

SYSTEM OF GOVERNMENT: Presidential

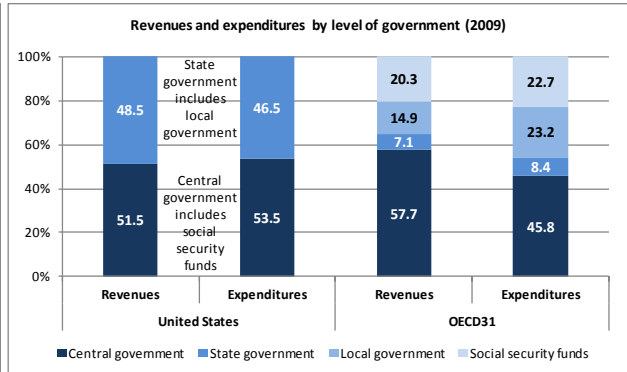
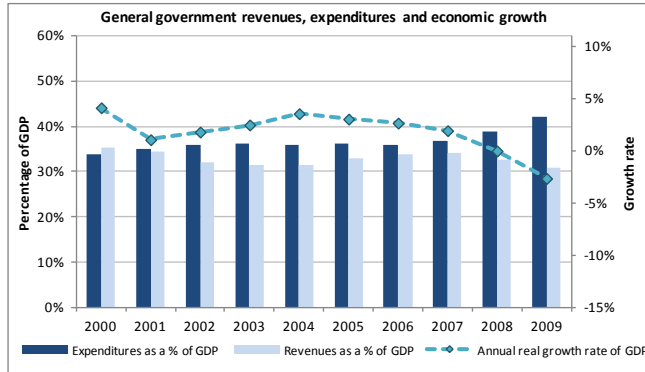
- No. of ministries: 15 (2010)
- No. of governments over last 20 years: 6

STATE STRUCTURE: Federal (50 states)

LEGISLATURE: Bicameral

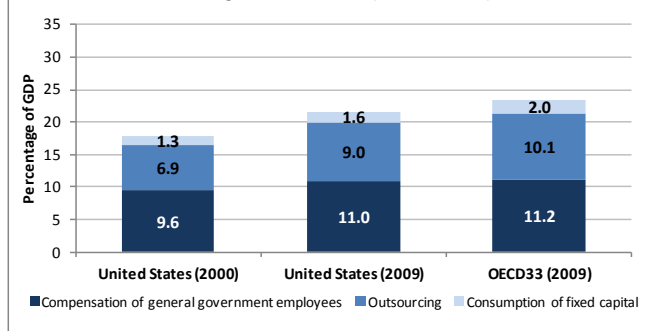
- Upper house: elected
- Lower house: elected using First Past the Post

General government expenditures increased from 34% of GDP in 2000 to 42% in 2009, with the largest increase taking place from 2007 to 2009 due to the impact of the financial and economic crisis. From 2000 to 2009, general government revenues as a percentage of the GDP declined from above 35% to 31% of GDP. This resulted in deficits and rising debt. In the US, revenue collection and expenditures are pretty evenly divided between the central government and social security funds on the one hand and state and local governments on the other.



Source: OECD National Accounts and Economic Outlook 89. [Revenues] [Expenditures] [Revenues by level of government] [Expenditures by level of government]

Production costs: Cost of government-produced and government-funded goods and services (2000 and 2009)



Source: OECD National Accounts. [Production costs]

The costs of providing public services and goods increased from 17.8% of GDP to 21.6%, somewhat below the OECD average (23.3%). Increases occurred both in the compensation of government employees as well as in outsourcing, although the US relies slightly less on outsourcing relative to the OECD average.

