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**| RESEARCH ARTICLE**

**The Kano Model Assessment Framework for Soil Environmental Quality under Good Governance  
Doctrine of Bank Independence and Accountability for Code of Conduct towards Corporate Ethics**

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**| ABSTRACT**

Bank trading is basically observed in their traditional agreements of bargaining products and services. However, in terms of meeting and complying with global economic standards set by WTO to promote sustainable development, known as the doctrine of good governance, it is certain that corporate practices will be lacking explanatory tools for achieving corporate ethics as their culmination of bank independence and accountability to civil society. This paper aims to map the importance of bank independence and its accountability using the Kano model assessment in addressing issues of concern in trade-environmental problems under WTO economic standards. Soil environmental quality is a quantitative measurement of the Kano developmental framework using a positivistic paradigm towards legal scholarship defiance of corporate ethics for culmination reflection and plotting the behavior of corporate institutions to eradicate the poverty line and promote the economic prosperity of their territory or jurisdiction by answering issues on environmental problems such as soil quality for advocacy of environmental protection under trade-environment conflicts of WTO as accountability to human society for achieving sustainable development following good governance doctrine. Business law has a dynamic performance of both the behavior of the corporate and its environment through interactions of human society in their competition market. Innovation of products and corporate services must be integrated with good governance principles using the insufficiency of their code of conduct explanatory authority to enforce trade-environment agreements in achieving human rights of sustainable development in international and global economic standards. The realization of civil rights to sustainable development is reflected in the good governance principle. The legal scholarship defiance of doctrinal research using a positivistic paradigm of objective knowledge can be recommended to other corporate practices to advocate financial intelligence through active participation in environmental calls as political agendas as intended to lessen poverty towards integration to economic transparency and ecological protection. The plotting over time can be predicted towards a comparison of constitutional rights of public welfare and safety.

**| KEYWORDS**

Transparency, Accountability, Independence, Corporate Governance, Business Law

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**1. Introduction**

Through recent years, several central banks have created remarkable milestones to further aim for accountability and transparency in greater means. Along with their history, Karl Brunner defined central banks in their conventional practice as odd and protective as being surrounded by political mysteries. Recently, central banks have become open for dilution via inflation adoption, targeting their presentation and formulation of their financial policies. Their similar strategic frameworks have been positive to gain greater independence approval by legislative amendments.

There is a question of whether this shift would lead to greater accountability and transparency. It is evident that greater accountability would certainly result and influence a flip towards greater independence of central banks. Hence, it is the

government's favorable expectation to provide permission since central banks would shoulder greater accountability based on bank autonomy as a delegation from the government would render bank responsibility for financial policy towards an unelected central bank authority. Thus, it would create an impediment to the democratic deficit as central banks are authorized for accountability.

However, this argumentation has little explanation of the current practices of central banks. The Bundesbank has strong independence with relatively few accountabilities and transparency as matters of burdens. This significant regression result has a similar statutory blueprint to the European Central Bank in its embryonic stage of monetary policies. On the flip of the spectrum, the Bank of England has little formal independence as a central bank. Although the United Kingdom's new financial model is attributed to acceptable transparency. New Zealand provides a different framework again. Independence was allowed under the formal contract setting between the government and the Reserve Bank, with accountability arranged against the Governor dismissal.

These examples exhibit practice mappings between accountability and independence. Afar from straightforward and relatively, no analytical framework has been able to provide accountability to all of them. However, prior to the start of understanding these mappings, it is beneficial to acknowledge a set of separate frameworks of financial policy institutions. These monetary systems render an organized plot to this accountability and independence discussion of central banks.<sup>1</sup>

### **1.1 The delineation between independence and accountability of central banks**

Fischer's framework is utilized to describe the dichotomy of the central bank's ability to set its own goals and legal instruments as contrasting independence. The variances between them are vital in discussing why several financial models may lead to different accountability degrees.

