

**The Impact of the “Diesel-gate” Scandal on Global Automotive  
Manufacturing Policy Dynamics**



**UMY**  
**UNIVERSITAS  
MUHAMMADIYAH  
YOGYAKARTA**

Unggul & Islami

**Compiled By:**

Dzaky Muhammad Arvi

20200510114

**Supervisor:**

**Dra. Mutia Hariati Hussin, M.Si**

**INTERNATIONAL RELATIONS STUDY PROGRAM  
FACULTY OF SOCIAL AND POLITICAL SCIENCES  
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA  
PERIOD 2022/2023**

## SURAT PERNYATAAN KEASLIAN

Yang bertanda tangan di bawah ini:

Nama Mahasiswa : Dzaky Muhammad Arvi

NIM : 20200510114

Dengan ini menyatakan bahwa penelitian dan penulisan skripsi sebagai tugas akhir yang berjudul **“THE IMPACT OF THE ‘DIESEL-GATE’ SCANDAL ON GLOBAL AUTOMOTIVE MANUFACTURING POLICY DYNAMICS”** adalah asli dan belum pernah diajukan oleh orang lain dalam proses tugas akhir untuk mendapatkan gelar sarjana, baik di Universitas Muhammadiyah Yogyakarta atau juga di perguruan tinggi lainnya.

Dalam tugas akhir ini tidak terdapat karya, ide, atau pendapat orang lain kecuali sudah tertulis dengan jelas dalam referensi yang dicantumkan pada daftar pustaka.

Pernyataan ini dibuat dengan sesungguhnya. Apabila di kemudian hari ditemukan ketidaksesuaian dengan pernyataan ini, maka saya bersedia menerima sanksi akademik dan diproses sesuai dengan ketentuan yang berlaku di Universitas Muhammadiyah Yogyakarta.

Yogyakarta, 23 Juli 2024



Dzaky Muhammad Arvi

**MOTTO**

*“Never fade away.”*

*-Alt Cunningham, 2020*

## PREFACE

The author would like to express his gratitude to God Almighty who has given His mercy and grace, so that the author can complete the thesis as a final thesis titled **“THE IMPACT OF THE “DIESEL-GATE” SCANDAL ON GLOBAL AUTOMOTIVE MANUFACTURING POLICY DYNAMICS”**. This thesis was written to fulfill the requirements for obtaining a bachelor's degree from the International Relations Study Program, Faculty of Social and Political Sciences, Muhammadiyah University of Yogyakarta. This thesis is a form of implementation of all the learning that the author has obtained during his lectures. The completion of this thesis as a final project cannot be separated from the help of many parties who have provided input to the writer. For this reason, the author would like to express many thanks to:

1. Dr. Ir. Gunawan Budiyo, M.P. IPM., as the Chancellor of Universitas Muhammadiyah Yogyakarta.
2. Dr. Takdir Ali Mukti, M.Si., as Dean of the Faculty of Social and Political Sciences of Universitas Muhammadiyah Yogyakarta.
3. Dr. Sugito, S.IP., M.Si., as the Head of the International Relations Study Program of Universitas Muhammadiyah Yogyakarta.
4. Dra. Mutia Hariati Hussin, M.Si., as the supervisor who has provided attention, guidance, devoted time, energy and provided direction while conducting research and preparing this thesis.
5. Dian Azmawati, S.IP., M.A as an examining lecturer who has taken the time to test and provide helpful suggestions in the process of perfecting this thesis.
6. Dr. Wahyuni Kartikasari, S.T., S.IP., M.Si as an examining lecturer who has taken the time to test and provide helpful suggestions in the process of perfecting this thesis.
7. The entire academic community of the International Relations Study Program, Muhammadiyah University of Yogyakarta, Mr. and Mrs. UMY HI lecturers for all the time and knowledge they have given, administrative staff and the IR Department who have helped with the administrative process.

8. The entire HI UMY extended family, especially the Class of 2020, have provided support and enthusiasm throughout their education in IR UMY.

Thank you to all parties who have contributed a lot during the author's education in IR UMY until the completion of the final assignment which the author cannot name one by one, may Allah SWT give you plentiful reward for all your kindness.

Yogyakarta, 23 July 2024

A handwritten signature in black ink, appearing to be 'Dzaky Muhammad Arvi', written in a cursive style.

