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The Effect of Political Contributions on GMO-Labeling Initiatives

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By

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ABSTRACT: In recent years, the debate surrounding the use of GMOs has raged all over the United States. Recent studies show that almost 70% of the processed food in American supermarkets contain some form of genetically modified ingredient (Schiffman, 2013). As a result, more and more Americans have advocated for the mandatory labeling of GMO products through ballot initiatives. In return, biotechnology corporations such as Monsanto, have opposed these GMO-labeling initiatives with political contributions. This thesis questions the effects Monsanto's political contributions have had on proposed GMO-labeling ballot initiatives. The methodology used in this thesis consists of three case studies. Specifically, this thesis examines three different GMO-labeling ballot initiatives in the states of Oregon, California, and Washington. The findings show Monsanto's political contributions have had a direct impact on the outcome of each initiative. Monsanto's political contributions have helped defeat each GMO-labeling initiative.

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**Introduction:**

Former President Jimmy Carter stated “that unchecked political contributions are the legal bribery of candidates and he denounced a U.S. Supreme Court ruling that made possible unlimited spending by outside groups, including corporations and labor unions” (Henry, 2013). Over the last few years, corporations have invested a significant amount of money in proposed ballot initiatives in order to affect the outcome of the initiative. In particular, Monsanto, the multi-billion American agricultural biotechnology corporation has actively participated in the political process. Monsanto like many other corporations has perfected the use of political contributions to influence ballot initiatives outcomes in their favor. The American legislative process, specifically state ballot initiatives, is rapidly changing and wealthy corporations such as Monsanto are becoming active players in the political field.

Monsanto is the world leader in genetically modified organisms (GMOs), which makes it one of the most controversial corporations in the world today. Monsanto’s approach to agriculture is to shape the industry, seed by seed and farm by farm, so as to create global dependency on their genetic technologies (Kneen, 1999). Furthermore, Monsanto claims its vision is to feed the world and it advertises that it is making the world’s food better through its biotechnology (Kneen, 1999). Monsanto is the world leader in trying to encourage the adoption of genetically engineered foods and crops by consumers not only in the United States, but also around the world. Moreover, Monsanto is known for its large number of lobbyists who interact not only with legislators, but with farmers, members of the press, or members of the general public that they suspect might be influential in the development of Monsanto products (Kneen, 1999). Due to this fact,

genetically modified foods and crops have become extremely prevalent in America. Monsanto has kept a close eye on all legislation pertaining to GMO-labeling that could affect its multi-billion dollar for-profit business.

This thesis will begin by first introducing the research question at hand. In introducing the research question, the paper covers the significance and importance of researching Monsanto's effect on ballot initiatives. Following, the introduction of the question is the main argument of this thesis. The question and argument are both informed by a structured literature review that covers GMOs, direct democracy, and campaign contributions. The literature covered in this thesis covers work from the American politics subfield, including local and electoral politics, but this thesis may also have some implications for work in the Public Administration subfield as well. Furthermore, this thesis has some implications with environmental politics. The use of GMO in food crops and products is directly connected with the concern and safety of our environment. Nonetheless, these bodies of literature cover different scholars' perspectives, but together they inform the hypothesis in this study. Following this examination, the hypothesis will be formally presented and later tested in a case study analysis. The basis of the thesis is a case study analysis of three ballot initiatives that tried to introduce GMO labeling. The results of the case study research will state that Monsanto is effective in influencing the outcomes of these GMO labeling ballot initiatives. If this trends occurs in other states, Monsanto will be able to stem the oversight in labeling procedures across the states.

**Research Question:**

The question my thesis poses is: what effects do Monsanto's political contributions have on proposed GMO-labeling ballot initiatives? My thesis explores the tremendous impact political contributions have in shaping the outcome of a proposed ballot initiative. I will examine statewide initiatives pertaining to GMO-labeling and illustrate the strong influence that Monsanto's political contributions seem to play in the outcome of these initiatives. In addition, in examining specific initiatives that directly affect Monsanto, I will also be able to comment broadly on Monsanto's ability to affect the electoral and political process.

This question is extremely important not only to political scientists, but to the entire American public because legislation affects the entire nation in a multitude of different ways. Thousands of pieces of legislation are proposed on both the state and federal level annually. On the state level, initiatives dealing with a numerous variety of issues are remarkably common. Since being introduced in the Progressive Era, 27 states (in addition to Washington DC) have allowed some form of direct democracy. Ballot initiatives may potentially have a greater impact on American citizens, as the process of direct democracy allows citizens to have a direct say in policy; therefore it is extremely important to understand the factors that affect the outcomes of such proposed initiatives. One important piece of the puzzle with ballot initiatives is the political contributions by financially powerful corporations. Furthermore, my question is important because it deals with food policies that directly affect the citizens of the United States, simply because we all purchase food products. Monsanto, like many other corporations, are well aware of the influence their political contributions can have on proposed legislation. As a result, Monsanto has become more actively involved in the political process. Furthermore,

Monsanto has continued to increase their spending on political contributions in order to ensure that legislation passed creates an environment where their products can thrive.

**Argument:**

As previously stated the research question this thesis poses is what effects do Monsanto's political contributions have on proposed GMO-labeling ballot initiatives? The main argument proposed in this thesis is Monsanto's political contributions have directly affected the outcome of these proposed GMO-labeling ballot initiatives in their favor. Specifically, this thesis examines three case studies to show that Monsanto had a direct effect on the failure of three proposed GMO-labeling ballot initiatives. In other words, Monsanto's political contributions have contributed to changes in policies in these three states.