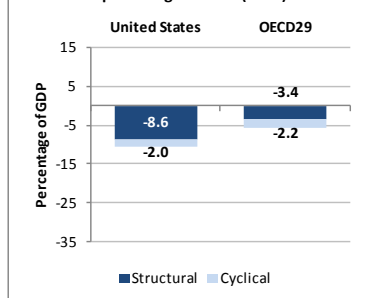
Structure of general government expenditures by function (2008)



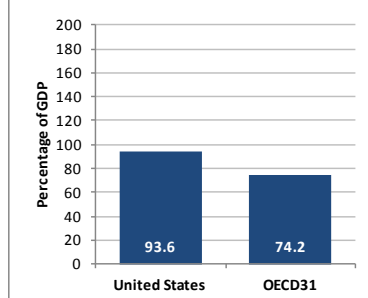
Source: OECD National Accounts. [Expenditures by function]

In terms of the overall expenditure structure, the US government spends a much larger share than any other OECD country (besides Israel) on defence (11.9% of all government expenditures vs. 3.8% on average across the OECD) and more on health care (20.5% vs. 14.5%). Spending on social protection is much less than the OECD average—19.4% compared with 33.5%.

General government fiscal balance as a percentage of GDP (2010)

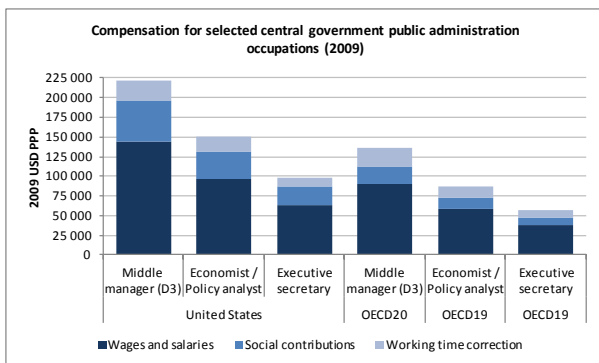
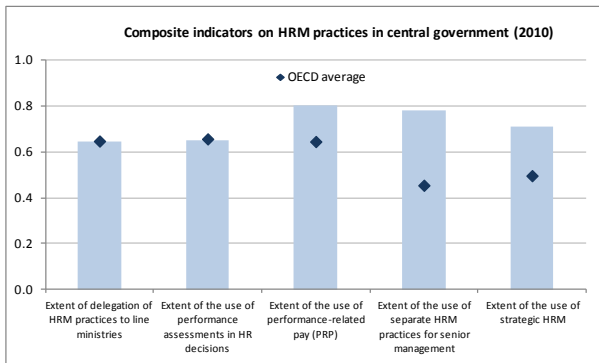
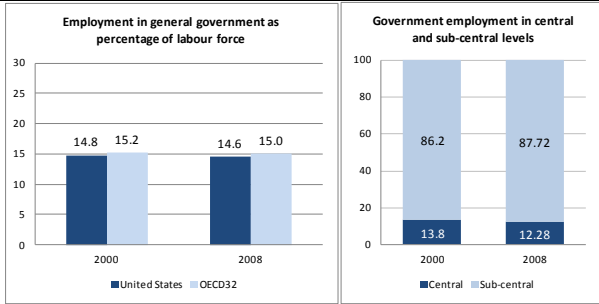


General government gross debt as a percentage of GDP (2010)



Source: OECD Economic Outlook 89. OECD average refers to the unweighted average [Fiscal balance] [Debt]

The fiscal balance for 2010 was -10.6% of GDP, with the bulk of it being structural imbalance. Gross debt is over 90% of GDP, also much above the OECD average of 74%.



Working time correction brings countries to the same basis of comparison in terms of annual working hours (accounting for weekly working hours and holidays).

Transparency in public procurement (2010)

	Central proc. website	Contracting entity website	Domestic printed or electronic journal	Other website	Pct. OECD countries that publish info
Information for potential bidders	No	Yes	No	Yes	97%
Selection & evaluation criteria	Yes	No	No	No	97%
Tender documents	Yes	No	No	No	82%
Contract award	Yes	Yes	No	Yes	100%
Justification for award	Yes	No	No	No	59%
Tracking procurement spending	No	No	No	No	32%

Percentages refer to the share of OECD countries that reported publishing information "always" or "sometimes".

