Extended essay cover

Candidates must complete this page and then give this cover and their final version of the extended essay to their supervisor.

Candidate session number

Candidate name

School number

School name

Examination session (May or November) | May | Year | 2012

Diploma Programme subject in which this extended essay is registered: Business & Management

(For an extended essay in the area of languages, state the language and whether it is group 1 or group 2.)

Title of the extended essay: To what extent has Monsanto's public relations efforts and techniques improved Monsanto's ethical reputation?

Candidate's declaration

This declaration must be signed by the candidate; otherwise a grade may not be issued.

The extended essay I am submitting is my own work (apart from guidance allowed by the International Baccalaureate).

I have acknowledged each use of the words, graphics or ideas of another person, whether written, oral or visual.

I am aware that the word limit for all extended essays is 4000 words and that examiners are not required to read beyond this limit.

This is the final version of my extended essay.

Candidate’s signature: ___________________________ Date: 29 Feb. 2012
Supervisor's report and declaration

The supervisor must complete this report, sign the declaration and then give the final version of the extended essay, with this cover attached, to the Diploma Programme coordinator.

Name of supervisor (CAPITAL letters) ________________________________

Please comment, as appropriate, on the candidate’s performance, the context in which the candidate undertook the research for the extended essay, any difficulties encountered and how these were overcome (see page 13 of the extended essay guide). The concluding interview (viva voce) may provide useful information. These comments can help the examiner award a level for criterion K (holistic judgment). Do not comment on any adverse personal circumstances that may have affected the candidate. If the amount of time spent with the candidate was zero, you must explain this, in particular how it was then possible to authenticate the essay as the candidate’s own work. You may attach an additional sheet if there is insufficient space here.

The candidate chose her topic because she found Monsanto and its operations to be very interesting. Moreover, she encountered this company not only in her Business and Management class but also in Geography and Biology. This was fortunate for this candidate because she zealously approached this research project. She gained important insight in distinguishing between credible and non-credible sources and experimented with different research tools such as Google Insights. However, the candidate’s energy towards this project often caused her to become sidetracked and lose focus. The candidate realized that her personal bias played a large role in her writing which may have prevented her from taking a more balanced, objective approach.

This declaration must be signed by the supervisor; otherwise a grade may not be issued.

I have read the final version of the extended essay that will be submitted to the examiner.

To the best of my knowledge, the extended essay is the authentic work of the candidate.

I spent 3 hours with the candidate discussing the progress of the extended essay.

Supervisor’s signature: __________________________ Date: 29/2/2012
Assessment form (for examiner use only)

Candidate session number

Achievement level

Criteria

A research question
B introduction
C investigation
D knowledge and understanding
E reasoned argument
F analysis and evaluation
G use of subject language
H conclusion
I formal presentation
J abstract
K holistic judgment

Examiner 1 maximum Examiner 2 maximum Examiner 3

A 2 2 2
B 2 2 2
C 3 1 1
D 4 4 4
E 4 4 4
F 4 4 4
G 4 2 2
H 2 2 2
I 4 4 4
J 2 2 2
K 4 4 4

Total out of 36

Examiner number:

Date: 08/15/12

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Extended Essay Business & Management

To what extent has Monsanto's public relations efforts and techniques improved Monsanto's ethical reputation?

School:

Session: May 2012

Candidate number:

Candidate name:

Subject: Business & Management

Supervisor:

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Abstract

Reputation is very important in our modern society because of the influence it has on the way others view a person. Reputation is not only applicable to people, but also to corporate identities, and reputation is just as important, if not more important, to companies as it is to individuals. The reputation of a company can influence customer loyalty and product sales, and an unfavorable reputation will often influence a business negatively, while a good reputation will be a positive asset to the business.

Monsanto is a company that has been the subject of many controversies due to their unethical and ruthless business practices as well as their genetically modified seeds, which raise issues about biodiversity. As a result of all these controversies and their aggressive attitude in dealing with them, Monsanto has developed an unethical reputation, and the company is now using public relations efforts in order to improve their reputation. This leads to the question “To what extent has Monsanto’s public relations efforts and techniques improved Monsanto’s ethical reputation?”

