Abstract

The current economic rise of China entails one question. What significance can we attribute to the size of economy of countries for the accomplishment of regional hegemony? The ongoing debate agrees that economic might is a significant indicator of national power and thus the countries aspiring to dominate their regions should be displayed by lead in the economic sphere over other regional actors. Nevertheless, the consensus on the extent of this relationship has not yet been established. This thesis aims to contribute to the debate by determining whether economic potential constructed on GDP numbers is a necessary condition, a sufficient one, or neither of those, for regional dominance of countries. Based on the examination of historical cases from 1700 to 2010 and regions of Europe, Northeast Asia, and Western Hemisphere, we present a new indicator of regional dominance consisting of six sequential levels. By employing the "Necessary Condition Analysis", we argue that economic potential is a necessary but not a sufficient condition for higher levels of regional dominance with the effect of necessary condition denoted as "medium". Further, we provide a robustness check for the computation of economic potential using the Beckley's "GDP * GDP per capita" measure and Paul Bairoch's "Total industrial potential" indicator and receive very similar results.