

Regional Outlook 2019 UNITED STATES

Regional Development Policy in the United States

General policy approach

Economic development is mainly the responsibility of state governments. There is no overarching regional development framework; however, federal policies with a place-based component seek to promote economic development in areas where the state governments face particular challenges. The mandate of the Economic Development Administration, created in 1965, is to serve economically distressed areas through regional strategy development and public investments that support regional competitiveness. Policy tools have been increasingly oriented towards innovation and business development, workforce development and clusters.



The US Department of Housing and Urban Development's (HUD) mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. The department is working to: strengthen the housing market to bolster the economy and protect consumers, meet the need for quality affordable rental homes, utilise housing as a platform for improving quality of life, and build inclusive and sustainable communities free from discrimination.

With respect to rural development, the Department of Agriculture has a mission to increase economic opportunity and improve the quality of life for all rural Americans. The Agricultural Act of 2014, Section 6025, addresses particular strategic economic and community development issues for rural areas.

Recent policy changes

- Disaster recovery is high on the agenda for several federal departments, including the Economic Development Administration and the HUD.
- A new instrument for spurring economic development in economically distressed communities, opportunity zones, was added to the tax code by the Tax Cuts and Jobs Act in December 2017.
- The administration's 2018 proposed infrastructure plan aims to rehabilitate the nation's roads, bridges, tunnels and more. The plan would include USD 200 billion in federal funding over the next ten years and aims to raise up to USD 1.5 trillion in total by incentivising investment from state and local governments, as well as private firms.
- Targeted federal funding towards rural areas increased to generate economic development in areas impacted by loss of industry, including coal.
- The federal government is committed to reforming government services and expanding opportunities for more Americans to become self-sufficient. The HUD's secretary has implemented a new programme entitled "EnVision Centers" to help meet this mandate. The EnVision Center demonstration offers HUD-assisted families access to support services that can help them achieve self-sufficiency, thereby making scarce federal resources more readily available to a greater number of households currently waiting to receive HUD assistance. EnVision centers will provide communities with a centralised hub for support in the following four pillars: 1) economic empowerment; 2) educational advancement; 3) health and wellness; and 4) character and leadership.

Institutional arrangements to prepare for global megatrends

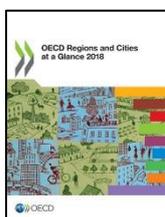
While there is no singular national regional development plan, the Planning Assistance Programme of the Economic Development Administration (the lead regional development agency in the US federal government) funds the development, update and/or implementation of locally designed regional economic development plans. The planning programme, by supporting bottom-up and locally driven initiatives, is thus inherently regional in scope. For instance, it provides investment support to district organisations, Indian tribes, states, sub-state planning regions and urban areas, and other eligible entities.

Moreover, the planning programme is responsible for developing, maintaining and implementing a Comprehensive Economic Development Strategy (CEDS) and related short-term planning activities. The resulting CEDS plans serve as co-ordinating instruments for individuals, organisations, local governments and private industry to engage in meaningful conversation and debate about economic direction in the region. They include the following elements: a summary of the economic conditions of the region; an in-depth analysis of regional strengths, weaknesses, opportunities and threats (SWOT); the strategic direction and action plan; and an evaluation framework to assess the organisation's implementation of the CEDS and impact on the regional economy. The CEDS must also incorporate the concept of economic resilience (i.e. the ability to avoid, withstand and recover from economic shifts, including those linked to natural disasters).

In addition to the Planning Assistance Programme, the Economic Development Administration's portfolio includes programmes that address specific megatrends and sectors. For example, the Research and National Technical Assistance programme, the Economic Adjustment Assistance programme, the Assistance to Coal Communities initiative and the Regional Innovation Strategies programme.

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<https://oe.cd/pub/2n9>

OECD Regional Outlook 2019: Leveraging Megatrends for Cities and Rural Areas

The 2019 edition of the *OECD Regional Outlook* examines the regional dimensions of global megatrends and their implications for the well-being of people living in different places. It discusses how place-based policies, public investment and multi-level governance reforms can respond to these megatrends to revive productivity growth, reduce inequalities, improve quality of life and increase sustainability.

Consult the full publication and the other country profiles on line: <https://oe.cd/pub/2vq>.

