

CONTEXT

LEGISLATURE: Bicameral

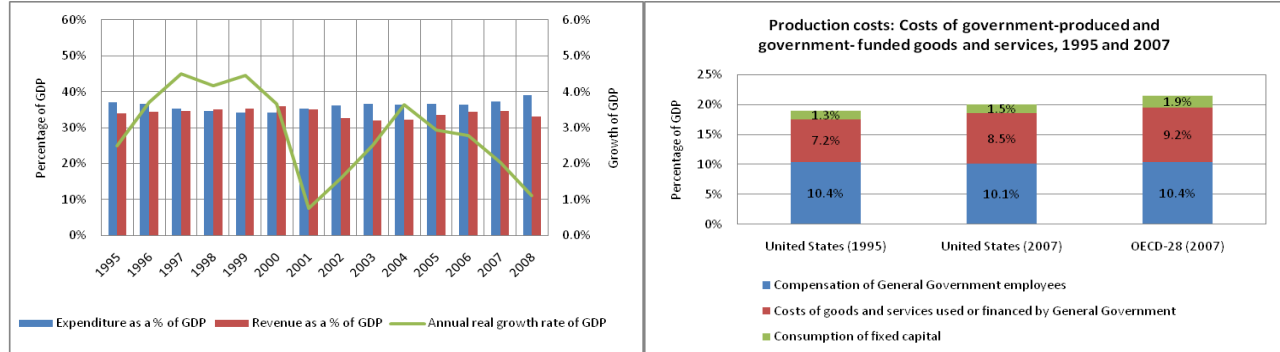
- Upper house: elected
- Lower house: elected using First Past the Post

SYSTEM OF GOVERNMENT: Presidential

- No. of ministries: 15 (2008)
- No. of ministers: 16 (2008)

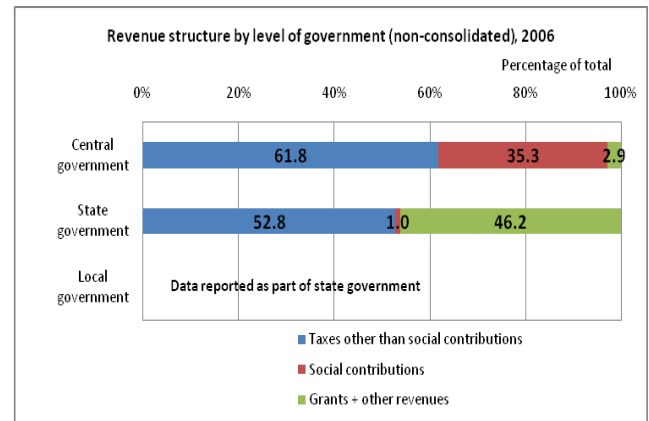
STATE STRUCTURE: Federal (50 states)

Revenues and expenditures have hovered around 35% of GDP over the past decade. Despite a short period of surpluses between 1999 and 2000, expenditures have exceeded revenues and have increased as a share of GDP. Production costs as a share of GDP increased slightly between 1995 and 2007, mainly driven by increases in the goods and services produced or provided by the private sector using government funds.



Source: OECD National Accounts and Economic Outlook. [\[Revenues\]](#) [\[Expenditures\]](#) [\[Production costs\]](#)

Unlike other OECD countries, the United States operates its social security programme within federal government. As a result, social contributions are an important part of federal government revenues. The role of state and local governments is strong compared to other OECD countries, and the majority of state and local government revenues come from taxes.



Source: OECD National Accounts [\[Revenues\]](#) [\[Expenditures\]](#)

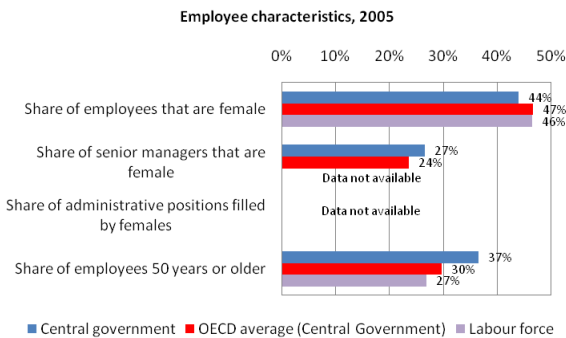
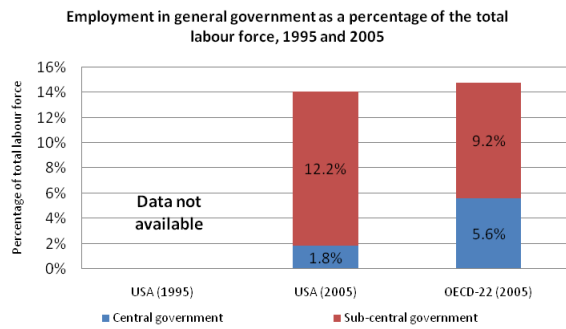
Compared to the OECD average, the United States government places stronger emphasis on health, education and defence and a lower emphasis on social protection. In general, state and local governments are responsible for education, health and economic affairs and the federal government has major responsibilities for health, defence and social protection.

