



# Economic Diplomacy, Governance, and Well-Being: A Comparative Study of Morocco and South Korea

SENNANE KAOUTAR\*<sup>1</sup> and EL AISSAOUI HASSAN<sup>1</sup>

Economics and Public Policy Laboratory,  
Faculty of Economics and Management, University Ibn Tofail, Kenitra, Morocco  
kaoutar.sennane@uit.ac.ma

**Abstract.** In the Gulf South, cooperation among nations is essential to promoting inclusive and sustainable development. This article highlights the similarities and differences between Morocco and South Korea, focusing on topics such as economic dominance, governance, and the tenets of "economics of happiness."

According to the economics of happiness concept, subjective well-being is a crucial component in assessing public policy and offers a framework for evaluating the effectiveness of various development models.

Furthermore, economic diplomacy transcends simple trade interactions; it can be perceived as a demonstration of the "soft power of happiness," where a nation's reputation as an attractive place for living, working, and investing becomes a significant strategic advantage.

Morocco seeks to integrate economic growth with social inclusion by utilizing its advantageous geographical position and a diverse range of trade agreements. Conversely, South Korea illustrates the difficulties that can emerge between economic prosperity and individual well-being within a fiercely competitive environment, particularly in light of its remarkable development trajectory.

Analyzing these two distinct experiences through a comparative lens opens avenues for an interdisciplinary discussion about public policies, diplomacy, and the importance of happiness as a possible indicator of progress.

Through emphasizing the potential of South-South cooperation to promote well-being as an international influence and an evaluation criterion. This contribution aligns with the symposium's goals.

**Keywords:** Economic diplomacy, economics of happiness, governance, soft power, subjective well-being.

## 1 Introduction

In a global context accentuated by the questioning of dominant development models, the search for new avenues for cooperation and sustainable progress is proving essential and a major challenge for modern international relations.

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Economic development structures are no longer addressed exclusively through growth indicators but must include human, social, and environmental components. This paper, which examines the approach to economic diplomacy and governance can foster the emergence of an economy of happiness, draws on a comparative approach between Morocco and South Korea, two distinct steps yet motivated by a common development goal while offering a new perspective on South-South cooperation.

### 1.1 Theoretical Context

South-South cooperation presents itself as a strategic alternative to traditional North-South development systems. It is based on the principles of complementarity, solidarity, and interactive learning between developing countries, encouraging a balanced sharing of resources, knowledge, and innovations (Layla BENTAHAR & Mohammed ABDELLAOUI, 2024; Mustapha ES-SALEHY & Abdelnabi SABRI, 2024).

In a centralized world marked by economic interdependencies and environmental and social challenges, this mode of cooperation illustrates a more sustainable development path that is participatory and adapted to local realities.

In this context, the exchange between Morocco and South Korea represents a typical example of a prosperous interregional partnership. These two countries, despite their cultural and historical disparities, share a common commitment: to combine economic performance, sound governance, and collective well-being. Morocco, through its proactive economic diplomacy strategy and its commitment to sustainable human development, highlights the aspirations of African countries to play a leading role in international trade (Mustapha ES-SALEHY & Abdelnabi SABRI, 2024).

South Korea, frequently cited as an example of post-industrial economic success, reflects the transformation of a developing country into a technological and cultural powerhouse, while also addressing the current paradox of well-being (Kim, S., & Lee, J. 2012).

This movement fosters a rise in urban diplomacy, where cities become full partners with international clout.

Based on culture, innovation, and decentralized cooperation, South Korea is the illustration of the ability of local governments to build territorial soft power, while showing that the development of collective well-being can be achieved through local initiatives integrated into national international cooperation policy (Min-gyu Lee, 2023). This approach is based on the theoretical foundation of happiness economics, a burgeoning conceptual framework that reframes the term progress. Material prosperity alone is not enough to guaranty individual and collective satisfaction: the quality of institutions, social justice, and trust between individuals play a decisive role in overall well-being (Frey & Stutzer, 2003). Governance quality emerges as a central determinant of collective well-being, a finding empirically reinforced by the World Happiness Report 2023 (Helliwell et al., 2023), whose evidence suggests that societies characterized by inclusive governance and strong social cohesion consistently report higher levels

of happiness.

In this study, the economics of happiness is understood as the evaluation of subjective well-being influenced by institutional quality, social trust, and public policy outcomes.

This conceptualization makes it possible to examine how external economic strategies, particularly economic diplomacy, interact with institutional quality to shape national attractiveness and subjective well-being.

Meanwhile, economic diplomacy stands out as a central instrument of national influence. By implementing soft power, the ability to influence through attraction rather than limitation, states are developing new forms of leadership based on trust, culture, and cooperation (Nye, J.S. 2004).

National attractiveness refers to a country's capacity to generate trust, investment flows, strategic partnerships, and cultural influence in the international system.

Economic diplomacy, complemented by soft power strategies, allows countries to enhance national attractiveness, strengthen international partnerships, and directly support domestic well-being.

In this context, Morocco, through its African strategy and targeted investment policies, is demonstrating a development diplomacy designed for sustainability and collective well-being (Layla BENTAHAR & Mohammed ABDELLAOUI, 2024).