**Literature Review:**

Political contributions amongst food corporations, specifically Monsanto, have played an important role in shaping legislation. In recent years, large food corporations have defeated more and more proposed pieces of legislation regarding food policies. The literature on political contributions is extensive. There are several studies that explore both the positive and negative aspects of political contributions by large corporations. This research examines the effects political contributions have had on passing proposed GMO-labeling initiatives, specifically focusing on Monsanto. Although contributions are at the focus of the research, the thesis will cover other literature outside this scope. Furthermore, this thesis contributes to the ongoing

discussion regarding the effects of political contributions by powerful food corporations because it highlights the specific influence Monsanto has on affecting elections and politics.

The following literature review examines three different topics. The first section focuses mostly on genetically modified organisms (GMOs). This section examines the history of GMOs and the ongoing debate surrounding the use of GMOs in food products. In addition, the section highlights the stark differences between genetically modified labeling regulations between the United States and the rest of the world. The second section examines the role of direct democracy and its effect on the American policy process. Examining this literature is important given that the case studies focus mostly on ballot initiatives. The third and final section examines the role political contributions have on determining the outcome of legislation. The research question is focused on Monsanto's effect on ballot initiatives, thus it is important to examine the information contained within that literature.

### Genetically Modified Organisms (GMOs)

This section will cover the discovery and prominent use of genetically modified organisms in food products. This section is supposed to clarify the terminology and history behind GMOs. Recent advances in agricultural and food technology have led to the creation of genetically modified foods (Pascalev, 2003). Genetically modified (GM) foods are variously known as genetically engineered foods (GE), genetically modified organisms (GMOs), genetically altered foods, and biotech foods (Bongyu, Billingsley, Mustafa, & Nwagwu, 2009). Genetically modified foods are a new

category of foods derived from plants or animals produced through genetic engineering (Pasclev, 2003). The first GMOs were introduced in the second half of the 1980s for industrial production of medicinal products (Azadi & Ho, 2010). However, GMOs in food were first introduced for commercial production in 1996 and since then have increased in use (Bongyu et al, 2009). Genetic engineering involves the artificial manipulation of the genetic material of a plant, animal, or bacteria, or the transfer of foreign genes into the DNA of an organism, which results in the creation of a transgenic organism (Pasclev, 2003). This means transgenic organisms are organisms that possess genes that have been artificially inserted, rather than naturally developed. As a result, genetically modified foods contain altered genes that do not exist in nature, thus they contain genes that are unlikely to develop naturally (Pasclev, 2003). Clearly, the novelty of GMOs coupled with the dubious nature of genetically modified foods has created a huge debate surrounding the use of GMOs. However, by 2002, GE crops were planted in 145 million acres worldwide (McCullum, 2003). Moreover, the United States accounts for more than 50% of genetically engineered crops (Arvanitoyannis & Dona, 2009). More recently, Schiffman (2013) highlights that almost 70% of the processed foods in American supermarkets contain some form of genetically modified ingredient. McCullum's (2003) findings suggest that although GMOs spark huge controversies GE crops are a prominent source of food worldwide. Furthermore, Arvanitoyannis and Dona (2009) and Schiffman's (2013) data proves the United States is an important player in the growth and use of GMOs. The use of GMOs in the United States is prominent, however, the debate surrounding the use of GMOs rages on.

### *The Pros of GMOs*

There is no consensus about the effects of genetically modified organisms. Therefore scientists, food manufacturers, consumers, public interest groups, governments and policy-makers are polarized on the issue (Bongyu et al, 2009). Furthermore, Bongyu et al (2009) find that on one side, GMO businesses and some scientists believe starvation in the 21<sup>st</sup> century can only be combatted by GMOs. Pascalev (2003) points to the fact that there is not any significant difference between conventional foods and GMF. Furthermore, Pascalev finds that GMF would be beneficial to the environment because GMF are made from plants that are designed to produce their own pesticides and be resistant to herbicides. These plants would help reduce the use of poisonous chemicals, which would decrease pollution. In addition to Pascalev's (2003) findings Wohlers (2013) highlights how genetically modified (GM) crops provide beneficial traits that include improved nutritional content and increased resistance to herbicides. Wohlers (2013) finds that in addition to nutritional benefits associated with GM crops, GM crops are able to survive in harsh environments. As the world's food resources shrink GM crops offer an alternative to increase the food supply because they are able to thrive in conditions plagued by drought, heat, and cold (Wohlers, 2013). Wohlers (2013) and Pascalev's (2003) findings suggest GMF and GM are the perfect solution to solving many of the food problems currently facing society. Both authors share the same views in regard to the benefits GMF and GM crops could provide in alleviating starvation, as well as decreasing pollution.

### *The Cons of GMOs*

There are other scholars who do not believe in the benefits of GMOs. GM crops were introduced into the United States with little controversy, however in recent years they have been at the forefront of national debate (Goldman, 2000). GM foods represent both an environmental safety hazard, as well as posing risks with the safety of foods (Goldman, 2000). The mass production of GMF are immoral due to the uncertainty surrounding the long-term effects of GMF (Hart, 2002). Moreover, GMF could contain allergenic substances, as well as the possibility that the new proteins in the GMF could be toxic (Pascalev, 2003 and Bongyu et al, 2009). Furthermore, GMOs potentially could be less nutritious, and may contain lower amounts of phytoestrogens, which protect against heart disease and cancer (Bongyu et al, 2009). Genetically engineered plants used in GMF creates environmental risks due to the fact they could contaminate normal crops via cross-pollination (Pascalev, 2003). Essentially, all three authors allude to the dangers and risks associated with GMOs. Conventional crops and plants should be favored, however, GMOs continue to exist within our food in the United States. The debate surrounding the use of GMOs in food has raged on over the past few decades. Scholars have written and argued both the positive and negative affects surrounding the use of GMOs. One specific issue surrounding the use of GMOs in food products is the debate whether labeling GMO products should be required.