Expenditure structure by function of government (non-consolidated), 2006	United States			OECD-26
	Central government	State and local government	General government	General government
Share of total				
General public services	12.8%	11.6%	13.2%	13.8%
Defence	20.1%	0.0%	11.6%	3.4%
Public order and safety	1.6%	9.9%	5.8%	3.8%
Economic affairs	5.8%	15.8%	10.1%	10.6%
Environment protection	0.0%	0.0%	0.0%	1.7%
Housing and community amenities	1.9%	1.9%	1.7%	2%
Health	25.0%	21.1%	21.0%	15.1%
Recreation, culture and religion	0.2%	1.5%	0.8%	2.6%
Education	2.6%	32.3%	16.9%	12.9%
Social protection	30.2%	6.0%	19.0%	34.2%

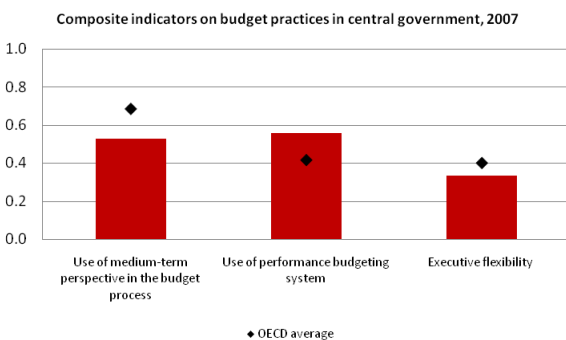
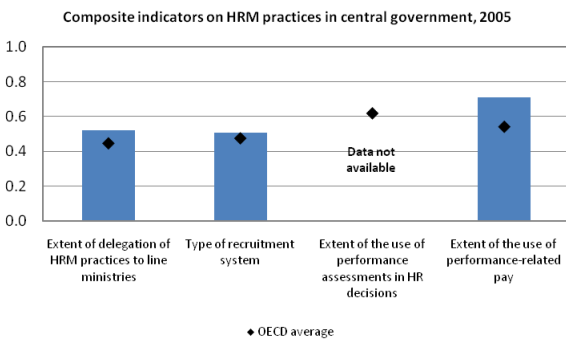
Source: OECD National Accounts [\[General government\]](#) [\[Central, state and local\]](#)

REVENUES AND EXPENDITURES

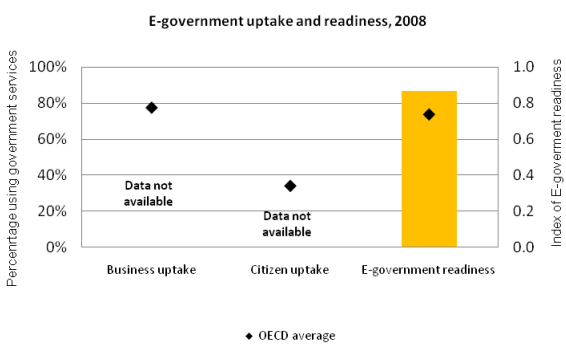
GOVERNMENT EMPLOYMENT: SIZE AND CHARACTERISTICS



COMPOSITE INDICATORS: PUBLIC MANAGEMENT PRACTICES



E-GOVERNMENT



The U.S. government employed 14% of the total labour force in 2005, just under the OECD average. Government employment in the United States is decentralised, with the vast majority of staff employed by state and local governments.

Source: OECD Comparison of Employment in the Public Domain Survey and Labour Force Survey

[\[General government employment\]](#) [\[Distribution by level\]](#)

Females represent almost equal proportions of the federal government workforce and the general labour force, and their share is very close to OECD average. Within federal government, females cover just over one-quarter of senior managerial posts. An ageing workforce is quite a challenge for the U.S. federal government as the share of employees 50 years and older is much higher than in the total labour force and the OECD average.

Source: OECD Strategic HRM Survey and Labour Force Survey

[\[Female participation\]](#) [\[Ageing\]](#)

While job classification and pay system decisions are centralised within the U.S. federal government, many other HRM authorities, such as decisions on the number of posts, recruitment, variable pay and working conditions, are delegated to line departments and agencies. The recruitment process has moved from a centralised system to a more decentralised process where most jobs are open to both internal and external applicants. Pay is based on both seniority and performance. The US federal government has of cadre of senior civil servants that are managed separately with highly differentiated HRM practices from other staff.

