

Where employment in skilled professions has increased, conditions were often pretty good to begin with. Employment growth, thanks to boom-times for lobbyists and their ilk, has reduced metro Washington, DC's, unemployment rate from 6.2% to 6%. The jobless rate in the Boston area has dropped from 8.3% to 7.4%, and in metro Minneapolis has declined from 7.2% to 6.5%.

Why have the rich got richer? Partly because fewer college-educated workers lost their jobs during the recession, so lower unemployment rates in some cities simply reflect a brainier citizenry. But Ed Glaeser, an economist, argues that clusters of clever workers themselves enhance productivity. Such clusters give firms a useful advantage in a productivity-obsessed, cost-conscious world. And in tighter labour markets, firms are more eager to snap up talent while they can. But with conditions improving for those who were never that badly affected to begin with, new hiring is less likely to lead to a surge of fresh optimism.

A manufacturing turnaround is not lifting spirits either. In some respects the Midwest's economy looks perky. Regional manufacturing output in November was up 7.9% from a year earlier, compared with 6.0% for America as a whole, according to the Chicago Federal Reserve's Midwest Manufacturing Index. The steel and car industries led the way, up 18% and 6.1% respectively, thanks to a 13% rise in vehicle

sales over the year.

But an uptick in output does not augur prosperity. Rustbelt states bled jobs in the downturn. In Ohio, manufacturing employment in 2009 was 66% of its level in 2001. The situation in Michigan is even worse. Between 2001 and 2009, 44% of the state's private manufacturing jobs disappeared. Michigan's unemployment rate has dropped in recent months, thanks to

the addition of 10,000 jobs in durable-goods manufacturing. But it is still 120,000 jobs short of the number working in that sector in 2007, and nearly 400,000 jobs shy of the level in 2000. A turnaround in manufacturing has added jobs, but in places already so battered by recession that the gains scarcely register in the public mind. For now, too much of America does not feel that the recovery is real. ■

Old blood in the White House

Return of the Clintonistas

The president appoints a new top team

WASHINGTON, DC
AS THE White House girds itself for battle with the new Republican majority in the House of Representatives, it is drafting some fresh recruits. On January 10th David Plouffe, the manager of Barack Obama's presidential campaign, reported for duty as an adviser. He was joined two days later by William Daley, Mr Obama's new chief of staff. The president has also filled several vacancies in his economic team, most notably by appointing Gene Sperling as head of the National Economic Council, a co-ordinating body for policy. He will soon

have to find a new press secretary, too, to replace Robert Gibbs, who has announced that he will step down in early February.

The media has pored over all these changes in search of hints about how the president will respond to the Democrats' defeat in last year's election. There are some common strands. Both Messrs Daley and Sperling are seen as political moderates, whose ascent will be especially pleasing to the business world. Both, after all, have worked for investment banks.

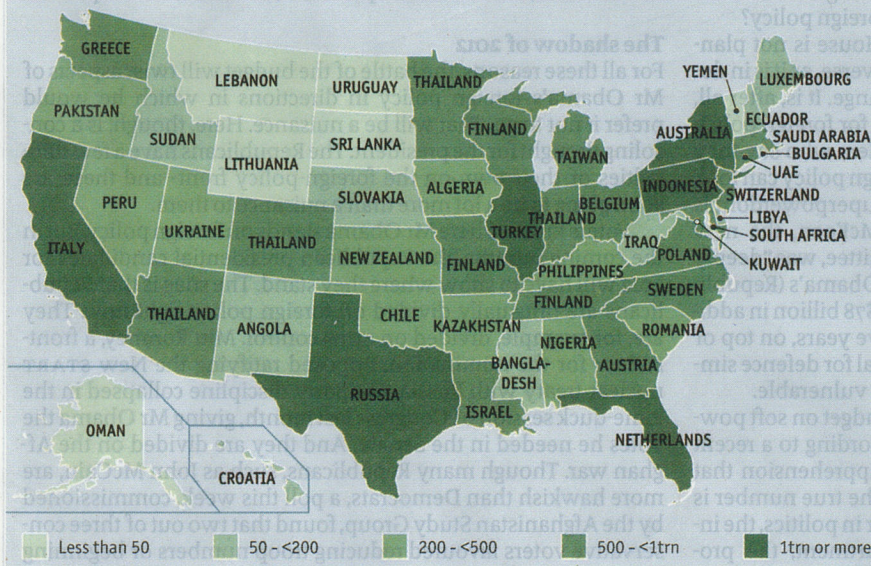
That, of course, has annoyed the left. As one wag quipped, the two appointments represent both ends of the spectrum: JPMorgan Chase, where Mr Daley worked, and Goldman Sachs, to which Mr Sperling was a consultant. MoveOn.org, a left-wing pressure group, complained that the choice of Mr Daley "sends the wrong message to the American people".

But Mr Obama may not have intended to send a message of any sort. Two other things that Messrs Daley and Sperling have in common are long experience of the sort of work they are being called on to do and a reputation for excelling at it. Mr Sperling has already served as director of the NEC for four years, during the presidency of Bill Clinton. Mr Daley also worked for Mr Clinton, first as liaison with Congress on trade policy, and then as secretary of commerce.

Both have had to work with a hostile Congress before, and seem to command some respect among Republicans. Mr Sperling helped Mr Clinton cut the deficit, something Mr Obama wants to do too. In the Clinton administration, Mr Daley was instrumental in securing congressional approval for the North American Free-Trade Agreement, and Mr Obama has said that trade is an area in which he might be able to find common ground with the Republicans. In short, both appointments look pragmatic—although that in itself could be construed as symbolism of a sort. ■

Nearest GDP equivalents, 2009 or latest, \$bn

Interactive: Economist.com/uscompare



The size of the states

It has long been true that California on its own would rank as one of the biggest economies in the world. At present it would rank 8th, falling between Italy and Brazil on a nominal exchange-rate basis. But how do other American states compare with other countries? Taking the nearest equivalent country from 2009 data reveals some surprises. Who would have thought that despite years of car-industry hardship, Michigan's economy is about the same size as the whole of Taiwan's?