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Controversies surrounding the relevance of sustainability models in the Brazilian beef chain

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ABSTRACT

This study aims to propose a sustainability model for the Brazilian beef production chain. The proposed model seeks to integrate sustainability indicators of corporate models with those identified in the literature. We incorporated the principles of Environmental, Social and Corporate Governance (ESG) into the worldview of the Stakeholder Capitalism Model. The review of the literature available on sustainability models revealed gaps in these models that need to be filled for the materiality matrix of Socio-environmental Reports to be effectively contemplated, and thus advance beyond the rhetorical resources disseminated as greenwashing in numerous publications on sustainability. This test resulted in a specific methodological tool to be applied to the beef production chain that contemplates the ESG materiality matrix, in line with the Davos Manifesto Declaration in 2020.

KEYWORDS: Materiality Matrix. Sustainability Model. Environmental, Social and Corporate Governance (ESG). Stakeholder Capitalism.

1 INTRODUCTION

A fundamental debate on stakeholder capitalism exists and refers to the increasingly influential view that corporate directors and senior executives (corporate leaders) should be encouraged and trusted to use their discretion to serve stakeholders, and not only shareholders. According to this vision, corporate leaders must and will allocate value to stakeholders, including employees, suppliers, customers, local communities, and the environment.

The research field on stakeholder value creation has gained notoriety in both academic and business spheres in recent years (BAZANINI *et al.,* 2020). Renovating the business model to incorporate sustainability has been seen as a strategic perspective on social and environmental concerns, being integrated into the organizations' objectives. In this context, impact businesses present the effective proposal of directing part of the private capital obtained to solutions that deal directly with social, environmental, and technological challenges (MÜLLER; KNEIPP; RODRIGUES; FAVARIN, 2022). The main propose of stakeholder capitalism is for corporate leaders to have ample freedom to prominently consider the interests of stakeholders and not only shareholders in the period of social and ecological emergency to mitigate the negative effects of COVID-19 in Latin American countries (JIMÉNEZ; SALDARRIAGA-ISAZA, 2022).

The Shareholder Interest Doctrine was developed in the 1970s. The main representative of that doctrine was the economist Milton Friedman, a proponent of the shareholder-only corporate responsibility proposal. From this perspective, a publicly traded company is assumed to be a profit-seeking, shareholder value-maximizing entity (BAZANINI *et al*., 2020). Along this line of reasoning, the Shareholder Interest Doctrine receives a criticism that cannot be overlooked – if a company does not make a profit for its shareholders, it cannot serve the other parties involved. However, environmental and social problems have been aggravated by maximizing profits for shareholders (ARCOVERDE, 2018).

Contrary to this view, the Stakeholder Theory posits that the true purpose of a firm is to act as a vehicle to coordinate the interests of the stakeholders. In this sense, managers are not only responsible for maximizing shareholder value, as advocated by the Shareholder Interest Doctrine, but must also consider the interests of the parties involved in the enterprise when making corporate decisions (HARRISON; FREEMAN; ABREU, 2015).

The term stakeholder was originated in an internal memo from the Stanford Research Institute in 1963. Later, Robert Edward Freeman (1984) created the most accepted definition of the term in the book "Strategic Management", defining stakeholders as a group whose support becomes vital to the existence of the organization. This concept contradicts the assumptions of the Classical Economic Theory, according to which the only stakeholder in the business is the company owner.

Among the value creation models that associate the environmental and social dimensions to the economic interests, the Triple Bottom Line model (ELKINGTON, 1994) has been incorporated by the corporate universe mainly due to the benefits that tend to come from a proactive attitude concerning the environment. The Environmental, Social, and Corporate Governance (ESG) stands out among the contemporary versions of the model proposed by Elkington (1994), and is based on good environmental, social, and governance practices. The adoption of ESG principles can be a tool for the company persona to show gratitude to the community, and thus gain a competitive advantage, reduce costs through certifications, and gain preference for adopting environmental practices aligned with the customers, who are also expectation providers.