Dzaky Muhammad Arvi

## DEDICATION PAGE

Alhamdulillah Rabbil Aalamin, with all of my gratitude and appreciation, I give thanks to Allah SWT, who has provided me with guidance and gifts while I've been preparing my final thesis, which is one of the criteria for earning a bachelor's degree. The author would like to extend his heartfelt appreciation to everyone who helped, encouraged, and supported him while he was writing this final thesis. The author is pleased to have arrived at this stage. Author want to present this final thesis to:

1. The author want to express my gratitude to my parents, R. Tarjadi Soetarmo and Vita Tri Wardani, for their unwavering support, love, sacrifice, inspiration, and motivation. I'm grateful that you have continued to mentor the writer so that they may continue to exist now.
2. Thank you to my brother, Naufal Ghaliya Salsabil, his wife Talitha Alissa Kirana, and my sister Queensha Amabel Nurivia Azahra for being supportive to the writer even if sometimes the writer can be exhausting to handle. Thank you for all of your support up until this point, prayers, appreciation, and support for the author.
3. Thank you to my mentor Gamal Abdul Nasir Makatita for supporting the articulations and mentoring to support the writers who participate in both the realm of writing and daily activities. I'am grateful for your unwavering support and appreciate your concern for the author's well-being while writing this thesis.
4. Thank you to my highschool friend Alam Nurcahaya for helping the writer in revising the format and teaching the writer how to properly edit the thesis and being a good friend along the journey of writing this thesis.
5. Thank you to Alya Maharani for the support in teaching the writer in order to understand better the theory and concept of this thesis.
6. Thank you for Ratnie Hidayati Oktaviane Masri for being my emotional support and a very good friend for the writer, being there at all times.

7. Thank you for Zalfa Zahirah for the support during the time the writer is signing up for the final thesis hearing, alleviating the immense pressure during the strict deadline of the time period.
8. Thank you to my fellow car enthusiast friend group Melancholy Garage, Thomi, Kelvin, Nopge, Tidar, Alden, Wisnu, Anggit, Ade, Daffa, and Jonas for the good times when the writer is stuck on a certain part along the progress and teaching the writer in seeing the case of “Diesel-gate” through various perspective.
9. Thank you to all the friends inside HOR, Wildan, Wulan, Adit, Adel, Gadis, and Shohib who have supported the writer and become best friends of writer throughout college.
10. Thank you to all the friends inside MM, Farhan, Kelvin, Bimo, Rifky, Ryan, and Satria group for who have supported the writer and become best friends of writer throughout college.
11. Thank you to all the friends inside the Discord group SMA Budi Mulia Tiga that the writer couldn't mention every single one of them for being supportive, funny, and listening to the writer endless yapping in the middle of struggle.
12. Thank you to all my friends from SMA Budi Mulia Dua who are still in contact with me for catching up and showing endless support for the writer.
13. Thank you especially for the office members of International Program of International Relations for the endless support, encouragements during writer's difficult hours and continuously putting the writer towards the right path until this point.
14. Thank you for my exquisitely stacked algorithm of my Instagram Reels for providing the writer with brain nourishments and the paper material for the thesis.
15. Thank you for the special person who has helped and also encouraged and supported the author in drafting this script.

## TABLE OF CONTENTS

### Table of Contents

TABLE OF CONTENTS .....	I
LIST OF PICTURES .....	II
LIST OF TABLES .....	II
<b>CHAPTER I INTRODUCTION .....</b>	<b>1</b>
1.1 Background .....	1
1.2 Problem Formulation .....	4
1.3 Theoretical Framework .....	4
1.3.1 <i>Concept of International Regime</i> .....	4
1.3.2 <i>Theory of System</i> .....	6
1.4 Hypothesis .....	9
1.5 Research Methodology .....	9
1.6 Research Reach .....	11
1.7 Writing Systematics .....	11
<b>CHAPTER II HISTORY AND PROFILE OF VW GROUP.....</b>	<b>13</b>
2.1. Volkswagen Automotive Group History and Profile .....	13
2.2. The Significance of Automotive in International Relations.....	17
2.3. International Regulatory on Diesel Vehicles .....	20
2.4. “Diesel-gate” Volkswagen Group’s Diesel Engine Scandal .....	23
<b>CHAPTER III TRANSFORMATION OF VW GROUP .....</b>	<b>26</b>
3.1.” Diesel-gate” on global political order .....	26
3.2. Sustainable Development Goals .....	27
3.2.1. EU Commitment on SDGs.....	29
3.2.2. United States commitment on SDGs .....	29
3.2.3. Australia commitment on SDGs .....	30
3.3. Paris Agreement .....	30
3.4. VW Group Response towards international reforms in vehicle making regulations.....	32
3.5. Reflection on VW’s “Diesel-gate” towards environmental sensitivity.....	38
<b>CHAPTER IV CONCLUSION .....</b>	<b>42</b>
<b>BIBLIOGRAPHY .....</b>	<b>43</b>



## LIST OF PICTURES

Picture 1 Diagram of Theory of System .....	7
Picture 2 Diagram of Research Framework.....	8
Picture 3 Adolf Hitler Inspecting “Käfer” model by Ferdinand Porsche.....	13
Picture 4 Volkswagen’s best selling model: Golf.....	15
Picture 5 Brands Under Volkswagen Group .....	16
Picture 7 300.000 VW cars that are brought back because of “Dieselgate” .....	23
Picture 8 Illustration of Volkswagen Golf system.....	33

## LIST OF TABLES

Table 1 The list of vehicles under VW Group that are affected by “Diesel-gate”	24
Table 2 Comparison of “Diesel-gate” 2.0L VW Jetta to emission regulations .....	39
Table 3 Calculations on emission production .....	40