This essay will examine the efforts that Monsanto has made to improve their reputation and the recent changes in public opinion towards the company. Research was carried out using news articles and the internet as the main source as well as a documentary on Monsanto. Through the examples examined in the essay, it can be seen that Monsanto’s public relations efforts, while having a positive effect on the reputation of the company, do not entirely improve their unethical reputation and public opinion of Monsanto remains predominantly negative.
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1. Introduction

As modern technology improves and evolves, the amount of information readily available to the public has increased and the methods used to transfer that information has also become more sophisticated and varied. The internet and mass media has given the public access to a wealth of information and has allowed them to build and then spread their own opinions. The free sharing of ideas and information has had both positive and negative effects on the public’s view on people, events, locations and companies, and this can influence the reputation of the subject.

Reputation is immensely important in today’s modern world due to the fact that the developments in modern communication methods have allowed people to share their views with the public. Reputation is important not only to individuals but also to corporate entities, and can influence a company’s customer base, sales volume, and their popularity with stakeholders. Monsanto, a company with a big presence in the global seed market, has been the subject of numerous controversies over the years and is trying to combat its unfavorable reputation through its public relations efforts. This leads to the question “To what extent has Monsanto’s public relations efforts and techniques improved Monsanto’s ethical reputation?”
2. Public Relations and Reputation

A corporate reputation is an intangible asset made up of perceptions and expectations by its internal and external stakeholders about a company's performance, products and services, activities, employees, and organization. (Reputation Institute, 2004) Corporate reputation is important because a loss of reputation can cause a decline in the market value of a company, but a strong reputation can be a buffer to any problems the company may encounter. A good reputation also leads people to support a company in the form of buying the company's products, working for the company, or recommending it to other customers or potential shareholders. Corporate reputations are formed from the experiences people have with the company, how a company communicates and expresses itself, and media perceptions.

Public relations are a form of communication between a company and its audience, which includes important stakeholders as well as the general public. It helps build relationships and manages information that the company gives and receives. (PRSA, 2011) It can influence a company's reputation and brand name, help lessen the effects of crises caused by both internal and external sources, support interaction between consumers and the company, and influence sales. Public relations are part of the promotion part of the marketing mix and have influenced many aspects of daily life, for example in public awareness of breast cancer, smoking, and drinking and driving.

One way to improve a company's reputation is through corporate social responsibility. Corporate social responsibility is about giving back to the community.
and contributing to the general welfare of society, the environment, and the economy.

It can be seen as an investment, and the benefits that come with corporate social responsibility are not only reputation-based, but also help improve relationships between the company and the community, better employee relations, and a stronger brand name.
3. Monsanto’s Reputation

Monsanto, a company based in St. Louis, Missouri, USA, is one of the world leaders in the field of genetic modification of crops and is the world’s largest seed company. They produce genetically modified soybean, corn, canola, and cotton seeds, and continue to develop different types of genetically modified crops. Monsanto is a company with a very negative public image. Many news articles have been published on Monsanto’s unethical practices, and many recent documentaries on ethics, business practices, and genetically modified crops have been produced, most notably the French documentary detailing the unethical actions of Monsanto titled “The World According to Monsanto”. Even Greenpeace has published articles on Monsanto’s actions and a campaign called “Millions Against Monsanto” has been launched in protest against Monsanto’s actions and to raise awareness about genetically modified crops.

Monsanto began as a small company that produced chemicals, and its very first product was a sweetener called saccharin. The company did not do well due to tougher competition and struggled to stay alive, but it was helped by a loyal customer, Coca-Cola, which was a new company at the time. Monsanto began producing more products, and became the largest producer of aspirin worldwide. After World War I, the company became fully established in the chemicals industry, and began producing plastics, rubber, glass, resins, industrial chemicals, fertilizers, and other products. Then it began investing in biotechnology, and the first scientists to modify a plant cell were Monsanto workers. The company reorganized itself and shifted all of its
chemical products into a new company called Solutia, which they then separated from Monsanto. By 2002, Monsanto had changed into an agricultural company, using Solutia as a shield against the accusations and the lawsuits against the original company's chemical operations and the harmful byproducts of their chemicals.