In the idealistic perspective of the Stakeholder Capitalism, organizations are increasingly concerned with creating value for the stakeholders involved, as an element of competitive advantage (BEBER; RANGEL, 2020). In Bebchuk and Tallarita's (2020) realist perspective, the Multilateral Trade Negotiation Statements of the Davos Forum are conceived with skepticism and cynicism in the context of a system of shareholder primacy in which incentives, markets for corporate control, and the law promote shareholder interests. Given these findings, the research aims to critically discuss the relevance of the Stakeholder Capitalism model as being effectively suitable to incorporate economic aspects to the social and environmental dimensions of sustainability in governance. From this discussion arises the question: are managers acting in the beef chain incorporating environmental, social and governance measures in their decision making?

We conducted a systematic literature review starting from a bibliometric evaluation to obtain deeper insights of the theme. We determined the paradigms of the Doctrine of Shareholder Interest and the Doctrine of Social Responsibility as epistemological references, along with the pillars of Governance, Planet, People, and Prosperity proposed by the Stakeholder Capitalism model (EIZAGUIRRE; GARCÍA-FEIJOO; LAKA, 2019). The basic premise of this essay stems from the perspective that the possibilities of governance for the stakeholders in the Brazilian beef chain are conditioned by a conflict – on the one hand, power groups in the dissemination of abstract universes have an ideological role and - on the other hand, there is international pressure on the companies to account for social and environmental issues.

2 THEORETICAL FRAMEWORK

Systematic review is a method that allows making sense of a large amount of information while also providing the means to obtain answers concerning the effectiveness of processes, products, or policies (PETTICREW; ROBERTS, 2006). In addition, a systematic literature review is also a procedure for collecting data in a comprehensive and exhaustive manner.

2.1 Bibliometric research

To support and discuss the issue and test the premise proposed, a search was conducted for the main articles studying ESG published in journals, using the Scopus database. To this end, a bibliometric review encompassing the last five years (2018 to 2022) was carried out based. This time frame was chosen because there were few papers on the subject in the periods prior to 2018, and because the ESG was adopted as a reference in the Stakeholder Capitalism model at the Davos World Forum in 2020 (SCHAWB, 2020).

The Scopus platform was chosen for including important international journals. The data were collected between December 2021 and February 2022. The terms used in the database search were "ESG", "Value Chain", "Global Value Chain", "Firm Value", "Stakeholders", "Stakeholder Capitalism". This search was conducted by topic (article title, abstract, and keywords), and using a filter that excluding unrelated articles. In addition to searching for articles to obtain preliminary secondary data, we sought information on Brazilian companies available on the B3 platforms (Brazilian Stock Exchange), which provides information on the Corporate Sustainability Index (ISE) and the Arabesque platform, which produces ESG data and metrics for investors to make decisions (ARABESQUE, 2022). A total of 121 publicly traded and domestic companies were identified on the Arabesque platform and 73 on the B3 platform. Four companies related to the beef chain and that are on both platforms were identified, namely: BRF S.A, JBS S.A, Marfrig Global Foods S.A, and Minerva S.A.

2.1.1 Article selection: authors and main approaches

After selecting the articles, it became apparent that ESG research address two main lines of thought. The first concerns the importance of environmental disclosure by companies (FATEMI; GLAUM; KAISER, 2018; CHOUAIBI; AFFES, 2021; FENG; WU, 2021). The second is related to the importance of ESG in adding value to the company (ABDI; LI; CÀMARA-TURULL, 2022; CHOUAIBI; CHOUAIBI, 2021; GIESE; NAGY; LEE, 2021, YANG *et al*., 2022).

Of all the articles reviewed, only one article dealt specifically with the global value chain (TAKAHASHI; YAMADA, 2021). It focused on questioning whether the engagement in the ESG of companies that operate in global value chains, would provide a higher equity return.

Table 1 shows the number of articles obtained in the searches by topic, year, and journal. Searching for “ESG” in the title, abstract, and keywords of the article yielded 1,023 results from 2018 to 2022. We included only articles published in English and in the research areas of Economics, Econometrics and Finance, Business, Management and Accounting, Social Sciences, and Environmental Sciences. We then excluded articles that were not related to the topic of the paper. The articles were screened by reading the title and the abstract. Some articles were excluded because they did not directly address the subject.