Source: OECD Strategic HRM Survey

[\[Delegation\]](#) [\[Recruitment\]](#) [\[Performance management\]](#)

While the federal government does not use expenditure ceilings, medium-term estimates (5 and 10 years) are updated semi-annually and are based on demographic, legislative and macroeconomic variables. The 1993 Government Performance and Results Act (GPRA) requires agencies to craft strategic plans and measure and report performance. Performance is also tracked by the Office of Management and Budget (the central budget authority), which introduced the Program Assessment and Rating Tool (PART) in 2003 to support the implementation of the GPRA.

Source: OECD International Budget Practices and Procedures Database.

[\[Medium-term\]](#) [\[Performance budgeting\]](#) [\[Executive flexibility\]](#)

OECD Journal on Budgeting: www.oecd.org/gov/budget/journal

The United States displays a high level of e-government readiness based on broad access to the Internet, an educated population and a large amount of information made available to the public. In early 2009, the United States announced and began implementing an e-government initiative aimed at increasing openness and accountability in early 2009. A key aspect of this initiative is recovery.gov, which providing easy access to data related to Recovery Act spending and allows for the reporting of potential fraud, waste, and abuse. The e-government initiative also includes overhauling Regulations.gov to make searching and commenting on federal rules easier. In addition, the U.S. has launched Data.gov, a portal for the public to access datasets collected by the central government.

Source: United Nations E-Government Readiness Knowledge Base, Eurostat.

[\[Readiness\]](#) [\[Uptake\]](#)

[\[OECD E-Government Publications\]](#)

INTEGRITY	Types of information central government decision makers are required to disclose and level of transparency, 2009				
	Requirements for disclosure	President	Minister	House of Representatives	Senate
	Assets and liabilities	DP	DP	DP	DP
	Loans	DP	DP	DP	DP
	Sources and level of income	DP	DP	DP	DP
	Outside positions	DP	DP	DP	DP
	Gifts	DP	DP	DP	DP
	Previous employment	DP	DP	DP	DP
	D= Disclosed; DP= Disclosed and publicly available; ND= Not disclosed; NA= Not applicable.				
	REGULATORY MANAGEMENT	Requirements for Regulatory Impact Analysis (RIA) processes used by central governments			2005
Quality reviewed by body external to Ministry preparing rules		Yes	Yes	Yes	Yes
Required for draft primary laws		No	No	No	No
Required for draft subordinate regulations		Only for major regulation	Only for major regulation	Only for major regulation	Only for major regulation
Required to quantify costs		Only for major regulation	Only for major regulation	Only for major regulation	Only for major regulation
Required to quantify benefits		Only for major regulation	Only for major regulation	Only for major regulation	Only for major regulation
Required to publicly release results		Always	Always	Always	Always
Extent of programs for reducing administrative burdens at the central level of government					
		1998	2005	2008	
Explicit programme exists		Yes	Yes	Yes	
Includes quantitative targets	Yes	Yes	Yes		

The United States is a leader among OECD member countries in the amount of private interests decision makers are required to disclose and their level of transparency. Compared to other countries, the United States requires federal government decision makers in the Legislative and Executive branches to disclose a large amount of information about potential conflicts of interest. These disclosures are available to the public. The system for the executive branch is managed by the Office of Government Ethics, which posts disclosures for the President and Presidential appointees on its website. The House of Representatives and the Senate each have their own system to manage and publicise disclosures.

Source: OECD Survey on Integrity

[\[Disclosures\]](#)

The 2005 and 2008 surveys of Indicators of Systems of Regulatory Management examined the extent of governance practices designed to improve the quality of regulation in OECD countries. Among the most important practices are: the use of regulatory impact analysis (RIA) to assess the cost and benefits of new regulation and the institutional oversight of the quality of regulations; and the design of programs to reduce the costs of administrative activities on business and citizens.

The United States has been using RIA in some form since the mid 1970s. Regulatory agencies are required to assess the impacts of all proposed rules, but regulations that are likely to impose at least USD 100 million in costs or benefits in any one year are subject to OMB Circular A-4, which requires quantitative analysis and modelling to the extent possible. The paperwork Reduction Act of 1995 applies to all policy areas and sectors, and requires the measurement of administrative burdens whenever 10 or more members of the public are subject to an information collection, record keeping or a third party disclosure requirement.

Source: OECD Survey on Regulatory Management.