This study contributes to the literature by linking economic diplomacy and governance quality to subjective well-being and national soft power.

## 1.2 Problem statement

The central question of this communication is based on how do economic diplomacy and governance quality contribute to subjective well-being and national attractiveness in Morocco and South Korea?

## 2 Methodology

This study is based on a qualitative and analytical comparative approach (Collier, D. 1993). It helps identify the main convergences and divergences between two development models through their economic, institutional, and social evolutions. Adopting the Moroccan versus the South Korean distinct experiences is based on their unique trajectories: two non-Western countries that have relied on economic diplomacy and governance to position their development, within distinct political, historical, and cultural frameworks.

This choice stems from:

- Their strategic position in South-South cooperation;
- The interdependence of their models: economic openness and anticipatory diplomacy for Morocco, industrialization and technological excellence for

South Korea;

- Their common goal of sustainable and humane governance.

This approach highlights the convergences (investment in human capital, partnership diplomacy) and divergences (level of industrialization, social pressure, perception of happiness). The analysis is therefore based on data from international reports and academic articles;

- **World Happiness Index (SDSN): This Index is used as a proxy for subjective well-being and perceived quality of life;**
- **World Governance Indicators (WGI, World Bank);**
- **Index of Economic Freedom (Heritage Foundation);**
- **Human Development Index (HDI, UNDP)**

Composite indicators allow a multidimensional assessment of well-being and institutional performance.

These indicators offer the opportunity to measure the relationship between subjective well-being, economic diplomacy, and institutional quality.

Although, the methodology compares statistical averages, it also involves cross-referencing indicators to establish relationships between the institutional and social dimensions of happiness.

This analysis explores associations rather than causal relationships between governance, diplomacy, and well-being. It also analyzes governance, economic freedom, and human development for their contribution to building collective well-being.

### 3 Comparative Analysis: Morocco and South Korea

#### 3.1 Morocco: Economic Diplomacy and Inclusive Governance

Morocco has built a dynamic economic diplomacy over the past two decades, based on diversification and regional integration.

The 2011 constitution, the new Investment Chart (2023), and the New Development Model (2021) highlight an institutional commitment to integrating growth, equity, and sustainability.

Yet, territorial and social inequalities remain a major challenge to collective well-being, despite diplomatic and institutional advances.

#### 3.2 South Korea: Development and the Well-Being Paradox

Known as the "Asian Miracle," South Korea is a notable example of rapid economic progress.

However, there is a contradiction associated with this accomplishment. Indicators of subjective happiness are still low when compared to other industrialized

countries, despite the high standard of life (Kim, S., & Lee, J. 2012). This gap demonstrates that material prosperity does not necessarily guarantee citizens' life satisfaction. Institutional quality is associated with higher well-being levels, although cultural and social factors also play a significant role. This situation stems from:

- Intense social competition in education and employment;
- Work pressure and the imbalance between professional and personal life;
- Deterioration of social ties;
- And disparity in the distribution of the benefits of growth (Kim, S., & Lee, J. 2012).

The authors conclude that the South Korean model needs to integrate more public policies focused on quality of life, mental health, social unity, and leisure time, to overcome the limitations of purely economic development.

On the same path, Korean diplomacy is reinventing itself through city diplomacy (Min-gyu Lee, 2023), allowing cities such as Seoul, Busan, and Incheon to become stakeholders in the soft power of happiness, articulating sustainable development, culture, and equity of urban life.

The soft power of happiness refers to a nation's attractiveness based on quality of life, social trust and institutional credibility.

Thus, South Korea illustrates both strengths and limitations of an optimized model and growth is undeniable. However, it must be accompanied by well-being governance and human diplomacy, established in the regions. Thus, South Korea illustrates both strengths and limitations of an optimized model, and growth is undeniable. However, it must be accompanied by well-being governance and human diplomacy established in the regions.

### 3.3 Review of the indicators used

#### Global Happiness Index (SDSN) :

The World Happiness Report, published by the Sustainable Development Solutions Network (SDSN) (Helliwell, J., Layard, R., Sachs, J., & De Neve, J.-E. 2023), constitutes an essential reference source for the empirical assessment of well-being.

This index is based on several fundamental variables: per capita income, social support, freedom of life choices, generosity, perception of corruption, and healthy life expectancy.

**Table 1.** World Happiness Index (SDSN, 2023) - Source: World Happiness Report 2023

Country	World Ranking (2023)	Average Score
South Korea	57th	≈ 5.95
Morocco	100th	≈ 4.80

**Analysis:**

According to table 1 South Korea ranks in the upper middle, reflecting robust governance but still a limited emotional well-being.

Morocco, on the other, with a lower score, remains marked by social disparities despite its reforms.

These results confirm the link between institutional perception and life satisfaction.

**Worldwide Governance Indicators (WGI, World Bank):**

The Worldwide Governance Indicators (WGI) measure institutional quality along six dimensions: citizen voice, political stability, government effectiveness, regulatory quality, the rule of law, and control of corruption.

