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# Governing greenhouse gas emissions neutrality: An exploratory research in dairy farming in the State of São Paulo - Brazil

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## Abstract

This paper focuses on the governance of value chains in transitions towards meeting the Sustainable Development Goals of the United Nations Agenda 2030. The study adopts theoretical lenses of the New Institutional Economics to analyze initiatives towards the neutrality of greenhouse gas emissions in dairy farming. It is motivated by investigating meso-institutions as intermediaries of innovation, based on their role in decoding, certifying, and implementing rules and standards. For this purpose, exploratory research was conducted, based on the analysis of secondary data on corporate initiatives adopted by three companies that lead the transition to neutralize dairy farming emissions in the state of São Paulo. It is argued that the Brazilian institutional environment has not clearly and objectively defined the rules to be followed regarding emissions neutrality. This context culminates in a bottom-up transition, driven by companies that are at the forefront of creating new competitive rules and standards. This, in turn, induces meso-institutions to fill the gap between the general rule delineation expected at the macro-institutional level and the governance of value chains at the micro level, in terms of how transactions are organized. From this perspective, companies are incentivized to adopt initiatives that best fit the governance arrangement of their own interest. Ultimately, this projects significant risks on the routes that may prevail in the medium and long term in the course of the observed sustainability dynamics. Although the results are preliminary, anchored in a larger ongoing research agenda, the study contribution appears to illuminate the phenomenon that is still little explored in the literature, regarding meso-institutions filling the gap between macro and micro environments in bottom-up transitions.

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