



## **Role of National Institutional Setting in fostering Situated Interfirm Learning towards Low Carbon Mobility in Brazil**

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Nowadays, more than 80% of all new vehicles in Brazil (cars and light commercials) are flex-fuel vehicles (FFV). These vehicles, in contrast to single-fuel cars, have the advantage of being able to run with E25 blended gasoline and/or bioethanol produced from sugarcane in the country. It means then that the choice of which fuel to use is on customers' hands. As a still relatively low income country, price is a very important aspect surrounding consumption in this South-American large nation and when it comes to the auto industry things are not different. Flex-fuel vehicles are a good alternative for the Brazilian population in terms of price because they have the chance of filling the car with the cheapest fuel on offer. Therefore, although FFVs have an important input on the country's mitigation policies as they pollute less than traditional vehicles, this is not perceived as so by consumers and not sold as so by producers. The study demonstrates how the national institutional setting fostered this situation through situated interfirm learning processes, and shows how local mitigation initiatives in emergent, less environmental-sensitive nations are. Case particularities such as foster policies, role of context and role of the private sector are discussed.