Government employment as a share of the labour force is just under the OECD average at 14.6%, down from 14.8% in 2000. The US federal government plans to further reduce this share through restructuring. Public employment in the OECD area ranges from 6.7% to 29.3%. In the US, nearly 88% of government staff work at the sub-central level, one of the highest rates among OECD countries.

Source: International Labour Organisation. [\[General government employment\]](#) [\[Distribution by level\]](#)

The US federal government delegates most HRM functions to line departments, except the general management of the pay system. There is a strong performance culture with the use of performance appraisals both for career advancement and pay purposes. Performance pay is used extensively both in the forms of performance-based increments and bonuses. The US federal government has a cadre of senior civil servants that are managed separately with highly differentiated HRM practices from other staff. Strategic HRM is relatively well-developed, including a general accountability framework for senior and middle managers as well as the use of workplace planning.

Source: OECD 2010 Strategic HRM Survey. [\[Delegation\]](#) [\[Performance assessment\]](#) [\[PRP\]](#) [\[Senior management\]](#) [\[Strategic HRM\]](#)

Middle managers, economists/policy analysts and executive secretaries in the United States federal government receive total compensation above the OECD average. A relatively large share of the total (24%) is made up of social contributions (compared with the OECD average of 16%) and 64% is made up of wages and salaries. Middle managers receive around 1.5 times more than economists/policy analysts, and 2.3 times more than executive secretaries. Most federal government employees in the US are required to work a 40-hour week, and tend to work 230 days per year. Total working time is at the higher end of the OECD range.

Source: OECD 2010 Compensation Survey. [\[Middle managers\]](#) [\[Economist/Policy Analyst\]](#) [\[Executive Secretary\]](#)

Achieving greater transparency in public procurement is important, especially given that the United States spent an estimated 11% of GDP on procurement in 2008. The US is one of the countries that provides complete and accurate information on procurement spending thanks to the federal procurement data system-new generation website. Updated information is available to the public.

Besides this website, the United States also has a central procurement website: fedbizopps.gov. It features general information for potential bidders, specific guidance on application procedures, procurement plans, tender documents, selection and evaluation criteria, contract awards, and justifications for awarding a contract. Depending on the agency and the amount of the contract, information on contract awards (such as the name and amount) is published on the agency contracting website. Some of this information can also be found on acquisition.gov or usaspending.gov.

Nonetheless, the United States does not publish information on contract modifications. Providing an adequate degree of transparency throughout the entire public procurement cycle is critical to minimise risk of fraud, corruption and mismanagement of public funds in order to ensure fairness and equitable treatment of potential suppliers. Additionally, it allows for effective oversight by concerned institutions and the general public.

Source: OECD 2010 Survey on Public Procurement. [\[Transparency in public procurement\]](#)

REGULATORY GOVERNANCE

Regulatory governance mechanisms (2008)

Functions of the oversight body	Year	Percentage of OECD countries responding "yes"	UNITED STATES
Consulted as part of process of developing new regulation	2005	73%	Yes
	2008	82%	Yes
Reports on progress made on reform by individual ministries	2005	43%	Yes
	2008	56%	Yes
Authority of reviewing and monitoring regulatory impacts conducted in individual ministries	2005	43%	Yes
	2008	50%	Yes
Conducts its own regulatory impact analysis	2005	43%	Yes
	2008	47%	Yes
Anticipating compliance and enforcement			
Regulatory policies require that issue of securing compliance and enforcement be anticipated when developing new legislation	2005	57%	No
	2008	70%	No
Guidance for regulators on compliance and enforcement	2005	37%	No
	2008	47%	No
Existence of policy on risk-based enforcement	2005	N.A.	N.A.
	2008	30%	No

This table presents two elements drawn from the wide range of activities for managing regulatory quality.

The government of the United States has developed an institutional structure for regulatory management, based on a central body. The Office of Management and Budget (OMB) in the Executive Office of the President has played a strong role of co-ordination, reviewing, and reporting on compliance with regulatory policy in the United States.