Table 1. Results of article searches using terms in title, abstract, and keywords.

Advanced search: terms in the title, abstract and keywords	2018	2019	2020	2021	2022	Total
(1) ESG	87	145	256	419	116	1,023
(2) Value Chain	815	899	1,138	1,433	302	4,587
(3) Global Value Chain	238	236	342	474	105	1,395
(4) Company Value	335	352	444	507	105	1,743
(5) Stakeholders	7,388	8,510	10,535	12,750	2,278	41,461
(6) Stakeholder Capitalism	2	3	12	7	6	30
(1) and (2)	1	1	2	4	4	12
(1) and (3)	0	0	0	2	1	3
(1) and (4)	13	7	14	22	3	59
(1) and (5)	13	33	56	83	24	209
(1) and (6)	1	0	1	1	2	5

Source: Research Data (2023)

The results found revealed that ESG research is growing. However, when searching for ESG combined with terms that approach the objective of this research, i.e., firm value, value chain, global value chain, and Stakeholder capitalism, the results became restricted. The combination of ESG and stakeholders yielded the highest number of articles. These preliminary results indicate that few studies have addressed ESG in the meat chain from the perspective of Stakeholder Capitalism.

Subsequently, a survey of the main sources of publication of the articles was also conducted. This analysis revealed that research on ESG is spread across several journals, and is not restricted to just a few. Among the journals with over ten publications, we identified the Sustainability Switzerland, Journal of Sustainable Finance and Investment; Finance Research Letters and Journal of Portfolio Management. In summary, whether from an idealistic (BEBER; RANGEL, 2020) or realistic perspective (BEBCHUK; TALLARITA, 2020) of the stakeholder capitalism model, the disclosure of ESG indexes contributes to the company becoming a *persona grata* for the stakeholders.

2.1.2 Sustainability and ESG Scoring at Investment Agencies

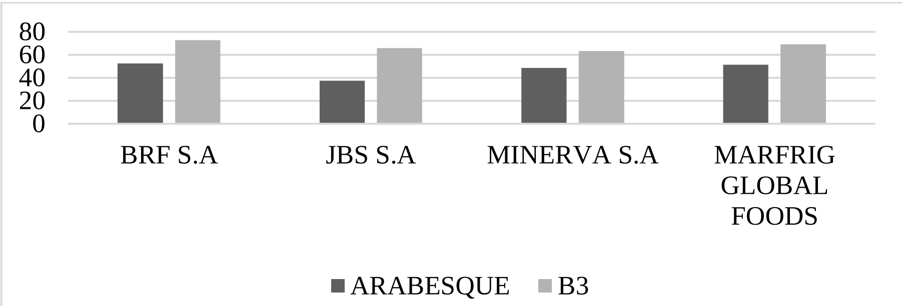
The first findings concerning the ESG scores of Brazilian companies were made using the Arabesque S-Ray® rating agency and the B3 platform. Arabesque S-Ray® is an ESG consulting firm that combines artificial intelligence and human analysis in assigning scores to be used in investors' decision making. The Arabesque Agency originated in Germany, is present in several countries, and is part of a group that also performs investment management, ratings analysis, and other market intelligence services. The analyses carried out by the consulting firm Arabesque S-Ray® present the monthly ESG Score index, compiling and publishing a score for 121 publicly traded companies from 20 different sectors of the economy. The platform incorporates over 250 ESG metrics, from over 7,000 companies with signals from over 30,000 sources published in over 170 countries (ARABESQUE, 2022).

The B3 Corporate Sustainability Index (ISE) was also used in addition to the Arabesque Agency. The ISE is a voluntary theoretical portfolio, *i.e.*, it contains data from companies that decide to apply for a spot on this index and succeed. It therefore excludes companies that may have similar or superior performance in ESG criteria, but are not eligible, since the main criterion for participation is to be among the 200 most liquid companies on B3 (B3, 2022).

A total of 73 companies listed on B3 were identified in the search for companies listed on the ISE. Among these companies, 54 were found to be listed on B3 and Arabesque S-Ray®. The four companies related to the beef chain and that are on both platforms are the focus of this research study.