### *GMO Regulations Across the World*

Until scientific evidence can prove GMOs pose no health or environmental risks consumers will continue to demand that products containing GMOs be labeled. The United States federal government, along with twenty-five states, have proposed labeling requirements for GMOs, however neither the federal government nor any state have implemented laws requiring GMO labeling (Anderson, 2013). Currently, the United States is operating under voluntary labeling. With that being said, there is an ongoing battle between the United States and the European Union in regards to voluntary labeling and mandatory labeling (Premanandh, 2011). Mandatory labeling requires that all GMO products be labeled, whereas voluntary labeling requires truthful and non-misinforming information to be provided by food manufacturers (Premanadh, 2011). The United States public has grown frustrated at the lack of labeling of GMO products and has pushed for mandatory labeling. The European Union requires labels on food products that contain GMOs due to the fact GMOs are not scientifically proven safe (Anderson, 2000). In addition, more than forty countries have adapted labeling regulations (Premanadh, 2011). Premanandh (2011) and Anderson (2013) findings depict there is a continuous battle over mandatory labeling of GMO products. Many developed nations have adopted the mandatory labeling due to the uncertainty of GMOs, however, the United States has failed to adopt a similar policy. The failure to adopt mandatory labeling of GMO products in the United States has led to several legislative initiatives. The appearance of these legislative initiatives have been fought by many corporations, specifically food corporations. For obvious reasons food corporations have not welcomed these initiatives with open arms. As a

result, food corporations have heavily invested to ensure mandatory labeling of GMOs does not succeed.

### Direct Democracy in the United States

This section will examine the ongoing debate surrounding the issue of direct democracy. In the United States, GMO labeling is at the center of debate in several different states that have decided to introduce these measures on electoral ballots. Direct democracy exists and is a part of American democracy in more than one way. The institutions of direct democracy include both the initiative and referendum process. The initiative is a process that allows ordinary citizens to propose new laws or constitutional amendments by petitions. In order to place a policy proposal on the ballot, its advocates are required to demonstrate that it warrants a minimal degree of public interest; signature requirements are the most common means for sponsors of initiatives to demonstrate such interest (Lupia & Matsusaka, 2004). If a policy proposal manages to collect the required number of signatures, the proposal is then placed on the ballot. More than half of the states and cities in the nation provide for the initiative and referendum and more than 70% of the population lives in a state or city where direct democracy is available (Lupia & Matsusaka, 2004). However, critics of direct democracy argue that voters are not competent enough to make policy decisions. Lupia and Matsusaka (2004) point out that the main points of contention surrounding direct democracy are the role of money and special interests in the policy process.

Given the nature of these ballot initiative campaigns, it is clear why money and special interests may be influential. Numerous factors affect the cost of an initiative campaign, for instance reaching large segments of the populations requires sizable purchases of advertisement time on television and radio (Lupia & Matsusaka, 2004). Furthermore, another factor that affects the cost of waging a successful direct democracy campaign includes the extent of underlying public support. For example, when the campaign seeks to mobilize existing support or change people's opinions, the latter is far more expensive (Lupia & Matsusaka, 2004). Another factor that affects the cost of waging a successful campaign is the resources of the opposition, i.e., whether the opposing campaign is competitive (Lowenstein, 1982). When advocates run expensive campaigns, then those without similar resources are significantly at a disadvantage (Lowenstein, 1982).

In the case of elected representatives, the main concern is that campaign contributions lead to corruption and cause officials to adopt policies favored by contributors contrary to the public interest (Gerber & Lupia, 1995). However, corruption is less of a concern with the initiative and referendum because voters only approve or reject a specific law, they do not place an official in a position to dispense favors to contributors (Gerber & Lupia, 1995). Thus in the case of direct democracy, the primary concern is that wealthy interests "buy" legislation directly by placing measures on the ballot and campaigning for their approval (Lupia & Matsusaka, 2004). Early studies that compared passage rates for small samples of initiatives in which one side heavily outspent the other find that heavy spending against a measure almost always led to the measure's defeat, whereas heavy spending in favor of a

measure had a minimal effect (Lowenstein, 1982; Owens and Wade, 1986). Thus, it is blatantly clear to see that expenditure on campaigns significantly affects the outcome of a proposed initiative. Wealthy corporations like Monsanto know this fact all too well, which encourages them to continue to make significant political contributions to combat GMO-labeling ballot initiatives.

### The Effect of Political Contributions on Legislative Outcomes

This final section examines the effect political contributions have on the outcome of proposed legislation. Over a quarter of a century's research on the effects of political campaign spending has yielded the conclusion that campaign spending matters (Abrams & Settle, 2004). Campaign spending matters because it affects the outcomes of elections (Matusaka and Palda, 1999). In addition, empirical studies indicate the more a political candidate spends on a campaign, the more votes they will receive (Banain & Luksetich, 1991). Abrams and Settle (2004), Matusaka and Palda (1999), and Banain and Luksetich's (1991) research illustrates the effect money, specifically through campaign spending, has on the outcomes of elections. Money affects the outcomes of elections, therefore corporations invest large amounts of money to influence the outcome of an election.