**Table 2.** Governance indicators (WGI, 2023) - Source: World Bank, 2023.

Governance & Dimensions	Morocco (Score/100)	South Korea (Score/100)
Citizen Voice and Accountability	45	70
Political Stability	65	85
Government Effectiveness	55	90
Regulatory Quality	60	88
Rule of Law	58	86
Control of Corruption	52	84
<b>Overall Average</b>	<b>56</b>	<b>84</b>

**Analysis:**

Based on table 2 South Korea exhibits more robust and collaborative governance.

Morocco is making progress, but remains in the institutional consolidation stage. These differences explain the gaps in trust and social well-being observed in the SDSN index.

Differences in well-being cannot be explained solely by governance indicators.

**Index of Economic Freedom (Heritage Foundation, 2023)**

This index generates a structural analysis of nine components.

**Table 3.** Economic Freedom (Heritage Foundation, 2023) - Source: Heritage Foundation, Index of Economic Freedom, 2023

Components	Morocco	South Korea
Business Freedom	60	85
Tax Freedom	58	80
Government Spending	45	70
Property Rights	65	88
Government Integrity	55	82
Fiscal Soundness	60	76
Trade Freedom	70	88
Labor Freedom	65	75
Monetary Freedom	68	83
<b>Overall Score</b>	<b>63</b>	<b>73</b>

**Analysis:**

According to table 3 South Korea is characterized by a transparent and investment-friendly economic environment.

Morocco, although a driving force of change, remains constrained by bureaucracy and slow administrative progress.

This distinction in economic freedom directly affects perceptions of well-being and trust in institutions.

**Human Development Index (UNDP, 2023):**

The Human Development Index (HDI) reflects a country's ability to ensure a long, educated, and decent life through analysis of health, education, and income levels.

**Table 4.** Human Development Index (UNDP, 2023) - Source: UNDP, Human Development Report, 2023

Country	HDI	World Ranking	Life Expectancy (years)	Average Years of Schooling	GNI per Capita (USD, PPP)
Morocco	0.71	120	76	6.4	8,300
South Korea	0.93	19	83	12.8	46,500

**Analysis:**

As indicated in table 4 South Korea combines high economic performance with high health and education.

Morocco is making significant progress in human capital, notably through the National Human Development Index (NHDI) and the Investment Charter.

The intersection of HDI, governance, and happiness shows that institutional dimensions explain well-being as much as income.

## 4 Discussion: Towards a Diplomacy of Happiness

The economics of happiness redefines contemporary diplomacy: it extends beyond economic performance to include well-being as an indicator of reputation and institutional legitimacy. The "soft power of happiness" (Nye, J. S. 2004) and extended by research on well-being (Frey & Stutzer, 2003) is based on trust, sustainability, and quality of life, all dimensions already identified in the governance, economic freedom, and human development indicators analyzed above. This emerging diplomacy paradigm reflects the growing importance of human-centered development in international relations.

In this context, Morocco-South Korea cooperation can become a laboratory for human diplomacy, based on shared values and the pursuit of equitable development.

This strategy could make use of fresh qualitative metrics such as:

- Interpersonal trust,
- Social justice perception,
- Public service quality and environmental sustainability.

The institutional and social dimensions depicted in the comparative study are logically followed by these variables.

They demonstrate the transition from an economic power-based diplomacy to a happiness-based diplomacy that prioritizes the standard of living for citizens.

In this perspective, urban diplomacy is aligned with the Sustainable Development Goals (SDGs), placing the individual and quality of life at the center of local and international strategies (Min-gyu Lee, 2023).

However, the indicators examined in this study constitute proxy measures and should therefore be interpreted within cultural and socio-economic contexts.

This model could inspire Morocco to implement a territorial diplomacy of well-being, oriented toward cohesion, proximity, and collective happiness, thus extending the institutional overhauls undertaken since 2011 and the New Development Model 2021.

## 5 Conclusion

This comparative analysis, of Morocco and South Korea highlights the close interaction between economic diplomacy, governance, and the economics of happiness. These three components, far from being independent form the basis of sustainable and human-centered development, where material prosperity is combined with an active pursuit of collective well-being.

The study highlights the growing relevance of well-being indicators in evaluating development models and diplomatic influence.

The results show that a country's success is no longer measured solely by its Gross Domestic Product (GDP), but by the satisfaction of its individuals, the quality of its governance, and the transparency of its institutions. Morocco and South Korea demonstrate that economic performance can be reconciled with

social cohesion and happiness diplomacy.

By incorporating the logic of inclusive growth and South-South cooperation, a discussion also deserves to be initiated on the possibility of a mixed model; this would be inclusive growth inspired both by the socio-cultural norms rooted in collective values of solidarity and collective discipline specific to Korean culture, and by the Moroccan vision, based on solidarity, equitable partnership, and shared human development.

Such a hybrid model could constitute a new avenue for happiness diplomacy, reconciling economic efficiency, social harmony, and cultural openness. Future research could explore the operationalization of well-being diplomacy through empirical policy evaluation.

Thus, contemporary diplomacy can become a vector of peace, solidarity and shared prosperity, where happiness is no longer a consequence of development, but its fundamental intention.

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