Figure 1 reveals the ESG classification of the companies linked to the Brazilian meat chain and belonging to the B3 and Arabesque platform lists. The results indicate that both platforms have similar ESG scores for the analyzed companies. It is important to emphasize that companies linked to agribusiness in general, and specifically to livestock farming, perform activities directly related to environmental issues, and are thus subject to the attention of stakeholders.

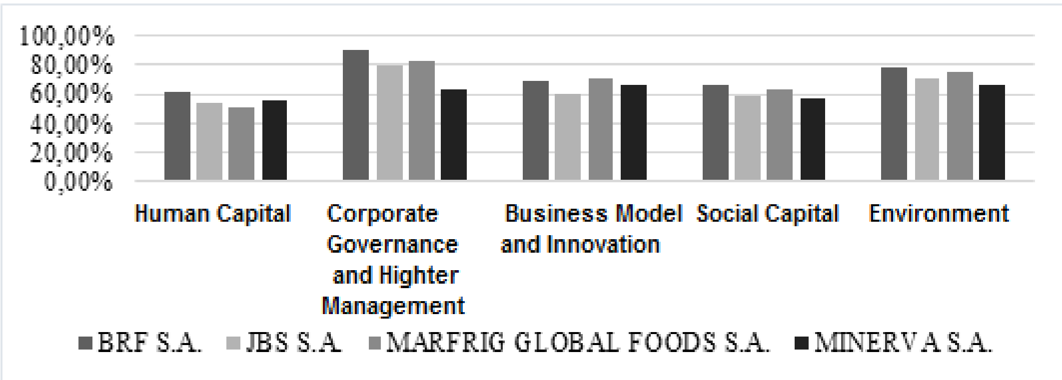
Figure 1 - B3 and Arabesque indexes of Beef Chain Companies (2022).



Source: survey data (2023).

Figures 2 and 3 show the detailed scores for environmental, social, and governance performance (Arabesque Platform), and for the five dimensions (B3 Platform). Figure 2 shows the ESG Scores of the companies linked to the beef chain obtained from the B3 platform. Each dimension is subdivided into themes to obtain the scores. The Human Capital dimension, for example, is composed of 1) labor practices, 2) worker health and security, and 3) employee engagement, diversity, and inclusion (B3, 2022).

Figure 2 - Score per B3 dimensions (2023).

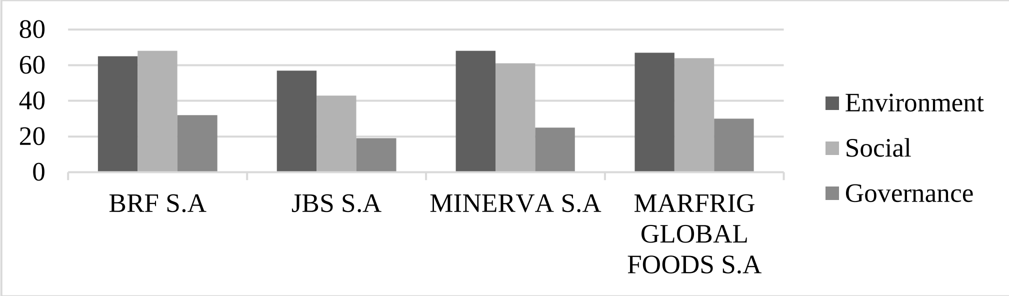


Source: research data (2023).

Figure 2 shows that the Brazilian companies have very similar B3 scores in the dimensions analyzed. In addition, Figure 3 shows the analyzed dimensions that address the

Environmental, Social, and Governance performance of companies linked to the Brazilian beef chain extracted from the Arabesque Platform.

Figure 3 - Arabesque performance index for beef chain companies



Source: survey data (2023).

The results presented in Figure 3 address the Arabesque indicators and show a low governance score for the companies, which contrasts with the lowest indices accepted by the international Community. These results also contrast with the tendencies of the Davos World Forum (WEF, 2020) with reference to contemporary competitive scenarios.

3 TOPIC DEVELOPMENT

The topics, stakeholder management, Stakeholder Capitalism model, ESG premises, and value creation, are presented in dynamic interactivity and then related to the Brazilian agribusiness beef production chain. Conclusions are reached through continuous questioning.