Using Banain and Lukestich's (1991) findings, one can infer that the more a corporation spends on an election, the more likely it is they will win. Restricting corporations from making monetary donations is possible; however, stopping them from participating in other forms of political activity that affect legislation, such as lobbying, is much more difficult (Leong, Hazelton, & Townley, 2013). Furthermore,

for the most part, corporations influence politics through donations and lobbying (Leong et al, 2013). These scholars agree that political contributions from corporations strongly influence the legislative process. Corporations are aware of this and as a result continue to invest heavily in political contributions. Corporations are impartial players in the political arena and pursue goals that are beneficial to them, regardless if it is contrary to the public interest (Leong et al, 2013). The majority of U.S. food manufacturing companies actively participate in politics via lobbying and campaign contributions (Bhuyan, 2000). The reason food manufacturing firms participate in the political process is to maintain market power; they wish to control the outcomes of legislation that would affect their control in the industry (Bhuyan, 2000).

In conclusion, based off the literature scholars have written on the topic of political contributions and direct democracy it is abundantly clear political contributions significantly affect the outcome of any political election. In particular, food corporations actively participate in the political process to affect food-labeling procedures, in order to alter the outcome of legislation in their favor. One of the biggest food corporations that is an important player in the political arena is Monsanto. The use of GMOs in foods has spurred national debate and put pressure on politicians and policymakers to require that GMO labeling be mandatory in the United States. Monsanto is an agricultural biotechnology corporation that heavily engages in this debate, and they are constantly involved in making political contributions in order to defeat these GMO labeling initiatives.

**Hypothesis:**

Based off previous research and information scholars have provided in regards to political contributions, there is a clear indication that political contributions play a strong role in affecting the outcome of a proposed piece of legislation. Thus, based off the literature the following hypothesis can be made:

H1: Monsanto's political contributions have significantly increased the likelihood of success for GMO-labeling initiatives to pass in their favor.

On the contrary, the null hypothesis would be Monsanto's political contributions have had no effect on the outcome of GMO-labeling initiatives.

### **Methodology:**

This thesis project is based and formulated through the use of qualitative analysis, in particular through the use of case studies. Three specific case studies are used and analyzed in this thesis project. The ultimate goal of this thesis is to both analyze and find out whether Monsanto's political contributions increase the likelihood of the outcome of GMO-labeling initiatives passing in their favor.

The three case studies center on three states: Oregon, California, and Washington. These states are unique in that they have voted on these GMO-labeling initiatives. However, it is useful to discuss the unique political culture of U.S. states in order to realize the differences between how these measures were treated. Daniel Elazar (1966) defines political culture as the "particular pattern of orientation to political action in which each political system is embedded". In other words, each state

has a different orientation to politics. This thesis exemplifies the ideas that Elazar highlighted in attempting to identify each state by being moralistic, traditionalistic, or individualistic.

The state of Oregon is primarily dominated as having a moralistic political culture. The moralistic political culture emphasizes the commonwealth conception meaning it strives to achieve the good society (Elazar, 1966). Furthermore, the moralistic political culture embraces the notion that politics is a matter of concern for every citizen, not just politicians, and it is the duty of every citizen to participate in the political affairs of his commonwealth (Elazar, 1966). Essentially, Elazar depicts the state of Oregon as being traditionally formed around the notion of the common good for all.

Currently the state of Oregon has a population of 3,930,065 citizens (U.S. Census Bureau, 2010). Oregon is heavily dominated by whites whom account for 85.3% of the state population, followed by Latinos whom account for 12.2% of the population (U.S. Census Bureau, 2010). In terms of political demographics Oregon is dominated by the Democratic Party with 42% of the registered voters affiliating themselves as Democrats (Oregon Blue Book, 2010). Those who are registered voters belonging to the Republican Party account for 32% while the remaining registered voters pertaining to the other category account for 26% (Oregon Blue Book, 2010). Oregon is known to be one of the most liberal and progressive states in the nation, currently it is the sixth most liberal state (Gallup, 2014). The liberal nature of Oregon can be seen manifested in some of the laws it has passed. Oregon was the first state in

the U.S. to legalize physician-assisted suicide after its citizens voted in favor of the ballot measure in 1994 (Lyn & Brette, 2013).

California, similar to Oregon is known for possessing a moralistic political culture. However, unlike Oregon, it is also known as being a state also associated with a traditionalistic political culture. The traditionalistic political culture is rooted in a mixed attitude towards the marketplace coupled with a paternalistic and elitist conception of the commonwealth (Elazar, 1966). In this political culture, government is seen as an actor with a positive role in the community, but the role is largely limited to securing the maintenance of the existing social order (Elazar, 1966).

California is the most populated state in the nation with more than 37 million residents (U.S. Census Bureau, 2010). Compared to Oregon, the state of California is much more highly diversified. Whites account for the biggest percentage of race at 40.1%, followed very closely by Hispanics at 37.6%, then Asians whom account for 12.8% of the state's population (U.S. Census Bureau, 2010). In terms of political demographics, California in recent years has sided with the Democratic Party. In addition to being a democratic state California ranks in the top ten liberal states (Gallup, 2014).

Washington is a state that shares a mixture of two different political cultures. However, as was the case in Oregon, the dominant political culture in the state of Washington is the moralistic political culture. In addition to what was stated previously in regards to moral political cultures, it is the primary source of the continuing quest for the good society (Elazar, 1966). Washington is home to over 6,720,000 people (U.S. Census Bureau, 2010). Similar to Oregon, whites account for

the biggest percentage of the population at 81.6% followed by Hispanics at a distant 11.7% (U.S. Census Bureau, 2010). Washington recently has gained a reputation of being a liberal state. In 2012, Washington was one of two states to legalize marijuana for recreational use (Wells, 2014). Thus the three specific case studies this thesis analyzes are centered in three of the more liberal states in the nation.

