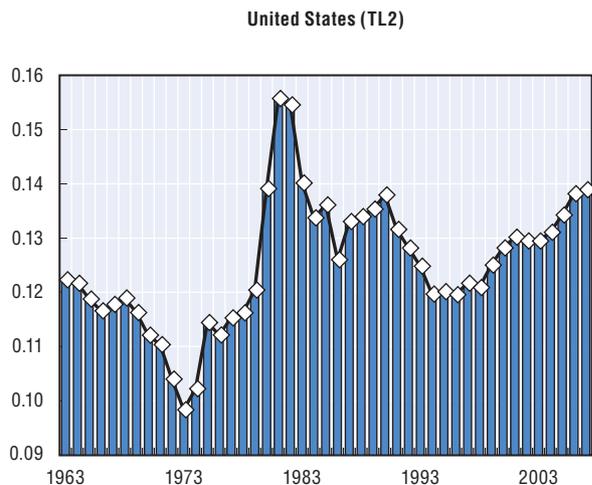


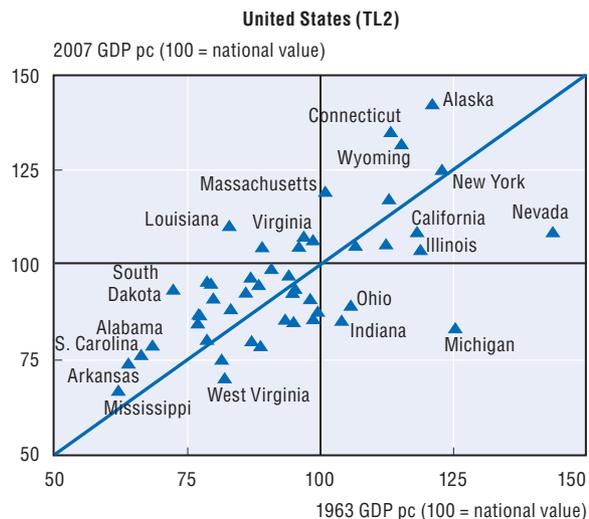
United States

Population and territory	<ul style="list-style-type: none"> ● 301.6 million inhabitants, 9.2 million km².
Administrative structure	<ul style="list-style-type: none"> ● Federal country. ● Two-tiered sub-national system: <ul style="list-style-type: none"> ❖ TL2: 51 <i>States</i>. ❖ TL3: 179 (<i>BEA Economic Areas</i>), among which 26 predominantly urban regions (43% of total population, +0.3 pp over the past 25 years), 21 intermediate regions (20%, +0.2 pp) and 132 predominantly rural regions (37%, -0.5 pp). ❖ Approximately 20 000 municipalities (local government structure differs between States).
Share of sub-national government in total spending/revenues	<ul style="list-style-type: none"> ● Spending: 48.8% (2009). ● Revenues: 45.9% (2009).
Concentration and inequalities	<ul style="list-style-type: none"> ● Economic activity in the United States (among TL2 regions) is more concentrated than in OECD countries, with 39% of national GDP being produced by 10% of regions as opposed to 38% in OECD countries. Almost 30% of national GDP is produced by California (12.6%), New York (8.2%), and Texas (7%) combined. ● Inequality in GDP per capita among TL2 regions in the United States has fluctuated during the past 50 years. From 1963 to 1973 inequality declined to its lowest level in 1973; thereafter, inequality increased to its highest level in 1981. During these past 25 years, inequality first declined from 1981 to 1997, and since 1997 it has been gradually increasing. ● Alaska, Connecticut, Wyoming and Massachusetts improved their above average levels of GDP per capita in 1963 over the past 50 years, contributing to an increase in inequality. Likewise, the lagging region West Virginia also contributed to inequality by falling further behind. ● In contrast, the catching-up of the lagging regions Mississippi, Arkansas, South Carolina, Alabama, South Dakota, Louisiana and Virginia has contributed to a decline in inequality, as well as the falling behind of regions with above average GDP per capita levels in 1963 such as Nevada, Michigan, Indiana, Ohio and Illinois. ● Over the past ten years, the main drivers of national growth have been California, Texas, Florida, New York and Virginia, contributing 14.9%, 10.3%, 7.3% and 6.5% of the overall GDP growth respectively. The combined contribution to national growth by lagging TL2 regions (<i>e.g.</i> with below average GDP per capita levels in 2007) was quite significant (50%) over the past decade.
Key challenges	<ul style="list-style-type: none"> ● Distressed communities and regions.
Objectives of regional policy	<ul style="list-style-type: none"> ● Federal policies typically provide infrastructure or plan investment to distressed areas to generate employment or provide affordable housing options. ● Regional competitiveness, clusters, innovation, and sustainable development is an approach for some newer programmes.
Legal/institutional framework for regional policy	<ul style="list-style-type: none"> ● No overarching framework, separate laws for different federal programmes. ● State-level regional policy making.
Urban policy framework	<ul style="list-style-type: none"> ● No overarching framework, main entity responsible for policy is the Department of Housing and Urban Development
Rural policy framework	<ul style="list-style-type: none"> ● No overarching framework, main entity responsible for policy is the Department of Agriculture.
Major regional policy tools	<ul style="list-style-type: none"> ● Grants for infrastructure and planning are the main policy tool. ● A few programmes seek to support regional economic development strategies, clusters and workforce development.
Policy co-ordination at central level	<ul style="list-style-type: none"> ● Limited but increasing co-ordination process at the federal level for regional development policy (<i>e.g.</i> co-ordination of seven federal agencies on energy-building systems related to regional innovation clusters).
Multi-level governance between national and sub-national levels	<ul style="list-style-type: none"> ● Different federal departments and agencies may work with the state government or have their own regional representative offices, each with a different catchment area.
Policy co-ordination at regional level (cross-sectoral)	<ul style="list-style-type: none"> ● State governments may have inter-departmental committees for specific themes.
Policy co-ordination at regional level (geographic)	<ul style="list-style-type: none"> ● Special district governments. ● Economic Development Administration.
Evaluation and monitoring	<ul style="list-style-type: none"> ● Performed at programme level by each administering department or agency.
Future orientations of regional policy	<ul style="list-style-type: none"> ● Increasing focus on regional competitiveness, innovation, clusters and sustainable development in several federal programmes.