3.1 ESG as a value creation factor for stakeholders

The term Environmental, Social, and Corporate Governance (ESG) was coined in 2004 in a pioneering publication by the World Bank in partnership with the United Nations (UN) Global Compact and financial institutions from nine countries as a result of the Triple Bottom Line model (ELKINGTON, 1994), which focuses on the Planet, People, and Profit. Although the term ESG in the strict sense is mentioned from 2004 onwards, in the late 1990s companies embracing corporate social responsibility became more widely recognized and such concerns became more embedded in corporate strategy through the triple bottom line (environmental, social and governance).

The triple bottom line Planet, People, and Profit of the Triple Bottom Line Model proposed by Elkington (1994) in corporate social responsibility established governance for sustainability. Therefore, the Triple Bottom Line concept confirms the tendency of organizations to recognize the performance of the business in their value chain apart from the purely financial aspect. This importance is currently highlighted because the ESG reports are increasingly disseminated to the stakeholders. In addition, potential shareholders, buyers, and suppliers increasingly use these ESG ratings to assess the risks and opportunities of the enterprise (PORTER; SERAFEIM; KRAMER, 2019). The ESG survey addresses the importance of environmental disclosure by companies (FATEMI; GLAUM; KAISER, 2018; CHOUAIBI; AFFES, 2021; FENG; WU, 2021) and the importance of ESG in adding value to the company (ABDI; LI; CÀMARA-TURULL, 2021; CHOUAIBI; CHOUAIBI, 2021; GIESE; NAGY; LEE, 2021; AMARAL *et al.*, 2022).

Value creation for stakeholders is the subject of many papers, with some describing the importance of good environmental, social, and corporate governance (ESG) practices in adding value (CORNELL; SHAPIRO, 2021; FAMA, 2021; SIGNORI *et al*., 2021; PENG; ISA, 2020; MACHADO *et al*., 2022). Studies on value creation for stakeholders are supported by the association of ESG with the Stakeholder Theory. Accordingly, Signori *et al*. (2021) approached the Stakeholder Theory from a practical and relevant perspective, through which it was possible to investigate the environment and the socio-economy in a dynamic way. In addition, Fatemi, Glaum, and Kaiser (2018) investigating the factors that create value for firms and stakeholders, identified that firms that adhere to ESG increase in value.

A relevant point for entering new markets, or even losing them, is the companies' approach towards socio-environmental issues, which are demands from governments, society, Non-Governmental Organizations (NGOs), financial institutions and even large investors, who are important stakeholders (PORTER; SERAFEIM; KRAMER, 2019; TUCKER; JONES, 2020). This means that companies need to be aware of and in constant evolution with regard to ESG indicators, as they will potentially determine their longevity (PORTER; SERAFEIM; KRAMER, 2019). The positive effect on the performance of companies committed to socio-environmental issues was observed (MCBRAYER, 2018; JHA; RANGARAJAN, 2020; MANTOVANI *et al*., 2021; MAH, 2021; PEDERNEN; FITZGIBBONS; POMORSKI, 2021).

Based on the findings of the bibliometric research, we can infer that the ESG favors environmental disclosure by adding value to companies committed to sustainability. In this context, there is an increased profit generation capacity, an increased value generation, and the engagement of their employees, thus increasing new markets and opportunities, and finally resulting in the formation of the company's image and reputation (SUTTIPUN, 2021; TETTAMANZI; VENTURINI; MURGOLO, 2022). In summary, given the population's concern for socio-environmental issues, it is urgent that companies ensure responsible management, with good governance practices aimed at business sustainability.

3.2 The Stakeholder Capitalism Model

In stakeholder management, the Stakeholder Capitalism model presents a still pragmatic, however new vision of capitalism, focused on the social aspect, supported by the search for a balance between corporate gain through financial results while also meeting the multiple social demands. In stakeholder management, organizations seek to establish cooperative practices among shareholders, employees, business partners, and the communities in which the company operates, for value creation (BEBER; RANGEL, 2020).