The Office of Information and Regulatory Affairs (OIRA) in OMB develops and oversees the implementation of government-wide policies in several areas, including information quality and statistical standards. It reviews the most important regulations, including impact analysis, at every stage of the decision-making process (planning, publication for comment, finalisation). OIRA also has responsibility for reducing paperwork burdens.

In 2007 the OMB issued a memorandum updating principles for risk assessment, risk management, risk communication and priority setting, and advising agencies to review their risk analysis practices and guidelines. According to the 2008 OECD Survey on Regulatory Management, the US federal government has not developed an explicit policy on risk-based enforcement, nor has it issued guidance for regulators on compliance and enforcement.

Source: OECD 2008 Survey on Regulatory Management; OECD (1999), Regulatory Reform in the United States, OECD Reviews of Regulatory Reform, OECD Publishing, Paris; OECD (2010), Risk and Regulatory Policy – Improving the Governance of Risk, OECD Reviews of Regulatory Reform, OECD Publishing, Paris; www.whitehouse.gov/omb/inforeg_default. [Oversight bodies] [Compliance and enforcement]

OPEN GOVERNMENT

Disclosure of public sector information (2010)

Types of information disclosed	Proactive disclosure		
	United States	OECD32	Publication channels
Budget documents	⊙	94%	MA
Audit reports	⊙	72%	CP, MA
List of public servants and their salaries	○	28%	Not Published
Sharing of administrative data			
Administrative data sets	⊙	66%	CP, MA
Requirements on publishing in open data formats	Yes	53%	–
<ul style="list-style-type: none"> ● Required to be proactively published by FOI laws ⊙ Not required by FOI laws, but routinely proactively published ○ Neither required nor routinely published <p>CP= central portal; MA= ministry or agency website; OW=other website OECD percentages refer to the percentage of the 32 responding OECD countries that either require that information be published by law or do not require it but routinely publish information.</p>			

Similar to most OECD countries, the United States proactively publishes budget documents, audit reports and administrative data sets through central portals and ministry or agency websites. However, it is not required to do so by its Freedom of Information Act which was enacted in 1966. The United States Government does not publish a list of public servants and their salaries but does have requirements in place on publishing in open data formats. The newly created central portal www.data.gov, for example, aims to facilitate and promote access to and re-use of public data. As a result of initiatives such as these and the Open Government Directive launched in 2009, there is currently a renewed emphasis on the importance of proactive disclosures in the United States, with agencies across the government anticipating interest in documents and posting a wide variety of records on agency websites as well as on central open government portals. Agencies are also using social media to reach the public in new ways.

Source: OECD 2010 Survey on Access to Information. [Disclosure of information] [Publication channels]

E-GOVERNMENT

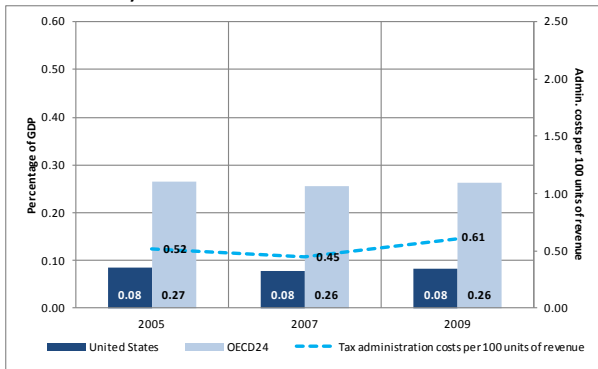
E-Government building blocks and e-procurement (2010)

e-enabling laws and policies	United States	OECD25
Recognition & use of digital signature	..	100%
Electronic filing within the public sector	..	88%
Administering PPPs for e-government projects	..	64%
Services offered on single-entry procurement website		
Tender searches	●	62%
Tracking of outcomes of contracts	○	32%
OECD percentages refer to percentage of responding countries answering in the affirmative. ● Yes ○ No .. Data unavailable		

Similar to most OECD countries with a single-entry public procurement website, the United States allows businesses to perform tender searches, helping to increase access to tender opportunities and improve the efficiency of the public procurement process. The United States does not allow businesses to track the outcomes of contracts on the procurement website. However, this information is collected and used as criteria for awarding contracts. No data are available for the United States regarding e-government laws and policies.

