

Economic Perspectives of the Inaugural Speeches of Barack Obama and Donald Trump

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Abstract


Barack Obama and Donald Trump, former presidents of the U.S.A., played a crucial role in driving economic development through their inaugural addresses and public communication. By articulating development agendas and fostering public support through their speeches, they create a conducive environment for policy approval and implementation. They set the tone for the development agenda, emphasizing key priorities and outlining strategies for achieving them. Their speeches serve as primary instruments for conveying development visions, inspiring collective actions, and identifying gaps in economic progress to meet the set goals. Hence, the major aim of the paper is to comprehensively examine the relationship between leadership rhetoric and economic development by employing a mixed-methods approach combining thematic, descriptive, and quantitative analyses. The findings elucidate the interplay among leadership rhetoric, policy implementation, and economic outcomes, giving more priority to economic stability, sustainable growth, and broad-based prosperity despite rhetorical differences. The study concludes that there are valuable insights into leadership roles in economic development. Hence, leaders play a big role in economic development. Adapting these lessons can help various nations like Nepal to achieve sustainable development and improve the well-being of their citizens.

Keywords: *Leader, Speech, Vision, Development, Obama, Trump*

JEL Classifications: *H11; L82; P16; O10; N42; E60*

Introduction

Leaders matter significantly in economic development (Jones & Olken, 2005). Public speeches of leaders are the major instruments in development because of getting policy approval and implementation effectively. Leaders work in building development vision and disseminating their visions. The vision of a leader matters because vision can help solve problems. The ability of a leader

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is measured through the ways to set the public agenda through speechmaking (Bikienga, 2015).

The speeches of leaders are instrumental in influencing public opinion on legislative issues of crucial for achieving policy goals (Kernell, 1986). This influence enhances public perception and approval of the decisions of leaders facilitating effective governance, and policy implementation (Ragsdale, 1987). It is demonstrated that presidential rhetoric not only shapes public policy preferences but also impacts economic outcomes by setting agendas and influencing legislative priorities (Page & Shapiro, 1987). Leaders use their speeches to highlight and prioritize economic issues increasing their visibility and prompting action from both the public and policymakers (Cohen, 1995; Kingdon, 1995). The ability of a leader to articulate a clear development vision through speeches is critical for guiding economic policies and fostering sustainable growth (Pfeffer, 1998). It is emphasized that presidential communication directly influences policy outcomes by mobilizing public support and shaping legislative agendas (Canes-Wrone, 2001).

It is underscored that leadership vision, effectively communicated through public speeches, creates a shared sense of purpose and inspires collective action toward economic progress (Nye, 2008; Eshbaugh-Soha, 2010). It is claimed that the effectiveness of leaders lies in the clear development vision (Pava, 2003). Visionary leadership expressed persuasively through speeches serves as a powerful catalyst for influencing public sentiment and motivating efforts toward economic prosperity (Partlow et al, 2015; Weber, 2015). It is argued that a strong link between consistent presidential addresses on economic issues and real GDP growth at the state level, highlighting the crucial role of leadership speeches in economic development (Bikienga, 2015).

This study is significant as it offers insights into the influence of the rhetoric of leader on economic development. The findings underscore the importance of strategic communication for policy makers and leaders in achieving economic stability and policy goals. Additionally, the study enriches academic knowledge in economics and leadership studies by linking leadership rhetoric with economic development. Understanding these lessons can help nations, including Nepal, to achieve sustainable development and improve the well-being of citizens.