The Oxford English Dictionary explains accountability as an obligation to provide an explanation for the measurement of his actions as responsibility. Hence, responsibility is defined as a legal or moral obligation to carry out a task or take care of a possession or object, resulting in the blame of liability for failure or loss. So, the natural setting for consideration of accountability is taken within a principal-agent relationship. Thus, in the context of financial policy, these duties are usually shared by the central bank as an agent and the government as a principal.<sup>2</sup>

### **1.2 Evolution of engagement between human society and the bank**

In 1980, the international community started development process reform both in theory and in practice. This development would only be felt to exist in aspects of sustainability if there is permission to participate in environmental concerns and suitable accountability frameworks of the country's government. In just a few years, the international development agencies supported similar invitations to engage together with the people involved and their advocates, such as the international or local human society, in aiding reform processes and calls for organizational frameworks that would secure accountability to the affected international or human society. The basis for the introduction of innovation pertains to their own conviction that internal modifications would resolve further problems as needed by civil society in their external calls for the development process, as shown in recent exhibitions at the World Bank and International Monetary Fund meetings in 2000. Furthermore, despite adopting a new international framework in trade for the purpose of investment, poverty places would continue to remain unchanged due to the inadequacies of their involvement to adjust for global challenges.<sup>3</sup>

### **1.3 Environmental Impact Assessment in bank and human society**

Involvement in lending management, strategic adjustments, and policy-making has been discussed by the bank based on conviction that broader participation with various stakeholders and their representatives would enhance its impact on operations

<sup>1</sup> Clive Briault, Andrew Haldane and Mervyn King, 'Central bank independence and accountability: theory and evidence' (1996) *Bank of England Quarterly Bulletin* 63.

<sup>2</sup> Clive Briault, Andrew Haldane and Mervyn King, 'Central bank independence and accountability: theory and evidence' (1996) *Bank of England Quarterly Bulletin* 63.

<sup>3</sup> Sabine Schlemmer-Schulte, 'The Impact of Civil Society on the World Bank, the International Monetary Fund and the World Trade Organization: The Case of the World Bank' (2001) 7(399) *ILSA Journal of International & Comparative Law* 400.

towards poverty decline and augmented sustainability engagements. Similarly, the new accountability framework has been established towards improved portfolio performance of the bank.<sup>4</sup>

There is a dichotomy being observed between trade regulation and liberalization as contrasting concerns to the environment. The implementation of international environment affairs has been relatively emphasized as a recent event. This phenomenon has originated from an augmenting amount of scientific proof as measured gravity for the severity of harm inflicted by developing society. Hence, there is an increasing awareness of the essence of gaining integration of global standards across several fields towards the maintenance of market values and the environment. The internal problem between accountability and the environment must be answered in the same medium rather than resolving the issues as a multi-disciplinary approach of international trade law under the World Trade Organization (WTO) and environmental issues under several international treaties. Large-scale compliance in the field of global environmental law could be acquired under the WTO framework through more binding agreements of Dispute Settlement, which has become an effective security for participating nations to follow in international trade. Hence, the global commons can successfully approach transparency, and protection can no longer be observed under conventional doctrines of restricted national sovereignty and jurisdiction.<sup>5</sup>

#### **1.4 Multilateral agreements related to the environment**

Multilateral environmental agreements (MEA's) and treaties have gathered the most distinguished ways to gain cooperation across borders. The separation of international environmental law as a distinguished area started to be observed in the early 1970's. The seminal phenomenon articulating the basic principles based on the declaration is the 1972 Stockholm Conference on the Human Environment. The Stockholm Declaration provided an impetus to the United Nations Environmental Programme (UNEP). Shortly, international agreements tackling environmental concerns started to be known. After the late 1980's, there is an observed increment on subject matters related to ozone depletion, biodiversity, and global climate change. However, the treaties are only concerned with specified environmental areas. Thus, these generally lack an overarching implementation framework using any substance. The major MEA's predominant in the field of trade and environment are Kyoto Protocol, Basel Convention, Montreal Protocol, and CITES treaty.<sup>6</sup>