In conducting these three specific case studies, I recognize the limitation imposed by the fact that all three cases are ballot initiative in states that are found on the western coast of the United States. These three specific states were chosen without bias because they are the only three states to propose and vote on GMO-labeling ballot initiatives thus far. With that being said, had there been more states with GMO-labeling initiatives on their ballots, this thesis would have included those initiatives as well. At the end of the analysis, this manuscript turns to the question of whether or not we will see similar effects in other states, which are currently considering to put these GMO-type measures on the ballot.

#### Measure 27 (Oregon):

The first case this thesis focuses on is the “Oregon Labeling of Genetically-Engineered Food Act”, more commonly known as Measure 27. The proposed measure was on Oregon’s general election ballot in 2002. The measure landed on the ballot as a result of an initiative petition meaning at least 67,000 signatures were required (Anderson, 2013). More than 100,000 citizens signed the petition supporting GMO labeling, easily more than the required signatures needed (Anderson, 2013). If passed Measure 27 would require genetically engineered foods sold or distributed in the state

of Oregon to be labeled. Furthermore, Measure 27 if passed would be the nation's first law requiring GMO labeling. At the time of the election, early polls showed citizens in the state of Oregon supporting Measure 27 (Anderson, 2013). Thus, the likelihood of winning a GMO-labeling initiative in a progressive state such as Oregon should have been relatively easily.

#### Proposition 37 (California):

The second case this thesis analyzes is Proposition 37, "The California Right to Know Genetically Engineered Food Act" (hereafter referred to as Proposition 37), which was a ballot measure on the statewide election of California in 2012. Although, there is a ten-year span between Oregon's effort to pass Measure 27 and Proposition 37 both ballot initiatives share similar qualities. For one, Proposition 37 required 970,000 signatures before the measure was approved for the November 6, 2012 ballot (Anderson, 2013). If passed, Proposition 37 would have required the mandatory labeling of raw or processed foods made from genetically engineered plants or animals. In addition, it would prohibit labeling or advertising such food, or other processed food, as "natural". As was the case in Oregon for Measure 27, virtually all the polls leading up to the election indicated the proposition would pass (McFadden and Lusk, 2013).

#### Initiative 522 (Washington):

The third and final case this thesis focuses on is Washington Initiative 522 (hereafter Initiative 522). Initiative 522 was on the general election ballot of

Washington in 2013. The ballot initiative if passed would require foods produced entirely or partly with genetic engineering, as defined, to be labeled as genetically engineered when offered for retail sale in Washington, beginning in July 2015 according to the official ballot measure summary. As was the case in previous attempts to pass GMO-labeling ballot measures (Measure 27 & Proposition 37), early polls showed the ballot measure had plenty of support.

The three cases were specifically chosen for this thesis project for more than one reason. For one, these cases were chosen due to the fact they are all ballot initiatives that if passed would have required the mandatory labeling of genetically engineered food products in each respective state. Second, all three cases showed signs of early support from the general public of passing. However, in each case the early support for the initiative quickly disappeared once the biotechnology companies and food corporations entered the battle and rallied against the initiative. In each case, Monsanto was the strongest to react and rally against the proposed ballot initiative. Monsanto led the charge against all three initiatives by flexing its financial power via political contributions. The last reason these three cases were chosen was because all three initiatives failed to pass. What were the reasons each ballot initiative failed to pass? Did Monsanto's political contributions play any role in affecting the outcome of each proposed initiative? In the following results section, this paper addresses each of these concerns to find that Monsanto was dramatically influential in the GMO-labeling debate.

## **Results:**

In order to test my hypothesis, I sought to analyze whether there was a connection between the amount of money Monsanto contributed in each respective campaign and the outcome of each ballot initiative. The process I undertook involved collecting the financial data that depicts the entire list of political contributions made by both campaigns in each of the state's ballot initiatives. After that, I proceeded to narrow down the list of all contributors in each state race to solely the highest contributors, with an emphasis of focusing on Monsanto. From there, I was able to analyze the effect Monsanto's political contributions had on each respective ballot initiative one by one with clear and concise data to test my hypothesis. The results are as follows, presented as a state-by-state analysis:

Measure 27 (Oregon):

Measure 27, the ballot initiative that would have required the labeling of genetically engineered foods sold or distributed in the state of Oregon, was defeated by a significant margin. Despite the fact early polls showed 58% of voters supported Measure 27, the measure was soundly defeated (Anderson, 2003). According to the Oregon Blue Book, 886,806 citizens voted "No" on Measure 27, while only 371,851 citizens voted in support of the measure. What could cause 886,806 citizens or 70.5% of the voters to vote against Measure 27 after such strong early support? One simple answer, biotechnology companies and food corporations rushed to oppose the proposed measure. Currently, roughly 70% of the processed foods in American supermarkets contain some form of genetically modified ingredient (Schiffman, 2013). Thus, Measure 27, if passed, would present a significant problem for these giant

corporations in the food industry. For obvious reasons, biotechnology companies and food corporations did not welcome Measure 27 with open arms because it would affect its multi-billion industry, even if it was only limited to the state of Oregon. In this particular example, the most active and prominent corporation battling Measure 27 was Monsanto.

