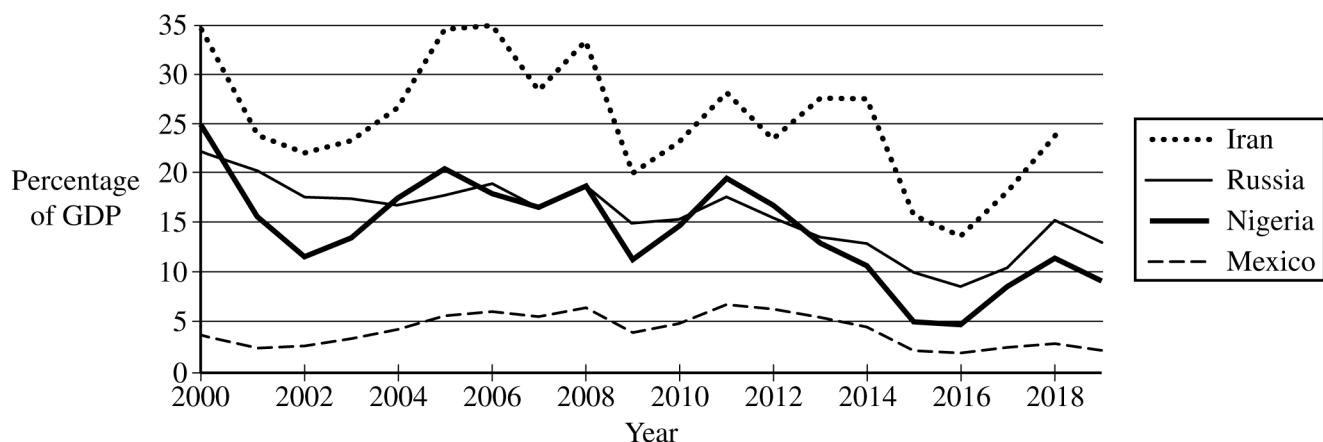


TOTAL NATURAL RESOURCES RENTS AS PERCENTAGE OF GDP



Source: World Bank, 2018

Note: Natural resources rents are defined as revenue from natural resource production.

2. (A) Using the data in the graph, identify the country with the second highest amount of natural resources rents as a percentage of GDP in 2014.
- (B) Using the data in the graph, describe a pattern in the amount of natural resources rents as a percentage of GDP in Nigeria from 2010 to 2018.
- (C) Describe political legitimacy.
- (D) Using the data in the graph, draw a conclusion about natural resources rents in Iran.
- (E) Explain what the data in the graph imply about political legitimacy in authoritarian states.

Begin your response to this question at the top of a new page in the separate Free Response booklet and fill in the appropriate circle at the top of each page to indicate the question number.

Question 2: Quantitative Analysis

5 points

- (A) Using the data in the graph, identify the country with the second highest amount of natural resource rents as a percentage of GDP in 2014. **1 point**

An identification includes the following:

Russia

- (B) Using the data in the graph, describe a pattern in the amount of natural resource rents as a percentage of GDP in Nigeria from 2010 to 2018. **1 point**

Acceptable descriptions include:

- The amount of natural resource rents fluctuated as a percentage of GDP in Nigeria from 2010 to 2018.
- Resource rents increased from 2010 to 2011, decreased from 2011 to 2016, and increased from 2016 to 2018.
- The amount of natural resource rents as a percentage of GDP decreased in Nigeria from 2010 to 2018.
- The amount of natural resource rents as a percentage of GDP decreased in Nigeria from 2010 to 2018, though it increased between 2010 and 2011.

- (C) Describe political legitimacy. **1 point**

An acceptable description includes:

- Legitimacy refers to whether a government's constituents believe their government has the right to use power in the way it does.
- People's belief that the government has the right to rule.

- (D) Using the data in the graph, draw a conclusion about natural resources rents in Iran. **1 point**

An acceptable conclusion includes:

- Because the Iranian economy largely relies on sales of oil, it is not very diversified.
- The government's reliance on natural resource rents encourages corruption such as in the oil sector, state-owned enterprises, or government spending.
- The amount of natural resource rents as a percentage of GDP decreased in years where there were international economic sanctions on Iranian oil.
- Because Iran is a member of an international organization (OPEC) it is subject to external pressures to reduce (or increase) trade production.
- The world financial crisis in 2008 led to a decrease in oil revenues in Iran due to a decrease in global demand and oil prices.

(E) Explain what the data in the graph imply about political legitimacy in authoritarian states. **1 point**

Acceptable explanations include:

- Authoritarian states have fewer sources of political legitimacy than democratic states, so successful economic performance is more important for legitimacy in authoritarian states. Therefore, fluctuations in natural resource rents are likely to have a greater effect on political legitimacy in authoritarian states.
- Revenues from the sale of natural resources in authoritarian states help the government maintain legitimacy by using the money to implement policies that are popular with citizens. So, when money from the sale of natural resources decreases, political legitimacy may also decrease.

Total for question 2 5 points