This paper aims to discuss the importance of business law, using a positivistic paradigm approached quantitatively, hence exhibiting legal scholarship defiance for validation mapping of various business issues, its compliance with various policies, assessment of risks and management of problems as control process of business practices. Soil environmental quality is the tool for measuring the evaluation of bank accountability and independence. Contemporary legal scholarship exhibits rejection of questions of legal literature as well as defiance of rules of law.<sup>7</sup>

## **2. Methods**

### **2.1 Soil Security Framework (Quantitative Legal Measurement)**

There is a stride in national policies trying to arrange the questions involved in soil degradation. This strategic movement provides protection and strength in the management of soil utilization, known as soil codification, which is highly significant in the innovation of soil best management practices (BMPs). The soil security framework has an international significant impact on the maintenance towards improvement of global soil resources. The concept follows a systems-based approach that recognizes soil dynamics and variety across space and time. This innovation clearly acknowledges interactions between soil and people and adjusts based on the sustainability of natural capital consumption. Moreover, being impact-oriented based on its pathway assessment framework denotes the generation of contributions in achieving goals driven to enhance the variables of change towards a positive direction.<sup>8</sup>

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<sup>4</sup> Sabine Schlemmer-Schulte, 'The Impact of Civil Society on the World Bank, the International Monetary Fund and the World Trade Organization: The Case of the World Bank' (2001) 7(399) *ILSA Journal of International & Comparative Law* 410.

<sup>5</sup> Christopher Kula, 'The Advantages of Utilizing the WTO as a Global Forum for Environmental Regulation' (2002) 1(1) *Journal of International Business and Law* 97.

<sup>6</sup> Christopher Kula, 'The Advantages of Utilizing the WTO as a Global Forum for Environmental Regulation' (2002) 1(1) *Journal of International Business and Law* 99.

<sup>7</sup> Mike McConville and Wing Hong Chui, *Research Methods for Law* (Edinburgh University Press, 2017) 48-52, 231-232.

<sup>8</sup> Kanika Singh et al, 'Building an impact pathway framework for a project through soil connectivity' (2022) (6) *Soil Security* 1.

### 3. Discussion

The relationships between global trade, sustainable development, and human health have taken control of an important value system on the global political agenda. The United Nations' Earth Summit disclosed an international agreement stating that it is already impossible to remediate ecology and global political economy in a separate forum.

Corporate trade-environment problems are currently dealt with in institutions practicing or complying with trade. This study exhibits the incapability of these organizations to provide a balanced solution to the conflicting interests being questioned in specified issues. These competing problems cannot be resolved by the adjudication process since such a variety of these attributes are inappropriate for adjudicatory bodies' arrangements. This paper demonstrates an integrated approach that would be suitable for plotting the bank performance based on trade-environment conflicts and design a framework appropriate to resolve the gaps found in this article.

The plot design is intended to facilitate the transparency movements and protection balance of the monetary and ecological interests shown in trade-environment problems. The adoption of this proposed framework intends to map major advances in bank performances and guide other institutions in resolving their poverty issues through a quantitative means of research towards the promotion of bank transparency and a protective environment. The proposed framework is flexible enough to flux and evolve over time in connection to answering the altering needs and situations. The design elucidates the mapping of general agreement passed at the trade-environment intersection areas and placed within developmental spaces. Hence, it serves as a key situation in resolving pressing issues and start to standardize their global economic quality by answering their environmental challenges to cure poverty in dilution means of treating the problems ahead of time.<sup>9</sup>