Through its financial power, Monsanto was able to affect and alter the outcome of Measure 27; in fact, the significant disparity between the money contributed by both sides is extremely alarming. Monsanto led the charge against Measure 27 by making a contribution totaling \$1,480,000 (Ballotpedia, 2012). By far, Monsanto made the largest contribution towards the opposition against Measure 27. Dupont, another biotechnology giant, made the second largest contribution with \$634,000 (Ballotpedia, 2002). Furthermore, biotechnology companies Dow Agro Sciences, BASF, Syngenta, Bayern Crop Science, and Aventis made a collective contribution totaling more than \$2,220,497 (Ballotpedia, 2002). The total contributions made by the opposition to Measure 27 totaled \$4,591,164 (Ballotpedia, 2002). Those groups in support of Measure 27 only managed to raise a total of \$400,000 (Ballotpedia, 2002). Thus, it is apparently clear to see the effect political contributions have on the outcome of a proposed initiative in this state. Monsanto single-handedly outspent the opposition in terms of money contributed, which in turn altered the result of the outcome. How exactly did Monsanto's political contributions affect the outcome of Measure 27?

The political contribution Monsanto made was primarily used to fund the campaign advertisements against Measure 27, specifically TV and radio ads. Tim Hobbitts, an independent pollster, found that in early October poll showed 58% of the

population supported the measure and 36% opposed it (Prengaman, 2002). In the last four weeks leading up to the election, a half-dozen ads attacking Measure 27 flooded TV airwaves. In addition, to the flood of “No” on Measure 27, over the last month prior to the election, the “Yes” on 27 had been all but absent from the airwaves because of the lack of funds (Prengaman, 2002). This case depicts the extreme influence political contributions can have on the outcome of a proposed initiative. Monsanto had a heavy interest in ensuring Measure 27 did not pass. They made the largest contribution out of all the companies, which won them the battle. Through its large contribution, Monsanto essentially bought the public’s opinion via controlling the airwaves.

Proposition 37 (California):

Proposition 37, the ballot initiative that would have required the mandatory labeling of raw or processed foods made from genetically engineered plants or animals, was defeated. The amount of votes in support of Proposition 37 was 6,442,371, while the number of votes against Proposition 37 was 6,088,714 (Ballotpedia, 2012). Proposition 37 was the second GMO labeling initiative to appear on a state election following Measure 27 (Oregon 2002). As was the case in Measure 27, Proposition 37 failed to pass, however the results was much closer. The percentage of the voters that voted against Proposition was 51.4%, while those in support of Proposition 37 accounted for 48.6% of the votes. Support for Proposition 37 was around 70% less than a month before the 2012 election (McFadden & Lusk, 2013).

Once again, a last minute influx of contributions from agro-chemical companies, such as Monsanto, changed the outcome of the initiative.

Opponents of Proposition 37 managed to raise \$46,000,000, while those groups in support of Proposition 37 only managed to raise \$9,200,000 (Ballotpedia, 2012). The “No” on Proposition 37 campaign outspent the labeling supporters by a ratio of five-to-one (Anderson, 2013). The \$46 million dollars raised by the opponents of Proposition 37 were accumulated via political contributions made by mega biotechnology companies. Once again, Monsanto led the fight against the GMO labeling initiative. Monsanto contributed \$8,112,687 to the fight against Proposition 37 (Ballotpedia, 2012). Monsanto was the top contributor to the fight against Proposition 37, accounting for 17.6% of the total money raised by all contributors (VotersEdge, 2012). In addition to being the top contributor, Monsanto was well ahead of other corporations in the fight against Proposition 37 in terms of the amount of money contributed. DuPont, another agrochemical powerhouse, ranked second with a contribution of \$5,400,000 to “No on 37”, which accounted for 11.7% of the total money raised. Moreover, Pepsico made the third largest contribution, which was \$2,484,400 or 5.4% of the total money raised for “No on 37”. Following these top contributors were: Grocery Manufacturers Association, Krafts Food Global, Bayer Cropscience, Dow Agrosiences, BASF Plant Science, and Syngenta Corporation, which all contributed \$2,000,000 respectively or 4.4% of the total money raised (VotersEdge, 2012).

Based off these contributions, it is clear to see the importance agricultural and food corporations place on legislation that affect its multi-billion-food industry,

especially Monsanto. It is no coincidence that Proposition 37 failed to pass in California during the 2012 state election. Monsanto almost single-handedly outspent the opposition in terms of money contributed. The significant disparity that exists between the amounts of money both sides spent is alarming. Monsanto's political contributions, along with the other biotechnology companies, significantly affected the outcome of Proposition 37. Exactly in what ways did Monsanto's political contributions affect the outcome of Proposition 37?

As was the case in Measure 27, opponents of the GMO labeling initiative, led by Monsanto went on a media blitz against Proposition 37. Opponents of Proposition 37 used the millions of dollars they contributed to fund the campaign advertisements against Proposition 37. Monsanto, along with other contributors, launched advertisements both on TV and radio airwaves arguing that the measure was too complex, could raise food prices, and would hurt farmers (Evans, 2012). Moreover, Proposition 37 opponents' advertisements focused on the labeling contradictions of the proposition and the likely rise in cost to consumers (McFadden & Lusk, 2013). Stacy Malkan, spokeswoman for the Yes on Proposition 37 campaign, sums up the devastating affect political contributions had on the outcome of Proposition 37. Malkan explains that the opponents to Proposition 37 were able to spend millions of dollars bombarding the state with advertisements against the measure (Evans, 2012). Furthermore, Malkan indicates those groups in support of Proposition 37 were not able to counter the opposition ads because they were on the air every hour, sometimes four times an hour, on every station across the state (Evans, 2012). Dan Schmur, director of the USC Dornsife/LA Times Poll, highlights the primary reason behind the decrease

support of Proposition 37 is the amount of money that the opposition put into the campaign. Schmur explains that when voters hear a message so much more strongly from one side than the other, it is not shocking to see support for the measure quickly diminish (USC Dornsife/LA Times Poll, 2012).

