)	-0.000 (-0.04)	0.011* (1.88)	0.034 (0.92)	0.047 (1.44)	0.043* (1.82)
Education	-0.004 (-0.61)	-0.002 (-0.40)	-0.005 (-0.98)	-0.003 (-0.10)	-0.021 (-0.82)	-0.016 (-0.77)
Constant	0.927 (0.55)	1.217 (1.04)	5.110*** (3.43)	5.419 (1.58)	10.056*** (3.45)	16.245*** (5.68)
Observations	162	162	153	162	162	153
Pseudo R2	0.290	0.345	0.315	0.0623	0.0934	0.130