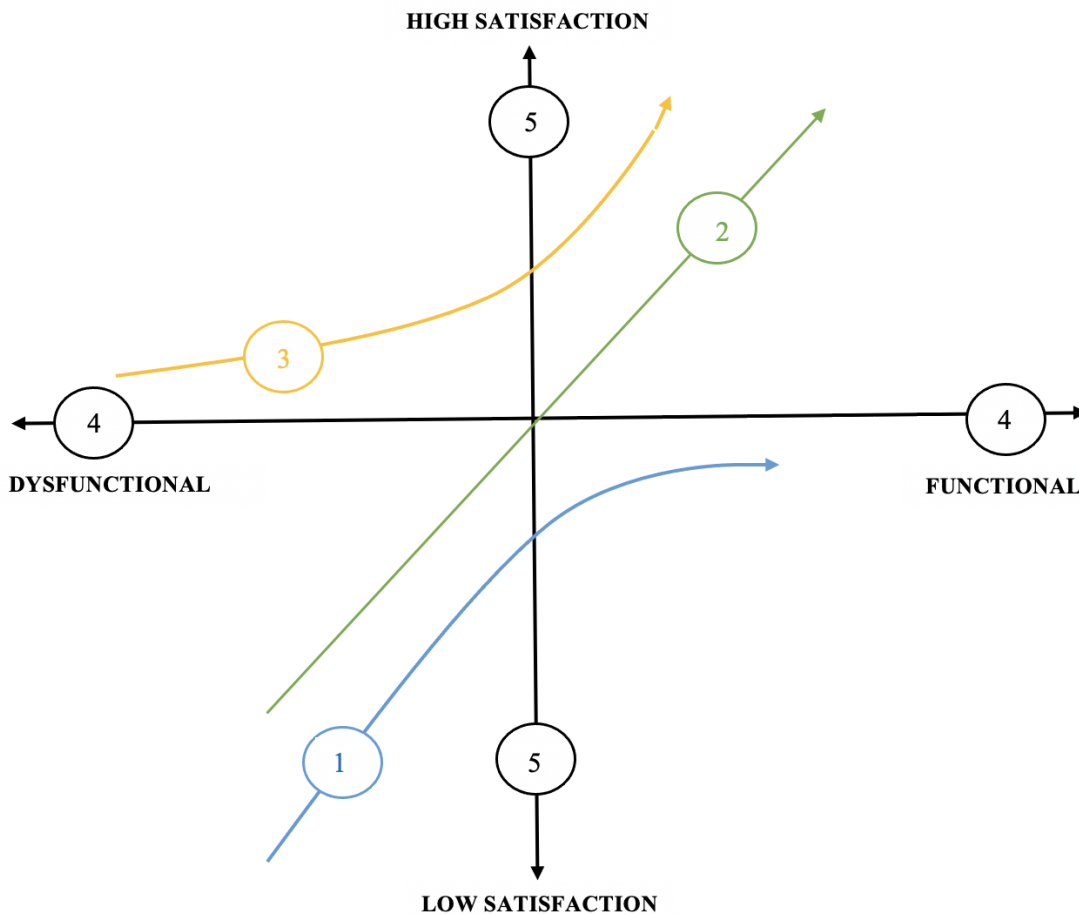
The companies' creativity in innovation as competition is reflected in their attainment of growth, development, and production of better goods and services. The "Kano model" is utilized to categorize the requirements as well as the conventional methods in response with the demands and needs of their civil society.

Based on the Kano developmental framework, the attractive quality theory is the supreme attribute of the corporate based on insufficiency of explanatory ability as recognized in the code of conduct as a one-dimensional feature; hence, the most crucial is integrated with quality governance, termed as business law, for demonstration of corporate ethics. This developmental framework elucidates the relationship between the degree of corporate satisfaction in terms of bank accountability intersected with its transparency goals of environmental protection.<sup>10</sup>

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<sup>9</sup> Jeffrey Dunoff, 'Institutional Misfits: The GATT, the ICJ & Trade-Environment Disputes' (1994) (15) *Michigan Journal of International Law* 1044-1047.

<sup>10</sup> Bilsen Bilgilia, Aysel Ercis, and Sevtap Unal, 'Kano Model Application in new product development and customer satisfaction (adaptation of traditional art of tile making to jewelries)' (2011) (24) *Procedia Social and Behavioral Sciences* 831.



**Figure 1. Kano Model Developmental Framework**

Kano et al. categorized the quantitative requirements needed towards bank accountability and independence into five types of variables:<sup>11</sup>

1. Must-be quality attributes: good governance doctrine.
2. One-dimensional quality attributes: code of conduct.
3. Attractive quality attributes: corporate ethics.
4. Indifferent quality attributes: soil environmental quality.
5. Reverse quality attributes: trade disputes in compliance.