Leadership communication significantly influences economic development by shaping public perception and policy agendas through presidential speeches. However, existing research lacks detailed qualitative and descriptive analysis linking specific rhetorical strategies in speeches to measurable economic outcomes like GDP growth and economic stability across different presidential administrations. This study addresses this gap by employing a mixed-methods approach to examine the inaugural addresses of former presidents, Barack Obama and Donald Trump. The study aims to provide important insights into

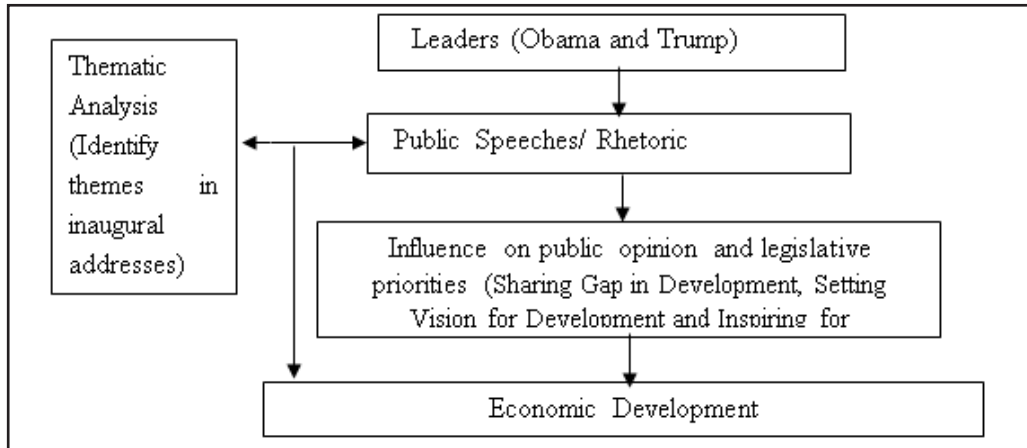
the interplay between leadership rhetoric, policy implementation, and economic outcomes, offering guidance for effective leadership strategies in economic governance.

Understanding the impact of presidential rhetoric on economic outcomes can help Nepalese leaders craft effective public speeches that articulate development visions and inspire public support. These insights can enhance policy approval and implementation, promote economic stability and growth, and improve public engagement and trust in the government. Additionally, the study provides valuable comparative perspectives that Nepalese leaders can adapt to their unique socio-economic context, ultimately fostering a more prosperous economic environment.

Data and Methodology

As the study also uses thematic analysis of the inaugural speeches of two former presidents of the U.S.A., it collects both quantitative data and qualitative information to analyze quantitatively and thematically the relationship between the rhetoric of leaders and economic development. It uses quantitative data to analyze the economic performance of both leaders. It applies the framework of thematic analysis and process in data familiarization, coding, generating themes, reviewing themes, defining and naming themes, and writing up (Braun & Clarke, 2006). It is started by familiarizing with the data through reading and noting initial ideas and generating initial codes by systematically labeling interesting features of the data. Search for themes by grouping related codes, then review these themes for coherence and accuracy. refine and define the themes, ensuring each captures an essential aspect of the data.

Every four years, the U.S.A. elects a president who delivers a crucial inaugural address. These speeches are pivotal for understanding the development visions and economic priorities of the leaders. They serve to persuade the public, positively shaping perceptions and garnering support. Inaugural addresses play a significant role in building public positivity towards governmental policies through effective presidential communication. Following secondary data and information were collected for thematic analysis. The conceptual framework of the study is as follows.

Figure 1: Conceptual Framework

Source: Author's creation, 2023.

The conceptual framework explores how the public speeches and rhetoric of Barack Obama and Donald Trump influenced public opinions and legislative priorities related to economic development. It focuses on how their speeches addressed key issues such as reducing development disparities, setting a vision for future growth, and inspiring the public toward progress. By conducting a thematic analysis of their inaugural addresses, the framework identifies recurring themes that shaped policy directions, guided development agendas, and impacted economic development strategies during their respective terms.

Data Analysis

Inaugural Speeches of the Former Presidents: Barack Obama and Donald Trump

Both Obama (On 21st January, 2009 at 1:27 P.M.) and Trump (On 20th January, 2017 at 12:49 P.M.) begin their inaugural speeches (<https://www.whitehouse.gov>) by addressing current economic challenges and presenting their visions for overcoming them. Obama focuses on the financial crisis in 2008 and the need for urgent action, while Trump criticizes the impact of globalization on American workers and promises to prioritize American interests. Each leader outlines a distinct approach to economic development and inspires confidence in their strategies.