Source: OECD 2010 e-Government Survey and OECD 2010 Public Procurement Survey. [E-enabling laws] [E-procurement]

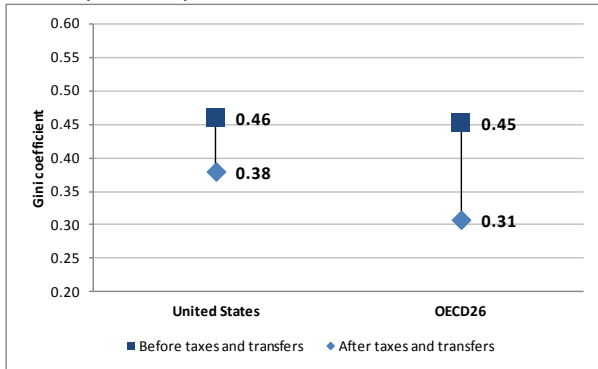
Tax efficiency: Total revenue body expenditures as a percentage of GDP and tax administration costs per 100 units of revenue (2005, 2007 and 2009)



Growing fiscal constraints have led to increased attention on improving the efficiency of tax administrations. The “cost of collection ratio,” for instance, is one efficiency measure which compares the annual administration costs incurred by a revenue body with the total revenue collected over the course of a fiscal year. Over time, a decreasing trend could reflect greater efficiency in terms of lowered costs and/or improved tax compliance. In the United States, the administration costs of collecting 100 units of revenue decreased from 2005 to 2007, before increasing once more in 2009 most likely due to the result of reduced revenues stemming from the crisis. Total revenue body expenditure as a share of GDP is considerably below the OECD average.

Source: OECD (2011), Tax Administration in OECD and Selected Non-OECD countries: 2010 Comparative Information Series, OECD Publishing, Paris. [\[Total revenue body expenditures\]](#) [\[Tax administration costs per 100 units of revenue\]](#)

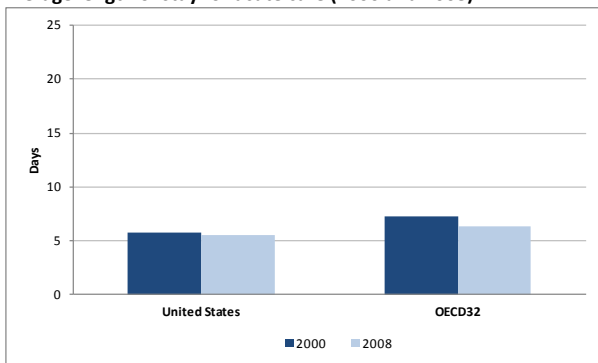
Differences in income inequality pre- and post-tax and government transfers (mid-2000s)



Since 2000, income inequality has increased rapidly, continuing a long-term trend that goes back to the 1970's. The United States is the country with the highest inequality level across the OECD, with the exceptions of Mexico and Turkey. The effect of government redistributive policy measures on inequality is considerably lower in United States than the OECD average. The United States achieved a 0.08 point reduction in the Gini coefficient following its tax and transfer policies, compared to an average 0.14 point reduction in OECD countries. Redistribution of income by government plays a relatively minor role in reducing inequality in the United States. This is partly because the level of spending on social benefits such as unemployment benefits and family benefits, is low – equivalent to just 9% of household incomes, while the OECD average is 22%.