Monsanto has developed an extremely effective herbicide called Roundup, which they sell together with their genetically modified Roundup Ready seeds, which are able to resist the Roundup herbicide. Farmers can buy these complementary products and kill weeds and bugs without damaging the crops themselves. When farmers buy Roundup Ready seeds, they agree to not save the seed produced by Roundup Ready crops for next year's harvest or sell them to other farmers. This not only protects the patent, but also creates a situation where the farmer has to buy seed from Monsanto every year.

Monsanto has a reputation for accusing and prosecuting farmers and seed dealers who are suspected of replanting their genetically modified seeds. They employ investigators and agents that gather information about farmers to find information about people they suspect of infringing on their seed patents, ignoring factors such as pollination and mixed seeds that may cause farmers to grow Roundup Ready crops without realizing it. The company also encourages farmers to inform them of other farmers who are suspected of patent infringement. Many farmers, who don't have the time or money to face Monsanto in a legal lawsuit, simply pay the company money as settlement. The company is notorious for its insistent accusations and its tendency to respond to criticism logically and without apology for their actions. In an email to the
magazine Vanity Fair, Darren Wallis, a spokesman for Monsanto, wrote, “Monsanto spends more than $2 million a day in research to identify, test, develop and bring to market innovative new seeds and technologies that benefit farmers. One tool in protecting this investment is patenting our discoveries and, if necessary, legally defending those patents against those who might choose to infringe upon them.”

(Monsanto has also deliberately misled customers in its advertisements of its Roundup herbicide, which was marketed as biodegradable but was in fact hazardous to the environment. (Robin, Marie-Monique. 2008)

In January 2005, Monsanto was fined $1.5 million USD by the U.S Securities and Exchange Commission because they had bribed Indonesian officials in order to avoid an environmental risk assessment for their Bt cotton product while calling the bribes, which were worth $700,000 USD, “financial irregularities”.

Monsanto has also been accused of having connections with the US government, as former Monsanto employees have been hired by the government. One of Monsanto’s attorneys, Michael Taylor, was appointed deputy commissioner of the US Food and Drug Administration in 1991. During his time at the Food and Drug Administration, decisions that approved genetically modified food and crops were passed, then he became the Monsanto’s vice president for public policy. He was reappointed to the Food and Drug Administration in 2009. (Kenfield, Isabella. 2009)

The United States Department of Justice began a formal antitrust investigation of Monsanto’s genetically modified soybean business in January of 2010 because of suspected anticompetitive practices. This combined with the dropping stock prices...
and the recent discovery that a new bug is attacking Monsanto’s genetically modified corn crops, is causing the public image of Monsanto to fall even further. Weeds have also begun to grow resistant to Monsanto’s Roundup herbicide, which has caused many consumers to buy cheaper Chinese herbicides instead.
4. Monsanto’s public relations techniques

Monsanto has a history of using public relations campaigns, both successful and failed, to improve their reputation. The company has contracts with many different public relations companies, which helps them monitor environmental movements and campaigns in order to respond to them effectively. These firms subscribe to environmental newsletters and publications, and helps Monsanto create an image of environmental responsibility by showing them the topics they need to address. They are also part of biotechnology-related lobby groups, such as the Crop Protection Association and the European Association for Bioindustries. Monsanto also influences the selection of experts in scientific committees and uses ‘independent’ or ‘third party’ scientists and experts to promote their views in the committees and in presentations. (Corporate Watch, 2011)

In the 1950s, Rachel Carson, a marine biologist, wrote Silent Spring, a book on DDT, which was produced by Monsanto, and the impact of toxic chemicals on the environment. After Monsanto and other chemical companies belittled Rachel Carson through attacks on her personality rather than her work and threatened her with lawsuits (Organic Consumers Association, 2007), they ultimately failed to stop the publisher from releasing the book. They changed their strategy and instead created campaigns against the contents of the book though. They sponsored public forums and third party experts that contested the claims made in the book and supported DDT and other chemicals. Monsanto also published a pamphlet called “The Desolate Year”, which was a parody of Silent Spring that supported the use of pesticides and describes
a future without pesticides as overrun with insects in order to draw attention away from the negative image caused by the publication of Silent Spring and reinforce the benefits of pesticides to agricultural productivity.