Between January 21st and 24th 2020, the World Economic Forum (WEF) held in Davos (WEF, 2020), released a manifesto defining Stakeholder Capitalism as the universal purpose economic model for business in the Fourth Industrial Revolution. This manifesto, along with the statement of purpose published by the Business Roundtable (2020), the most influential business lobby in the United States, announced the adoption of the precepts of the Stakeholder Capitalism model as relevant for the analysis of future scenarios.

The business model perspective is changing and undergoing a conceptual revolution (FREEMAN; TODNEM, 2022), which indicates an evolution towards the reform of capitalism, previously focused on shareholders' financial return. This change was especially noticeable after the global financial crisis of 2008. This new vision of capitalism, called Stakeholder Capitalism, is focused on cooperation between shareholders, employees, and business partners, *i.e.*, has a more social focus, contrary to what was observed until then.

Authors have shown two perspectives for Corporate Social Responsibility (BHANDARI; RANTA; SALO, 2022). The first perspective suggests that it is important to direct more attention to traditional ideas such as corporate social responsibility (CSR), environmental sustainability, corporate philanthropy, and socially responsible investment. The second perspective suggests a range of distinct models, including inclusive capitalism, conscious capitalism, focus on the Sustainable Development goals of the United Nations (UN), and the global reporting initiative with environmental, social, and governance investments. Despite these distinct in approaches, the changes in organizations to meet the interests of the various stakeholders and not only the shareholders prevail (BHANDARI; RANTA; SALO, 2022).

Stakeholder Capitalism as a concept is based on many previously proposed models (FREEMAN; TODNEM, 2022). The main idea concerns a model of conscious capitalism. Freeman and Todnem, (2022) present five key ideas necessary to structure the concept of Stakeholder Capitalism, which are:

> (1) Purpose and Profits; (2) Stakeholders and Shareholders; (3) Business as a Social and Market Institution; (4) People as Fully Human and Economic; and (5) Bridging Business and Ethics. Freeman (...) suggests that these ideas are supported by the existence of real businesses based on the ideas in question. Therefore, this is not an academic exercise, but an account of a real-world reckoning taking place before our eyes. Unfortunately, strong assumptions combined with the dominant shareholder primacy narrative often hinder our ability to consider different alternatives and futures (FREEMAN; TODNEM, 2022, p. 2).

The authors argue that, with this approach, the Stakeholder capitalism seeks to integrate and take responsibility for two different actors where the objectives must be shared, and environmental and social issues be present in the discussions. This means that companies must be managed considering the interest of all stakeholders, including employees, the government, and NGOs, not just shareholders (FAMA, 2021). However, this change in the business model is criticized, often sharply (e.g., DENNING, 2020). For the Denning (2020), the Stakeholder in Capitalism tends to fail as a result inaccurate accountability. This means that companies, through their managers, who are responsible for the many stakeholders, can easily end up neglecting the relevance of those involved. Denning (2020, p. 3) states:

> Throughout the decades, as large companies tried to implement it, the continuing need for the entire organization to balance conflicting claims among stakeholders led to a mass confusion that became known as "trash can" organizations. (Translated by the authors)

Bebchuk and Tallarita (2020) refer to stakeholder capitalism as "stakeholderism", arguing that stakeholder governance will not benefit the stakeholders, especially those external to the company. According to the authors, the effect would be the opposite, *i.e.*, the adoption of this model isolates shareholders and executives, reducing the commitment to economic performance, and placing the stakeholders' financial return in second place.

Despite the criticisms the new model has received, it is a reality. The corporate vision is adapting rapidly, seeking an increasingly stakeholder-oriented approach. This new model incorporates ESG ratings into its approach to invest and explore new opportunities. This change represents a paradigm shift in investments, requiring ESG-related factors to be present in the business strategy.

3.3 ESG in the Stakeholder Capitalism Model

The growing interest of companies in ESG issues raises the need to replace the rule of maximum financial return for shareholders and instead make decisions for maximum shareholder well-being (FAMA, 2021). This well-being extends beyond financial issues, encompassing environmental and social issues.