Economic Development Scenarios and Gaps

Both leaders started by discussing the current economic climate and identifying gaps and they aim to address. Obama highlighted the severe economic crisis during the 2008 financial meltdown, characterized by a real estate (Land and housing) market collapse, banking instability, and rising unemployment, stressing the need for urgent action. Conversely, Trump criticized the disparity created by globalization which he claimed benefited major companies at the expense of

workers. Trump pointed out that while Washington and politicians prospered, jobs vanished, and factories closed, attributing economic deprivation to previous administrations.

Setting Development Visions

The vision of Obama for economic development focuses on investing in infrastructure and technology, creating jobs through green initiatives, and promoting innovation, and education. Obama emphasizes renewable energy, infrastructure to support commerce, healthcare improvement, cost reduction, and global initiatives to aid poor nations. The vision of Trump prioritizes 'America First' for American interests in policy and trade, advocating for protectionist trade policies and renegotiating deals harmful to American workers and industries. Obama emphasizes border protection, job repatriation, industrial revitalization, and significant infrastructure investment to stimulate economic growth.

Inspiring for Economic Development

Obama inspires economic development by invoking historical pride, individual responsibility, and collective action. He underscores the importance of infrastructure investment for job creation and long-term growth aiming to restore financial system confidence and unite the nation for economic revitalization. Trump, on the other hand, inspires by advocating for the protection of American industries and workers, promising robust economic growth through reduced government regulations, which he believes will spur investment and business expansion, thus driving economic growth.

Thematic Analysis of Inaugural Speeches of Barack Obama and Donald Trump

Obama and Trump addressed critical economic issues in their inaugural speeches. The progressive vision of Obama emphasized innovation, education, and global cooperation, while the populist and protectionist stance of Trump focused on immediate job creation and prioritizing American interests. Both approaches have their merits and challenges as well, and their success depends on effective implementation, public support, and navigating political and economic complexities.

Economic Crisis Response

Both Obama and Trump began their inaugural speeches by addressing the economic crisis facing the nation. Obama acknowledged the severity of the economic downturn and emphasized the need for urgent action and individual responsibility to recover. Obama described the crisis as a consequence of collective failure and irresponsibility. Similarly, Trump criticized the existing economic status quo, highlighting the disparity between corporate profits and the

struggles of American workers. Obama called for significant changes to rectify these issues, signaling a break from previous policies. Both leaders used their speeches to set the tone for their economic agendas, focusing on recovery and reform.

Infrastructure Investment

Investment in infrastructure was a central theme in both speeches. Obama highlighted the importance of building roads, bridges, electric grids, and digital lines to create jobs and support long-term economic growth. Obama emphasized infrastructure as a foundation for commerce and national unity. Trump echoed this sentiment, promising to rebuild critical infrastructure, including highways, bridges, and airports, to stimulate job creation and economic development. Both presidents saw infrastructure projects as essential for revitalizing the economy and providing immediate employment opportunities.

Job Creation

Job creation was a key priority for both leaders. Obama emphasized creating new jobs, particularly in the clean energy sector and called for bold action to stimulate job growth. Obama linked job creation with infrastructure investment and innovation. Trump, on the other hand, promised to bring back jobs to the United States, focusing on sectors that had suffered significant losses due to globalization and outsourcing. Trump aimed to protect American jobs from foreign competition and revitalize domestic industries. Both leaders viewed job creation as crucial for economic recovery and stability.

Global Economy and Trade

Obama and Trump had contrasting views on the global economy and trade. Obama acknowledged the interconnectedness of the global economy and stressed the importance of international cooperation to address economic challenges. Obama advocated for working with poor nations to promote global economic development. In contrast, Trump criticized globalization, arguing that it had benefited other countries at the expense of American workers. Trump pledged to renegotiate or withdraw from international trade deals that Trump deemed unfavorable, advocating for protectionist trade policies. These differing perspectives highlighted their distinct approaches to international economic relations.

