Volkswagen systematically cheated on emissions tests in Europe

Ulrich Rippert 12 October 2015

Volkswagen, Europe's biggest car maker, illegally manipulated test results for exhaust emissions to a far greater extent than the company's management previously admitted. The deceit involved not merely the actions of a few software engineers and technicians, but a systematic fraud overseen by a large proportion of the top management.

According to research carried out by the *Süddeutsche Zeitung* newspaper, as well as the NDR and WDR radio broadcasters, the deception in Europe was even more sophisticated and comprehensive than in the United States. Instead of the single software program that was employed in the US to produce results complying with exhaust test limits, new operation programs were apparently repeatedly installed in engine electronics for VW's various diesel models in Europe.

The *Süddeutsche* notes that the VW engineers had to precisely adjust the combustion control and exhaust gas feed back on each particular model, and this would probably have required "fairly elaborate manipulation." The newspaper concludes: "The whole fraudulent process can therefore be seen as a major joint effort. Where a lot of things have to be adjusted and adapted, a lot of people are also at work. Where many people are involved, this kind of tampering with exhaust emission testing can't be the work of just a few engineers. So it was surely a matter of the whole system."

In other words, against a background of increasing international competition and ever-louder calls for improved investor returns, VW developed a worldwide system of fraud and made a business model out of the manipulation of exhaust emissions. This criminality is now threatening the livelihood of many thousands of autoworkers and their families. Already, there are expected to be financial penalties, damage claims, retrospective tax payments, as well as recall and

retrofitting costs amounting to more than €10 billion.

A review of the past reveals the context in which these criminal machinations arose. At the International Motor Show in Frankfurt some 25 years ago, VW presented its Audi model with the first ever directinjection, electronically controlled turbo diesel injection (TDI) motor. This was hailed at the time as a great step forward, especially with regard to VW's Japanese competition. Toyota had concentrated on the low-emission combination of a petrol and electric motor, known as the hybrid drive. The combination of a gasoline engine with two electric motors resulted in low fuel consumption.

When Toyota's Hybrid Prius achieved a fuel consumption of 4.3 litres per 100 kilometres and exceptionally low exhaust emissions a decade ago, VW was put under intense pressure. Such values could be matched in a VW diesel model only by investing heavily in Research and Development and demanding correspondingly high sales prices. VW decided at that time to resort to fraudulent claims about exhaust emissions.

In the spring of 2008, VW launched with great fanfare its so-called "Clean Diesel", a "2-litre TDI motor in compliance with the lowest emission limits." The "bold technical concept from Wolfsburg" was admired throughout the world. The 140 HP diesel auto, known to company insiders by the abbreviation EA 189, managed to pass all emission tests in the US and was significantly superior to the Prius Hybrid in power and control.

What no one—except VW management—knew at the time was that this achievement was based on a blatant fraud. Under test conditions, emission values were apparently drastically reduced with the help of special software, enabling the "Clean Diesel" to indicate a

mere sixth of its real nitrogen oxide (NOx) exhaust during emissions tests.

Technology experts, such as Professor Günter Hohenberg of Darmstadt Technical University, today say they should have asked at the time how the four-cylinder vehicle was able to meet the emission standards in all of the 50 US states. Hohenberg told the *Süddeutsche Zeitung* that, if a diesel motor was to achieve similar nitrogen oxide emissions to those of gasoline motors, then it would have cost "something around the price of a full hybrid drive," adding: "But that was precisely the problem—VW didn't only want to produce a four-cylinder diesel car that was the cleanest in the world; it also had to be low in price and outdo the hybrid competition from companies like Toyota."

The fact that the Volkswagen corporation, which employs 600,000 people worldwide and includes 12 brand names in its production line, was prepared to act so criminally and engage in such comprehensive fraud, underscores the corrupt and irrational character of the capitalist profit system. For decades, only one factor has dominated the business decisions of all major corporations: the rapid and substantial increase of their share prices. "Shareholder value", rather than long-term production development, has become the guiding principle of the business world.

The integration of trade unions and works councils into company management is closely related to these criminal practices. It is no coincidence that such comprehensive and hitherto unprecedented fraud takes place precisely in a company where the IG Metall engineering union and its on-site agents wield more power and influence than they do in any other firm.

There is no other company in which "class collaboration" and "social partnership" have been perfected to such an extent as at VW. IG Metall, the works council and management have virtually merged into one conglomerate. Until recently, former IG Metall chairman Berthold Huber headed VW's supervisory board and he continues to act as a key figure in the corporation.

On Wednesday, the presidium of the supervisory board, in which works council leader Bernd Osterloh, his deputy Stephen Wolf and Lower Saxony Prime Minister Stephan Weil (Social Democratic Party, SPD) set the tone, decided that former union boss Huber will head the company's central commission for an investigation into criminal activities at the Wolfsburg plant.

When works council boss Osterloh stressed at the start of the joint meeting last Tuesday, "We are a team! We are a family! We are all VW!" he was speaking for himself, the works council and IG Metall.



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