The rule of maximum shareholder gains is to obtain results in financial returns. However, the ESG dimensions also contribute to this financial return. This perspective fails to recognize that investors view maximum well-being in terms of their overall investment and consumption portfolios. Since companies are unaware of the exposures inherent in not adhering to the ESG, maximum shareholder wealth is embraced as the appropriate decision rule. In this context, Beber and Rangel (2020) state that Stakeholder Capitalism cannot be considered a burden that will generate costs for shareholders. On the contrary, the adoption of ESG in this approach will provide opportunities for companies and their stakeholders, especially with actions focused on environmental, social, and governance issues. Companies with this attitude tend to experience efficiency and consequently competitive advantages, moving towards a new capitalist, pragmatic, and social logic. According to Signori *et al.* (2021) shareholders are increasingly using ESG ratings in their investment decision, incorporating the attention the company pays to stakeholders, and how these affects corporate governance management.

3.4 ESG possibilities in the Brazilian beef production chain

The beef production chain in Brazil is responsible for over 8% of Brazil's Gross Domestic Product (GDP). The Brazilian agribusiness sector has been a positive highlight in the country's trade balance in recent years. For the meat chain to reach the current level, investments in technologies, nutrition, pasture, health management, and genetics of the herd were necessary (MALAFAIA; BISCOLA; DIAS, 2021). This evolution has transformed the farm into a rural enterprise concerned with productivity, as well as with the quality of the product, making the meat chain competitive, and enabling it to expand its presence in international markets. The integration created a competitive market, with strict quality standards anchored in the traceability of the origin of the products sold.

The main destinations for the Brazilian beef in 2021 were China, Hong Kong, the United States, Chile, and the European Union (data from the Brazilian Association of Meat Exporting Industries; ABIEC, 2022). In addition, the volume of fresh meat exported by Brazil, which was 80 thousand tons in 1997, evolved to 1.5 million tons in 2021, (ABIEC, 2022). This result shows the evolution of Brazilian exports in recent years. Another highlight is the export of Brazilian meat to China, which in 2021 bought a volume greater than the total meat exports made in 2003 by Brazil (ABIEC, 2022).

4 DIVISION OF THE BASIC PREMISE

Writing is an important resource to expand interdisciplinarity and promote the construction of knowledge through intersubjective relationships (MENEGHETTI, 2011). The unraveling of the premise provides an instructive example of the ideological frameworks that act as cognitive and value lenses, forming mental maps that collective actors use to interact with the surrounding reality (PADELFORD; WHITE, 2009; DAVIES; Mc GOEY, 2016). The basic premise of this essay is that the governance possibilities for stakeholders in the beef chain are conditioned, on the one hand, by the actions of power groups, and on the other by international pressure. These groups represent the key players in maintaining shareholders' interests or in effectively applying the ESG in the Stakeholder Capitalism model, unfolding arguments in opposite perspectives.

The first perspective points to a significant growth of publications on ESG focusing on the disclosure of companies' actions and value addition, which confirms the interacting tendencies of the ESG and Stakeholder Capitalism premises. Following the second perspective, critics argue that the proposed vision is unfeasible because it is conceived as idealistic and inoperable, and because it is impossible to change business mentality in such a naive way. Thus, in the perspective of the Shareholder Interest Doctrine, shareholders should be prioritized by maximizing profit, since, in this way, the company as a whole would benefit. This approach reinforces the understanding that the interests of the owners, *i.e.*, the "shareholders", are at the top of the corporate priority list. Denning (2020) defends the position that management for stakeholders should privilege the interests of shareholders by arguing that the conflicting claims of different stakeholders lead to confusion, especially concerning the interests of external agents. Bebchuk, Kastiel, and Tallarita (2023) support this reasoning by conceiving that the Stakeholder Capitalism model, if effectively used, will isolate shareholders, sidelining the economic aspects. The authors, argue that corporate leaders have incentives to not serve stakeholder interests beyond what would be instrumentally useful or necessary to increase shareholder value.