[\[RIA\] \[Administrative simplification\]](#)

Regulatory Management Indicators: www.oecd.org/regreform/indicators

EU 15 reviews on Regulatory Reform: www.oecd.org/gov/regref/eu15

Background reports on Regulatory Reform: www.oecd.org/regreform/backgroundreports

Production costs are a subset of total government expenditures, excluding government investment (other than depreciation costs), interest paid on government debt and payments made to citizens and others not in exchange for the production of goods and services (such as subsidies or social benefits). Production costs include compensation costs of general government employees, the costs of goods and services produced by private entities funded by government (intermediate consumption and social transfers in kind via market producers), and the consumption of fixed capital (indicating the level of depreciation of capital).

Structure of government expenditures: Data on expenditures are disaggregated according to the Classification of the Functions of Government (COFOG), which divides government spending into 10 functions. More information about the types of expenditures included in each function can be found in Annex B of *Government at a Glance 2009*.

Employment characteristics: The OECD averages refer to the following number of countries:

- Share of employees that are female: OECD-23
- Share of senior managers that are female: OECD-22
- Share of administrative positions filled by females: OECD-17
- Share of employees 50 years or older: OECD-25

HRM Composites: The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available at: www.oecd.org/gov/indicators/govataglance.

- **Delegation index** gathers data on the delegation of determining the number and types of posts needed in an organization, compensation levels, position classification, recruitment and dismissals, and conditions of employment. This index summarises the relative level of authority provided to line ministries to make HRM decisions. It does not evaluate how well line ministries are using this authority.
- **Type of recruitment system index** includes policies for becoming a civil servant in general (*e.g.* competitive examination or direct application) and for recruiting senior civil servants, and systems for appointing entry-level positions and for allocating posts across departments. This index describes a spectrum of recruitment systems in place in OECD member countries. Countries scoring closer to 0 have career-based systems whereas countries scoring closer to 1 have more position-based systems. The index does not evaluate the performance of difference systems.
- The **performance assessment index** indicates the extent to which it is used in career advancement, remuneration and contract renewal decisions, based on the views of survey respondents. This index provides information on the formal use of performance assessments in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **performance-related pay index** looks at the range of employees to whom PRP applies and the maximum proportion of base pay that PRP may represent. This index provides information on the formal use of performance related pay in central government, but does not provide any information on its implementation or the quality of work performed by public servants.

Budget Composites: The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available at: www.oecd.org/gov/indicators/govataglance.

- The **medium term budget perspective index** contains information on whether countries develop and present multi-year expenditure estimates in the annual budget, the number of years the estimate covers, how often estimates are updated; and whether there are multi-year targets or ceilings and how often these are revised. This index measures the extent to which countries have developed a medium-term perspective in their budget process. However, it does not evaluate whether this perspective has been effective at achieving budget outcomes such as fiscal discipline and allocative efficiency.
- The **performance budgeting index** contains information on what type of performance information is developed; the processes for setting goals and targets; the process for monitoring and reporting on results; and if and how performance information is used in budget negotiations and decision making processes by key actors including the central budget authority, the line ministries and politicians. This index examines the degree to which OECD member countries have put a performance budgeting system in place. However, it does not measure how successfully these systems operate in practice.
- The **executive flexibility index** contains the following variables: the extent to which lump sum appropriations are used; the number of line items in the budget; agencies' ability to carry-over unused budget allocations between years, borrow against future appropriations, reallocate between line items and keep efficiency gains; and constraints on the executive's ability to increase spending during budget execution. This index looks at the different levels of flexibility provided to the executive during budget execution. However, it does not measure whether this flexibility is used effectively or appropriately.

E-Government:

- The **UN e-government readiness index** ranges between 0 (low level) and 1 (high level). It measures the capacity of governments to implement and develop e-government services. Developed within the framework of the UN global e-government survey, the indicator consists of three sub-indices: (1) the web measure index, (2) the telecommunication infrastructure index and (3) the human capital index. The web measure index ranks countries based on the coverage, sophistication and availability of e-services and e-products. The index categorizes countries as having either an emerging, enhanced, interactive, transactional, or networked e-government presence. The telecommunication infrastructure index is a weighted average of 5 measures of ICT infrastructure capacity: PCs/100 persons, Internet users/100 persons, Telephone lines/100 persons, Broad-banding/100 persons and Mobile phones/100 persons. The human capital index is a weighted average of the adult literacy rate (two-thirds weight) and the combined primary, secondary and tertiary gross enrolment ratio (one-thirds weight).
- The e-government take-up by citizens indicator measures the percentage of individuals (aged 16-74) who used the Internet to interact with public authorities in the 3 months preceding the survey. Data are collected through Eurostat's annual Community Survey on ICT Usage in Households and by Individuals, and are only available for European countries.
- The e-government take-up by businesses indicator measures the percentage of enterprises using the Internet to interact with public authorities. Only businesses with 10 or more employees are included. Data are collected by national statistical offices based on Eurostat's annual Model Survey on ICT Usage and E-commerce in Businesses.