In 1988, Monsanto promised that they would reduce their toxic waste emissions by 90 percent after many accusations of being environmentally irresponsible and unfriendly. This was a clever public relations move, as the major cause of environmental damage from Monsanto comes from their products rather than the processes they use to make them or the waste from the processes themselves. By announcing their intentions to reduce emissions, they portrayed themselves as environmentally-friendly and conscious of the impact they leave on the planet, while giving them the ability to continue producing products that had negative effects on the environment while only changing the method used to manufacture those products.

The company started a campaign called “Let the Harvest Begin” in Europe in 1998, which suggested that genetically modified crops, chemical industries, and agribusiness was the only solution to the possibility of famine created by rising populations. They placed weekly full-page advertisements in newspapers and magazines that targeted a demographic of people in a higher socio-economic standing. The advertisements, which were designed to influence consumers to associate Monsanto to biotechnology and environmental friendliness, were about genetically modified crops requiring fewer pesticides or being more environmentally friendly than normal crops.

Monsanto’s 1997 version of their “Report on Sustainable Development” suggests

...
that the only two ways to increase crop productivity are to either improve technology or increase farm sizes. In 1999, Monsanto supported a pro-biotechnology demonstration in Washington. About 100 members of the Mount Lebanon Baptist Church of Washington marched around anti-biotechnology demonstrators and held signs saying “Biotech saves children’s lives” and “Biotech equals jobs”. (Petersen, Melody, 1999) Some demonstrators were reportedly paid $25 USD by Monsanto to participate, and some were given free lunch and transportation. In 2001, the US Biotechnology Institute, which is sponsored by Monsanto, published a booklet called “Your World – Biotechnology and You” supporting biotechnology that was distributed in schools in Scotland.

Recently, Monsanto’s main efforts in improving its reputation are through its extensive public relations efforts and its corporate social responsibility. Monsanto places a lot of emphasis on its goal of sustainable agriculture, which are “Producing More”, “Conserving More”, and “Improving Lives”. The company website contains detailed information on how the improved genetically modified crops are more sustainable and efficient, and stands by its statement of respect for the environment and its dependence on farmers. Monsanto makes use of social media in the form of Facebook, Twitter, Youtube, Flickr, and RSS feeds, which help them broadcast announcements about their charity efforts and farming programs and practices as well as monitor their effect on the internet through seeing how many people subscribe to their websites. Monsanto also makes use of images of plants, crops, and farmers on its website, which contributes to the image they build of a company interested in
sustainable agriculture, the environment, and farmers.

Many aspects of Monsanto's website, which is one of the tools they use in public relations and shaping their image, revolve around its responsibility to the environment and the people. The company bases its philanthropy efforts on farmers and sustainable agricultures; a goal was set in 2008 to improve the quality of life for farmers, and lists projects in India, Latin America, and Africa. Monsanto also spends a lot of effort into building research centers such as the Monsanto Water Utilization Learning Center in Gothenburg, Nebraska, in order to share its findings and research with farmers. It also provides scholarships in support of agricultural science and youth development programs.

Monsantogather is a program started in 2010 to support employee involvement and volunteering in charities and communities. The company also has an employee motivation program, the Monsanto Product Stewardship Award of Excellence, which recognizes the achievements of employees who have contributed to the success of the company. It provides health and safety training programs to its employees and has its own regulations on workplace safety. Monsanto also sponsors employee diversity networks, which includes networks of different races, sexual orientations, families, and people with disabilities in order to create a good company environment and promote diversity tolerance.

