

2014). This suggests that new business formation and entrepreneurial role models accelerate future entrepreneurship, particularly in areas with high levels of entrepreneurship due to the aforementioned mechanisms of self-perpetuation.

Minniti (2005) provides a theoretical model that, based on the above-mentioned regional role-model effects, explains why regions with initially similar characteristics may end up with different levels of entrepreneurial activity. In this model, chance events at the outset of such a process may induce entrepreneurial choice among individuals that leads to different levels of regional entrepreneurship. The presence of entrepreneurial role models in the social environment reduces ambiguity for potential entrepreneurs and may help them acquire necessary information and entrepreneurial skills. In Minniti's model, this self-reinforcing effect of entrepreneurship depends critically on the ability of individuals "to observe someone else's behaviour and the consequences of it" (Minniti, 2005, 5).³ Another mechanism contributing to self-perpetuation of regional levels of new business formation and self-employment is intergenerational transmission of entrepreneurial values (e.g. Niittykangas & Tervo, 2005; Laspita et al., 2012).

Based on the mechanisms described in this section, past entrepreneurship fosters the self-perpetuation of entrepreneurship. This implies an accumulation of resources conducive for entrepreneurship and it also triggers the emergence of an entrepreneurial culture. A regional *culture* of entrepreneurship is characterised by societal legitimacy of entrepreneurial behaviour that emerges from past entrepreneurship and past entrepreneurial role models that imply the emergence of networks and peer effects.⁴ This understanding of an entrepreneurship culture has also a psychological foundation which is outlined in the following section.

³ In historical terms, one could also think of certain natural conditions and institutional shocks that influence the emergence of entrepreneurship (Sorenson, 2017).

⁴ Regions with an entrepreneurial culture are likely to have an infrastructure of supporting services, particularly the availability of competent consulting as well as appropriate financial institutions, may also be important elements.

