The thesis is an attempt to merge diffusion of innovations with contingency theory, and examine controversy on gene modification in European Union with the combined model. According to the combined theoretical model: the components/requirements of an innovation may come in conflict with adopters settings, and the adopter takes a stance, which moves on a continuum depending upon internal and external variables. Application of gene modification technology in food is one such innovation. Over the years it has become one of the most controversial issues in European Union. On the one hand it is perceived as having far-reaching implication in the field of agriculture and rural development; while on the other, it is objected on health, ethical and environmental grounds. The study examined EU legislation and newspaper reports through qualitative method, to observe its stance. The findings verified that EU stance moved over time and it was dependent on various internal and external variables; thus sustaining the combined model. Besides, the findings also revealed that the significance of variables increased and decreased with time, and they interacted with each other, which in turn had an affect on EU stances.