The Monsanto Fund is Monsanto's charity fund, and it donates to organizations such as Habitat for Humanity, the Backyard Food Production, and Trailnet, and it has supported more than 600 philanthropic projects. Monsanto has also joined the United
Nations Global compact, which is an initiative for businesses that work to become socially responsible. The company also releases a publicly available corporate social responsibility report on its website that includes progress reports and goals. Monsanto also has a section on its website titled America’s Farmers, which is dedicated to stories about farm families in America and the experiences they go through. It includes biographies of farm families, facts about American farmers, and contest called “Farm Mom of the Year”. It also supports schools and communities in farming areas through the Monsanto Fund.

The company also addresses many well-known cases of legal battles between Monsanto and farmers. Their website contends that the lawsuits they file are all justified and explains that the money generated from seed patent infringements and court trials is donated to youth leadership initiatives. It debates many of the highly-publicized cases and gives the company’s version of the events and in many cases provides evidence to back up its statements. It also justifies its actions and has a whole section of the website dedicated to informing the public about its seed patent policies. The website states that

Monsanto is dedicated to providing full transparency about our company.

We have strong values that drive our business. And we play a positive role in the marketplace and the communities in which we work and live.

We understand the importance of Monsanto’s reputation, and although we aren’t above criticism, there’s a lot of incorrect and negative information about us – much based on the fact many simply don’t know
or understand what we do. Or what we stand for as a company and how we view our impact on the world.” (Monsanto Company, 2011)

The website also lists a few points that they are willing to answer questions about, and provides contact information.

Monsanto also creates a barrier between the Monsanto of recent decades and the “original” Monsanto. This can be seen through the way the company markets its history: on the company history section of the Monsanto website, the first line is “Monsanto is a relatively new company.” (Monsanto Company, 2011) The company differentiates between the “original Monsanto company”, and “today’s Monsanto company” in its timeline. In its explanation of the company history, Monsanto refers to the Monsanto Company that produced agricultural, pharmaceutical, and chemical products, as “Former Monsanto”, and explains that “Former Monsanto” has been divided into the companies Pharmacia and Solutia. It describes the relationship between the three companies as “three separate and distinct corporations”. It is true that the company Monsanto no longer produces pharmaceutical and chemical products, but it is still held responsible for many of the problems caused by “Former Monsanto” in the past.

Monsanto places a lot of emphasis on the “current” Monsanto’s company, and seems to gloss over a lot of unpleasant parts in the company’s history and actions. Monsanto avoids mentioning the extreme environmental damage it caused when it was still producing chemicals, and focuses on the agricultural component of the company’s history. It also has a Monsanto Pledge that includes values based around
integrity, such as transparency, respect, and sharing. However, Greenpeace has published an article on the ways Monsanto has not followed their own Pledge. In most cases, Monsanto attributes these problems to external factors, or words their explanations in an ambiguous way. In one publicized story, Monsanto mistakenly accused a shopkeeper, Gary Rinehart, of saving and replanting patented seeds. However, Gary Rinehart was proved to have not planted any seeds at all, and Monsanto simply states that they “dismissed the case against Gary Rinehart.” In an interview with Vanity Fair, Gary Rinehart stated that he never got an apology from Monsanto or heard from them again.
There is some evidence that Monsanto’s public relations efforts have not been very effective. In the year 2002, Zambia rejected donated corn during a famine because the country was worried that the corn could be genetically modified. A report shows that Monsanto’s public relations techniques focus on advocating genetically modified crops as a solution for world hunger. During the 2010 Haiti earthquake, Monsanto donated 475 tons of hybrid seeds to Haiti, but many of these seeds were burned in an effort to keep the country free of genetically modified crops, and Chavannes Jean-Baptiste, the leader of the Peasant Movement of Papay in Haiti, called the seed donation “a new earthquake” (Bell, Beverly, 2010). Monsanto was also accused by social movements in Haiti as being a threat to Haiti’s agricultural independence. Haiti’s Ministry of Agriculture also refused the seeds, as the law on genetically modified organisms in Haiti is still unclear. These two examples show that despite Monsanto’s efforts to portray themselves and genetically modified crops as environmentally friendly and beneficial to society, even whole countries do not entirely trust their products, and this can have negative effects on their reputation, especially when the event is widely covered by the media.