Source: OECD (2008), Growing Unequal? Income Distribution and Poverty in OECD Countries, OECD Publishing, Paris. [\[Differences in inequality\]](#)

Average length of stay for acute care (2000 and 2008)



The average length of stay (ALOS) for acute care indicates the average number of days that patients spend in the hospital for curative care. In the United States, the ALOS decreased from 5.8 to 5.5 days between 2000 and 2008. This is similar to the OECD average which also decreased over the same period by about one day. Over time, reductions in ALOS could reflect efficiency gains, as it could signal that hospitals are expanding early discharge programmes, shifting to day-case surgery for suitable procedures, utilising less invasive procedures, and/or improving pre-admission assessment, all of which can help reduce costs. Too short a length of stay however could cause an adverse effect on health outcomes.

Source: OECD Health Data 2010. [\[ALOS for acute care\]](#)

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, outsourcing (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 2011*.

“Gross general government debt” refers to general government gross financial liabilities that require payments of principal and interest. For the European Union countries, gross public debt according to the Maastricht criteria is not presented here (see Annex Table 62 of OECD Economic Outlook No. 89). These data are not always comparable across countries due to different definitions or treatment of debt components. Gross debt is used rather than net debt due to the difficulties in making cross-country comparisons of the value of government-held assets, and because it is more relevant in the context of debt interest payments.

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 in Annex E at: www.oecd.org/gov/indicators/govata glance.

- The **delegation index** gathers data on the delegation of determining: the number and types of posts needed in an organisation, the allocation of the budget envelope, 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.
- The **performance assessment index** indicates the types of performance assessment tools and criteria used, and the extent to which assessments are 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 (PRP) 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.
- The **senior management index** looks at the extent to which separate management rules and practices (such as recruitment, performance management and PRP) are applied to senior civil servants, including the identification of potential senior civil servants early in their careers. The index is not an indicator of how well senior civil servants are managed or how they perform.
- The **strategic HRM index** looks at the extent to which centralised HRM bodies use performance assessments, capacity reviews and other tools to engage in and promote strategic workforce planning, including the use of HRM targets in the assessments of middle and top managers. The index does not reflect situations where strategic workforce planning has been delegated to the ministry/department/agency level.

Compensation data: Total compensation includes wages and salaries and employers’ social contributions (those to statutory social security schemes or privately funded social insurance schemes, as well as unfunded employee social benefits paid by the employer, including pension payments paid through the state budget rather than through employer social contributions (mostly for some pay-as-you-go systems)). In most cases data are for six central government ministries/departments only (interior, finance, justice, education, health and environment or their equivalents). Working time adjustment compensates for differences in time worked (both weekly working time and holidays). Compensation was converted to US dollars using purchasing power parities (PPPs) for GDP from the OECD National Accounts database. Differences in compensation policies can be the result of different bargaining powers; the state of the labour market (such as compensation in the private sector for similar positions); specific labour shortages; and the attractiveness of the government as an employer. While the survey uses the International Standard Classification of Occupations (ISCO) to standardise job categories, full comparability of responsibilities behind the occupational titles across countries presents difficulties in some cases. Annex D in *Government at a Glance 2011* fully details all limitations to data comparability, including those related to the measurement of employer’s social contributions (which were based on sources outside the survey for a number of countries, leading to potential inconsistencies).

Regulatory governance: The OECD average refers to the following number of countries:

- Functions of oversight bodies 2005: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.
- Functions of oversight bodies 2008: OECD34. Data for Chile, Estonia, Israel and Slovenia refer to 2009.
- Anticipating compliance and enforcement 2005 and 2008: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.

Tax efficiency: Tax administration efficiency ratios are influenced by differences in tax rates and the overall legislated tax burden; variations in the range and in the nature of taxes collected (including social contributions); macroeconomic conditions affecting tax receipts; and differences in the underlying cost structures resulting from institutional arrangements and/or the conduct of non-tax functions.

Differences in income inequality pre- and post-tax and government transfers: The values of the Gini coefficient range between 0 in the case of “perfect equality” (*i.e.* each share of the population gets the same share of income) and 1 in the case of “perfect inequality” (*i.e.* all income goes to the individual with the highest income). Redistribution is measured by comparing Gini coefficients for market income (*i.e.* gross of public cash transfers and household taxes) and for disposable income (*i.e.* net of transfers and taxes).