At this point, in the case of Brazil, it is inevitable to acknowledge the tensions between the two points of view in the discussions concerning sustainability. On one perspective, environmental preservation and the pressure for a more sustainable agribusiness are increasingly on the agenda, and investors are reluctant to finance companies that adopt measures that are ineffective in terms of sustainability principles (HARRISON; FREEMAN; ABREU, 2015). On another perspective, the directions of the model to be adopted and of the actions to be taken concerning agribusiness are strongly conditioned to the interests of the Federal Government. For the government, the "Shareholder Doctrine" paradigm is convenient, according to which the directions proposed by power groups, especially with regard to the corporate sphere, in which agribusiness is inserted, still favor the economic over the social and environmental dimensions (BAZANINI; VILANOVA; RYNGEBLUM, 2022).

Djelic and Etchanchu (2017) refer to power groups and highlight the importance of the unity between the state and business in creating value for stakeholders through social responsibility. Thus, effective measures are directed toward the "measurability" of the responsibility of those involved, building transparency and efficiency. However, the measurability and "quantification" of responsibility also creates opportunities and possibilities for the commoditization of its practice by companies, which can result in the opposite effect, *i.e.*, collective irresponsibility (MITCHELL, 2010).

5 CLOSING REMARKS

As previously reported, the essay has a reflective and interpretive character, different from the classificatory form of science. Although during the analysis and subsequent reflection process the object exerts primacy, the subjectivity of the researcher is an important element in how the essay advances as a knowledge process.

Given the relevance of the impact business model involved in the divergent interests in the management of stakeholders (BEBUCK; TALARITA, 2020; BEBER; RANGEL, 2020; MÜLLER; KNEIPP; RODRIGUES; FAVARIN, 2022), the arguments used to consolidate the theme are becoming increasingly intense in defense of the central issue. For instance, The Stakeholder Capitalism model as a value creation factor in the Brazilian beef chain is relevant for the development of Brazilian agribusiness. For this approach, the following questions are identified:

1. Is the social responsibility, proposed in the Stakeholder Capitalism model as the promotion of human dignity, positioned as a developing factor or as a mere rhetorical instrument?

2. The Brazilian agribusiness groups that defend the "Shareholder Interest Doctrine" and classify social responsibility as obstacles to economic development, from the perspective of "idealistic" and "realistic" market dynamics, establish the type of conception for the social dimension of ESG?

3. Are the pillars of the Stakeholder capitalism model (Governance, Planet, People, Prosperity) subject to distortions when abstract universes such as "national sovereignty", "freedom", and "entrepreneurship" are incorporated?

4. Can the Stakeholder Capitalism model be characterized as greenwashing in the construction of a positive image and reputation of Brazilian agribusiness in the international market?

The answers to these questions are embedded in two contexts involving criticisms to stakeholder capitalism, where corporate leaders protect the interests of stakeholders on the edge of without affecting the interests of shareholders. The first context addresses the pressure from the international community and the participation of civil society in confronting environmental conflicts. The second refers to the maintenance and changes in the currently established power groups, especially in the policies proposed by the Federal Government, once, as proposed in this essay, the power groups historically act directly in cultural changes, which in turn influence other activity sectors.

An idealistic vision can encourage people and engage, but it also needs to be approached so the reality of the challenge is acknowledged. Therefore, the evidence seems clear. Despite contrasting statements (e.g., BEBCHUK; TALLARITA, 2020), corporate leaders are still mostly focused on shareholder value. In line with the basic premise of this study, it can be inferred that the assumptions of the Stakeholder Capitalism model are partially contemplated as a value creation factor in the Brazilian beef chain as the international community puts pressure on the power groups in Brazil and the non-compliance with these claims can damage the stock value in the market.

Power groups in Brazil related to the Brazilian beef chain assume that value should not be delivered to stakeholders, even if they employ a stakeholder rhetoric (e.g., BEBUCK; TALARITA 2020). For example, those concerned about climate risk or employee welfare should recognize that corporate rhetoric on the subject cannot be expected to contribute significantly to solving these problems.

This study contributed academically by strengthening the perspective of the urgent need to integrate elements related to sustainable development in the capitalism concept, as a factor of value creation for society as a whole. In managerial terms, this study adds knowledge on the need for managers to be aware of their role in achieving a conscious capitalism, as envisioned by the World Economic Forum (WEF, 2020).

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