Those groups in support of Proposition 37 were simply not able to compete with the opposition due to the significant discrepancy in contributions made from both sides. Monsanto, along with the other contributors, poured millions of dollars into advertisements, which ensured their opponents could not keep up with them. Once more, Monsanto was able to use its financial power to rally against a proposed ballot initiative that would have forced them to label their products containing GMO's. Proposition 37 was not the first proposed ballot initiative to be struck down due to political contributions from companies such as Monsanto, nor would it be the last.

Initiative 522 (Washington 2013):

Initiative 522, the ballot initiative that would have required labels on foods containing genetically ingredients in the state of Washington was defeated. The amount of votes in support of Initiative 522 was 895,557 or 51.09%, while the number of votes against the initiative was 857,511 or 48.91% (Ballotpedia, 2013). The initiative was the third GMO labeling initiative to appear on a state election. As was the case in both Measure 27 and Proposition 37 in the states of Oregon and California respectively, Initiative 522 failed to pass. Similar to the outcome in Proposition 37 the results of Initiative 522 indicate a tight race. Early polls in September show that 66% of Washingtonians supported Initiative 522, however by late October support had dropped

to 46% (Hopkinson, 2013). What caused the decline of support of Initiative 522 right before the elections? Not for the first time, biotechnology companies such as Monsanto rallied against the ballot initiative via political contributions which completely changing the outcome of the proposed initiative.

Opponents of Initiative 522 managed to raise \$22,009,926 while those groups in support of the initiative only managed to raise \$8,431,294 (Ballotpedia, 2013). The group of opposition to Initiative 522 set the record for the most money ever raised in support or opposition for a ballot measure in the state of Washington (Hopkinson, 2013). That beats the previous record of \$20.1 million raised, which shows the heavy interest Monsanto and other biotechnology companies place on GMO labeling initiatives. As was the case in both Measure 27 and Proposition 37, Monsanto made the biggest contribution to the fight against Initiative 522 with a contribution of \$5,374,411 (Ballotpedia, 2013). How did Monsanto's and other biotech company's contributions affect the outcome of Initiative 522?

As was the case in Measure 27 and Proposition 37, Monsanto's contributions along with the rest of the contributions made by biotech companies used the funds generated to make ad buys across the state (Hopkinson, 2013). These ads created by the opponents of the initiative argue that the initiative is misleading, would considerably raise food prices, and hurt Washington's farm families (Hopkinson, 2013). Essentially, the outcome of Initiative 522 came down to a battle of TV and radio advertisement between the "Yes" side and the "No" opposition. Liz Larter, spokeswoman for the "Yes on 522" campaign perfectly sums up the disparities between both sides when she states "they are making this the most expensive race and are desperately adding last minute

money to try and buy this election through corporate-financed advertising” (Hopkinson, 2013). Due to the huge discrepancy in money raised between both sides, the “Yes on 522” was not able to keep up with the opposition in both the TV and radio airwaves which lost them the fight.

After careful examination of all three ballot initiatives it is abundantly clear that my hypothesis is correct. Monsanto’s political contribution in each ballot initiative played a huge role in affecting the outcome of each initiative in their favor. In each ballot initiative, Monsanto led the charge against the proposed GMO-labeling initiative. Furthermore, in all three cases, Monsanto was the biggest financial contributor to the fight against each GMO-labeling initiative. Looking at the numbers, it is alarming just how far biotechnology companies and similar corporations are willing to go in order to ensure GMO-labeling initiatives do not pass. In retrospect, the amount of money contributed by Monsanto and other companies in opposition to these ballot initiatives is quite staggering. Moreover, it is compounded by the significant discrepancy that exists between the amounts of money contributed by both sides. There is an astronomical growth between the total amount contributed in the first ballot initiative, Measure 27 in Oregon 2002, and the second ballot initiative Proposition 37 in California 2012. Equally, there is a significant growth in the amount of money contributed by Monsanto from the first initiative to the second initiative ten years later. The data shows Monsanto’s contribution against the first ballot initiative in Oregon in comparison to Proposition 37 in California rose from \$1,480,000 to well over \$8 million dollars. Even though there was a significant drop off in the total amount of money raised via political contributions in the case of Initiative 522, the amount contributed was a state record for

the most money raised in support or opposition of a ballot measure in the state of Washington. Monsanto alone contributed well over half of the total amount of money contributed by the entire group of donors in support of the GMO-labeling initiative. When one single contributor, such as Monsanto, can single-handedly match the total contribution or the majority amount of the contribution given by the entire group of donors in support of each respective ballot initiative creates cause for concern. By examining the discrepancies that exist between the political contributions between both sides we are able to understand the direct effect political contributions have on proposed GMO-labeling ballot initiatives.

To further prove my hypothesis, I examined trends that occurred throughout these three GMO-labeling ballot initiatives. When looking more closely at all three cases, I noticed an important trend. There exists a direct correlation between the percentage of the population that supports GMO-labeling as indicated by early polls and the total amount of money contributed in each ballot initiative. For example, when examining Proposition 37, it is worth noting that early polls show support for the initiative was around 70% less than a month before the election (McFadden & Lusk, 2013). Out of the three cases, early polls depict California had the highest percentage of support from its citizens. With that being said, it is no coincidence that not only Monsanto, but also the rest of the opposition to Proposition 37 collectively as a group each made their biggest contribution with contributions of \$8 million and \$45 million respectively. The fear of having a GMO-labeling initiative was more than enough to compel both Monsanto and the rest of the companies against the initiative to contribute

to the fight Proposition 37. The amount donated was the most expensive when compared to the other two cases in this study.

