

## False Greening in the Auto Industry: Volkswagen and Tricking Emissions

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The German automobile giant, Volkswagen, has produced a few gems of history. Volkswagen's Beetle, to take a classic, dominated German roads, and made a permanent impression on the international automobile market. While 1.3 million Morris Minors struggled to be sold over the decades, the Beetle stormed through the million unit mark each year in the 1960s and early 1970s. As Richard J. Evans notes, by 1972, the Beetle's gross sales had passed that of Henry Ford's Model T.[1]

Then comes the dark side, an inescapable fact of German industry in its ingenious creations for the Volk. The Beetle was a Nazi creation, and was meant to be a flagship symbol of robust, even merciless modernity. Foreign car producers had to have a rival, and they duly got one. This all helped given the Nazi establishment's enjoyment of technological fetishes, nursing a deep seated machine love, oiled by nationalist mania.

The role of Volkswagen in German industry, to that end, was such that the Allies were seriously considering dismantling the company after the Second World War. An industrialised Germany tended to make European states nervous. Among the dark dot points on the company's resume, one shared with other German companies, was its extensive use of slave labour.

Voices came out against moves to consign the company to oblivion, including the determined British army major, Ivan Hirst. After all, the occupation forces needed their own vehicles, and manufacturing them locally served a useful purpose. An automobile giant had been reincarnated.

Overtime, the company has managed to push up into being the largest car maker after Toyota, with 590,000 employees engaged in the production of 41,000 vehicles a day. Its influence, and by virtue of that any associated technical problems, is multiplied through a range of subsidiaries, among them Seat, Skoda, Audi, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Scania and Man.

This brings us to Volkswagen's recent foray into the world of regulatory scandal. The fuss? The company's sly efforts to frustrate accurate diesel emissions standards on testing via software, a point picked up by the US Environmental Protection Authority. Irregularities (the polite term might be anomalies) in the workings of Volkswagen's 4-cylinder diesel cars from 2009 to 2015 were identified.

The culprit here lay in the software engaging emissions controls for nitrous oxide during the testing phase, a system that disengages them once the vehicle becomes operational.

The unmasking has several implications. It suggests a level of success based on unscrupulous practice in the deceptive world of going green, though to that should be added a degree of recklessness. Critics are bound to snort that this is a standard pattern, repeated throughout technology companies who continue to make the use of fossil fuels imperative. The eco-drive has made companies desperate to get on board the greening of automobile technology, while still finding ways to fudge the figures of fuel consumption.

The environmental group Transport & Environment has gone to far as to suggest that Mercedes and BMW should be added to Volkswagen as companies which have engaged in the practice of under-reporting gasoline usage from actual performance results. Gaps between 40 to 50 percent between laboratory testing on the economic use of fuel and actual performance have emerged.

While very muddied former CEO Martin Winterkorn has departed, the level of knowledge about attempts to systematically conceal diesel car emissions seems to have been extensive. *Bild* suggests that the important supplier Bosch told the highest levels in the company about the emissions concerns stretching back to 2007 while the *Frankfurter Allgemeine Sonntagzeitung*puts 2011 as the year when technicians were concerned about such emission practices.

The question of criminal intent in such corporate behaviour can be a problematic affair. A criminal prosecution investigation is being mounted in Germany, but prosecutions elsewhere may be more complicated, if not impossible to mount.

The US Justice Department, for instance, has noted that the Clean Air Act does envisage criminal prosecutions against auto companies or their executives. Congress deemed it fitting to place the automobile manufacturers in an exceptional category when drafting the 1970 legislation. To prosecute them for criminal behaviour would be costly and ineffective.

Olaf Lies, a Volkswagen board member and also economy minister of the German province of Lower Saxony, has no such illusions: there were acts of criminality perpetrated by staff in installing the relevant devices.

"Those people who allowed this to happen, or who made the decision to install this software – they acted criminally. They must take personal responsibility." This analysis is all too neat, suggesting that there was no culture present, and that any such acts took place because of individual initiative. Nothing of such nature ever occurs without a broader sense of collusion.

The technology outlets are wondering how the company will go about dealing with the "test-cheating cars". In a structural sense, the adjustment is probably going to come in the form of a software correction, though this remains a speculative point. Volkswagen remains reticent on this point.

Then looms the issue of diesel and gasoline, those grand fossil fuel sources that remain staples in automobile technology. Tesla Motors CEO, Elon Musk, suggests that the Volkswagen scandal serves to show that the time to give up the ghost on such fuels. "What Volkswagen is really showing is that we've reached the limit of what's possible with diesel and gasoline."[2] The point is hardly surprising, given Tesla manufacturing's base of electric cars, which run on rechargeable lithium-ion batteries. For all that optimism, the electricity power grid needed behind the recharging still uses fossil fuels.

Costs vary on the proposed correction, though the \$7.3 billion figure has been put forth by the company. Up to 11 million cars will have to be recalled. There will be more than a loss of good faith. The lawyers will certainly be kept busy in the forthcoming months, as will the investigators seeking to find other perpetrators. Volkswagen is hardly likely to be the only one.

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## Notes

- [1] http://www.lrb.co.uk/v35/n17/richard-j-evans/autoerotisch
- [2] http://www.rt.com/usa/316846-elon-musk-fossil-fuels-dead/

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