On International World Food Day in 2009, Via Campesina, the International Peasant Movement, which is the biggest farmer’s organization in the world, started a global campaign against Monsanto. People in more than twenty countries participated in protests, land occupations, and hunger strikes, and a second global protest was organized on Earth Day of 2010. (Bell, Beverly, 2010) The fact that there are recent
protests against Monsanto and their practices shows that the company still has an unfavorable reputation.

Numerous websites and NGOs, such as combat-monsanto.co.uk and the Organic Consumers Association’s Millions Against Monsanto campaign were created in order to oppose Monsanto’s actions, and are currently still in operation. These organizations have been backed by nonprofit organizations such as Greenpeace. However, with the exception of their own website and affiliated companies, there are very few groups or websites dedicated to supporting Monsanto. The Forbes website is an interesting case, as it has published articles and rankings that portray Monsanto in a positive light, naming Monsanto their 10th most innovative company in the world and even publishing an article on leadership written by Hugh Grant, the president and chairman of Monsanto, but has also published negative articles on the company, like the article on Forbes’ mistake in naming Monsanto Forbes’ Company of the Year. Monsanto was given the title due to its innovations in the agricultural industry. However, Forbes was widely criticized by journalists for their nomination and a year after naming Monsanto their Company of the Year, they wrote a follow-up article that showed that they also believed that they were mistaken in naming Monsanto Company of the Year. Forbes’ decision was also criticized by Jim Cramer, a television personality and stock market commentator, who said that Monsanto’s stock “may be the worst stock of 2010”. (Pollack, Andrew. 2010) This is because the company’s stock was at a peak in 2008, with $140 per share, but fell to $47.77 in October and experienced a 42 percent fall from between January to October of 2010.
Google Insights for Search, a Google application that allows people to monitor the increase in web searches of a particular keyword or phrase, shows that Google searches for terms related to Monsanto peaked in early 2008, and were reduced to less than 50 percent of the peak by 2011. Google Insights for Search also shows that top search terms involving Monsanto include “Monsanto company”, “Roundup”, “Monsanto roundup”, “Monsanto seeds”, “monde selon Monsanto” (the world according to Monsanto), and “evil Monsanto”. Among the searches that have increased since 2004, the search rate of “monde selon Monsanto” and “Monsanto career” have increased by more than 5000 percent, “evil Monsanto” has increased by 450 percent, and “Monsanto stock” has increased by 80 percent. This shows that Monsanto there have been both positive and negative views on the company. While the search rates for “monde selon Monsanto” rose, which indicates that people are more aware of Monsanto’s unethical practices, “Monsanto career” searches have also risen by a large amount, which means that there are still people who view Monsanto in a positive light and are interested in working for them.
6. Conclusion

We can see that Monsanto places a lot of importance on corporate social responsibility and the concept of giving back to the environment and sustainable agriculture through their numerous charity efforts such as the Monsanto Fund, their youth scholarships, and their Monsantogether program. Monsanto has gone through extensive public relations efforts in order to change the public's views of the company, and invests a lot of money into their charity efforts and their nonprofit ventures in order to create the image of a socially responsible company.

However, Monsanto's image still seems to be quite unsteady, as can be seen through Haiti's refusal of their seed donation in 2010 and the Google search trends, specifically the increases in the searches of the terms "monde selon Monsanto" and "evil Monsanto", both of which highlight the public awareness of Monsanto's unethical practices, in Google Insights for Search. In addition, Monsanto's reputation has been quite negative due to its portrayal by the media as a giant that produces environmentally damaging products, potentially unhealthy crops, and harasses farm owners. The negative reputation can also be seen through the criticism from news sources. Despite their unfavorable reputation, Monsanto still remains the world's largest seed company (Ryniec, Tracy. 2011), and they have received a few positive accolades recently, such as their title of Forbes' Company of the Year as well as the world's 10th most innovative company. This shows that while Monsanto's public relations efforts have slightly improved their reputation, they have mostly been unsuccessful in improving their ethical reputation.