This trend is continued when examining the case of Initiative 522 in Washington. Early polls in September depict that 66% of the citizens in Washington supported Initiative 522 (Hopkinson, 2013). The 66% support for Initiative 522 was slightly less than the 70% support Proposition 37 was able to garner. With there being slightly less support for Initiative 522, Monsanto, as well as the rest of the opposition to the initiative, contributed less than they did in the case of Proposition 37. Monsanto contributed well over \$5 million dollars to the fight against Initiative 522, while the total amount contributed by all those in opposition to the initiative totaled just over \$22 million dollars (Ballotpedia, 2013). When comparing the total amount of money generated by political contributions by all contributors in opposition to Proposition 37 and Initiative 522 I noticed a significant decline in the amount contributed to combat both initiatives. Those groups against Proposition 37, which include Monsanto, contributed \$45 million dollars to defeat the initiative. However, those same groups contributed less than half of the total raised in Proposition 37 in the fight to defeat Initiative 522, which was \$22 million dollars. The difference in terms of percentage for support of each ballot initiative as indicated by early polls was only 4%. Early polls show Proposition 37 garnered 70% support for the initiative to pass (Anderson, 2013), while polls in Washington depict 66% of the citizens supported the ballot initiative (Hopkinson, 2013). What caused the groups in opposition to both initiatives to contribute significantly more money to Proposition 37 than Initiative 522 when early polls indicated a tight race in both cases?

Demographically speaking, California is a much larger and more populated state than Washington. As a result, those in opposition to Proposition 37 in California were forced to spend a larger amount of money than was the case in combating Initiative 522 in Washington. With that being said, the amount of money contributed in opposition to Initiative 522 was a state record for the most money raised in support or opposition of a ballot measure in the state of Washington (Hopkinson, 2013). Even if the two states differ in populations, the amount spent does not correlate with the relative populations of each state.

In the case of Measure 27 in Oregon early polls showed 58% of voters supported the GMO-labeling initiative (Anderson, 2013). This percentage is significantly lower than those predicted by early polls in both Proposition 37 and Initiative 522 respectively. Following the trend established by the other two cases, it is no surprise that both Monsanto, as well as all those in opposition to the initiative, collectively made their smallest contribution when comparing all three cases. Monsanto's political contribution to the fight against Measure 27 totaled \$1.4 million dollars (Ballotpedia, 2013), while the total contribution by all the companies in opposition to the initiative was \$4.5 million dollars (Ballotpedia, 2013). Comparing both Monsanto's political contributions, as well as the total contributions from companies against the GMO-labeling initiatives in all three cases reveals two noteworthy findings. For one, political contributions from Monsanto undoubtedly affect the outcome of GMO-labeling initiatives in their favor. Second, these three cases illustrate the fact Monsanto, along with other biotechnology companies and similar corporations will spend whatever

amount of money that is necessary on political contributions to ensure GMO-labeling initiatives do not pass.

**Conclusion:**

Monsanto, along with other companies that oppose GMO-labeling initiatives have perfected the craft of using political contributions to influence proposed ballot initiatives. However, the movement to require the mandatory labeling of GMO products seems to have gathered speed across the nation despite the narrow defeats in California and Washington respectively. Both these close margin ballot initiatives have raised awareness throughout the country and propelled many states to launch similar initiatives. As least thirty states have started working on GMO-labeling initiatives (National Conference of State Legislatures, 2014). The majority of the states pushing for GMO-labeling initiatives reside in the Western and Eastern coast of the United States. The one area that has the least states pushing for GMO-labeling initiatives are located in the southern and eastern regions of the United States. With so many states advocating for GMO-labeling initiatives, it is clear Americans want to know more information about what is in their food. Polls suggest that the majority of American citizens are strongly in favor of GMO-labeling. The labeling of GMO products is an issue that exploded in the last few years at the state level. However, the food industry will stop at nothing to ensure GMO-labeling initiatives do not pass. The rising momentum GMO-labeling advocates have created is becoming an extremely expensive battle for biotechnology companies such as Monsanto. The food industry has spent

more than \$67 million dollars in response to two GMO-labeling ballot initiatives in California and Washington.

Will Monsanto and other biotechnology companies continue to give a significant amount of money via political contributions to ensure that GMO-labeling initiatives will continue to fail? Based off the trends established in the three case studies analyzed in this thesis, Monsanto along with similar companies will continue to contribute large sums of money to defeat any GMO-labeling initiative. These companies recognize the fact that the movement for mandatory GMO-labeling is powerful and continually growing. As a result, the only way to combat GMO-labeling initiatives is to significantly outspend the opposition via political contributions in order to essentially buy the outcome of each initiative.

Despite these defeats in California and Washington, Connecticut and Maine, have both succeeded in passing GMO-labeling bills in their state legislatures in only the past year. The state of Connecticut was the first state to sign a GMO-labeling bill, however for the bill to take effect, four states including one state, which borders Connecticut, must pass a similar bill (Anderson, 2013). Furthermore, those four states must accumulate a combined population of at least 20 million people (Anderson, 2013). Similarly, there is a stipulation in the GMO-labeling bill passed by Maine that states Maine will only be able to pass the law when five neighboring states also pass similar bills (Anderson, 2013). Although, both Maine and Connecticut passed GMO-labeling bills, it is difficult to envision that they will both meet the required stipulation in order to go into effect. The battle over mandatory GMO-labeling ensues in the United States. More than forty countries around the world require the mandatory labeling of GMO

products (Premanadh, 2011). Will the United States join these other nations and require the mandatory labeling of GMO products? Or will large companies such as Monsanto continue to have their way and win initiative after initiative via their extensive political contributions?

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