Furthermore, the Kano model for bank trade-environment works with World Trade Organization (WTO) activities on serious interactions with human rights' consequences of business creativity and innovation. Human rights' realization needs compliance with good governance doctrine to enable the environment. The duty of good governance in advocacy of human rights has been recognized by the 2000 Commission of Human Rights, stating that:

... accountable, responsible, transparent, and participatory government, reacting positively to then needs and ideals of the people, is the underlying principle on which good governance rests. This basis is vital in advocating human rights in specified circumstances.

The World Bank, in 1989, first developed the doctrine of good governance discussing the following quantitative requirements:

<sup>11</sup> Feng-han Lin et al, 'Empirical research on Kano's model and customer satisfaction' (2017) 12(9) *PLoS One* 4.

...good governance is summarized by open and anticipated policymaking, providing insights into transparent processes. It is a bureaucracy permeated with a professional ethos. Moreover, it is a government arm for the implementation of accountability issues of its actions, with a strong human society participation in social affairs under the rule of tort law.

Many international bodies have answered the call for good governance through the adoption of strategic movements towards enhancement of transparency processes, accountability, and environmental participation. The United Nations highlighted the essence of this doctrine in its Millennium Declaration. Paragraph 13 discusses the advocacy to fight against severe poverty towards security development depending on:

... international level of transparency of good governance in relation to monetary, financial, and trading schemes. There is a commitment to an equitable, open, anticipated, rule-based, and non-discriminatory trading of multi-financial systems.

Furthermore, the introduction of good governance principles will help WTO in achieving their goals with expansion of their goods and services' concerns in accordance with sustainable development objectives in various levels of economic development. Hence, free trade must not be the sole aim itself; rather, it should provide means to target and reach sustainable development. Providing the duties of good governance doctrine is a human rights' realization as good governance also depicts an important task in visualizing this goal. Hence, the WTO must be observed as an institution facilitating the removal of trade barriers in pursuit of market equality access among members. The trading body has been defined as a code of conduct as well as a competition venue.<sup>12</sup> From a policy and legal attitude, a stable economy is the culmination of attainment based on a long and intricate regulatory and political process involving formulation and enforcement of various economic policies and their critical features of regulatory authorities to various dealings at the international and domestic levels.<sup>13</sup>

#### 4. Conclusion

The Kano model developmental framework presents legal scholarship defiance of good governance doctrine using a positivistic paradigm through measurement of soil environmental quality in correlation with bank accountability and independence. This framework is a quantitative means of plotting and mapping the progress and current situation of trade-environmental tasks, agreements, problems, and solutions using soil quality as a point of realization of the corporate firms to resolve environmental issues promoting their constitutional right of safety and welfare. Awareness of human society is the fundamental assignment given by the WTO to corporate practices challenging trade-environmental problems to advocate ecological protection as a constitutional right of monetary progress based on the accountability of bank firms as the government already provided an unelected authority to banks for sustainable development enforcement as a reiteration of good governance doctrine resulting to flip from the inadequacy of code of conduct. This defiance in matters of corporate literature and rules of law reflects the contemporary legal scholarship towards mastering business law as a reiteration of their constitution promoting public welfare and safety as monetary success.

Traditional agreements of bargained goods and services are traditionally practiced by banks under trade law. Unfortunately, the competition market for innovation of products and services has established their global economic standards under WTO; hence, compliance is a must for achieving sustainable development under good governance principles of corporate ethics. This design is suitable and recommended for fighting and eradicating extreme poverty towards standardization of global economic quality as implemented by WTO.

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<sup>12</sup> Jeroen Denkers and Nicola Jagers, 'The World Trade Organization and Human Rights: The Role of Principles of Good Governance' (2008) 11(2) *Potchefstroom Electronic Law Journal* 89-91.

<sup>13</sup> Federico Lupo-Pasini, 'Financial Stability in International Law' (2017) 18(1) *Melbourne Journal of International Law* 2.

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