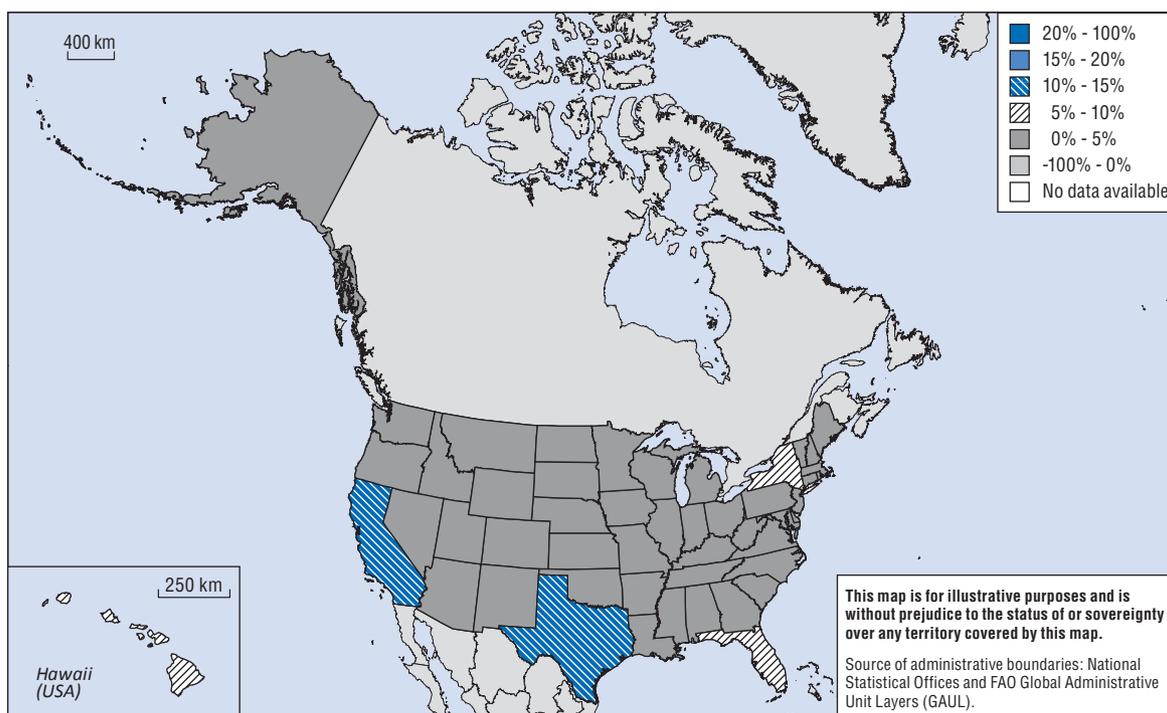
Gini index of inequality of GDP per capita across TL2 regions, 1963-2007



Regional performance in GDP per capita over time, 1963 and 2007



Regional contribution (%) to national GDP growth, 1995-2007



Source: Calculations based on data from the US Bureau of Economic Analysis and OECD Regional Database (2009).

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