Government Role

Both presidents addressed the role of government in economic development. Obama affirmed the government's role in promoting economic growth and providing assistance during crises. Obama emphasized the importance of

government intervention to ensure a stable economic environment. Trump focused on reducing government regulations that Trump believed hindered economic growth and stifled business expansion. Trump advocated for responsible budgetary policies to reduce the national debt and control government spending. Both leaders recognized the need for government involvement, albeit in different capacities, to support economic development.

Public Unity and Responsibility

Both of Obama and Trump called for public unity, though their approaches differed. Obama stressed the importance of collective effort, individual responsibility, and accountability in addressing economic challenges. Obama aimed to inspire hope and a sense of shared purpose among citizens. Trump appealed to national unity but also criticized the political establishment, arguing that politicians had prospered while the people suffered. Trump positioned himself as a champion of the common people against the elite, seeking to rally public support for his policies.

Addressing Poverty and Inequality

Both of speeches addressed poverty and inequality but with different focuses. Obama expressed a commitment to supporting middle-class Americans and assisting poor nations. Obama aimed to increase prosperity for all and highlighted the financial challenges faced by middle-class families. Trump highlighted domestic poverty and deprivation, particularly in inner cities and among workers affected by factory closures. Trump portrayed himself as an advocate for those left behind by globalization and previous economic policies, emphasizing the need to address these disparities.

Innovation and Education

Both leaders highlighted innovation and education as drivers of economic progress. Obama emphasized the role of education and innovation in equipping the American workforce with the skills necessary to compete globally. Obama called for fostering a culture of innovation to drive economic growth. Trump also recognized the importance of education, emphasizing the need to enhance the skills of American workers to ensure they are competitive in the global economy. Both of leaders saw education and innovation as essential for sustained economic development.

Fiscal Responsibility

Fiscal responsibility was a common theme, with both leaders stressing its importance. Obama focused on creating a stable economic environment and ensuring fiscal responsibility through financial system reform. Obama aimed to

prevent future economic crises and promote sustainable growth. Trump pledged to reduce the national debt and control government spending through responsible budgetary policies. Trump advocated for comprehensive tax reform to simplify the tax code and reduce the tax burden on individuals and businesses. Both of leaders recognized the need for prudent fiscal management to support long-term economic stability. The development performance of Obama can be analyzed with the help of the following Table-1.

Table 1: Development Performance of Barack Obama (2009-2016)

S.N.	Development Indicators	Obama Administration
1	Average Real GDP Growth Rate (in %)	2
2	Inflation Rate (in %)	1.4
3	10-Year Treasury Yield (in %)	2.4
4	Public Debt Increase (in %)	128
5	Total National Debt Increase (in %)	88
6	Real GDP Increase (in Trillion U.S. \$)	2.40
7	Real GDP per Capita Increase (U.S. \$)	4,593

Source: Bureau of Economic Analysis; Bureau of Labor Statistics; U.S. Department of the Treasury.

Table-1 states major economic data during the Obama administration (2009 to 2016). The economic performance of Obama, as articulated in his public speeches, closely reflected his comprehensive strategy of administration to address the severe economic downturn inherited from the Great Recession. He consistently acknowledged the severity of the crisis, which underscored the urgency of his policy responses, including the American Recovery and Reinvestment Act (ARRA). This act aimed to stimulate growth through investments in infrastructure, education, and clean energy, which Obama highlighted as vital for long-term economic health. An average GDP growth of 2.0 percent and a cumulative increase in real GDP of U.S.\$ 2.4 trillion during his tenure.

Obama emphasized unity and collective effort, reflected in broad-based policies aimed at distributing economic recovery benefits. Low inflation rates of 1.4 percent created a stable environment for these investments. Despite a significant increase in public debt by 128 percent, these measures helped to prevent a deeper recession and promote job creation, leading to the longest continuous stretch of private sector job growth on record. The speeches and policies of Obama collectively aimed to stabilize the economy, promote sustainable growth, and ensure broad-based prosperity. The increase in real GDP per Capita by U.S.\$ 4,593 underscores the effectiveness of the economic policies of Obama in promoting recovery and growth. Investments in infrastructure, education, and clean energy, as highlighted in his speeches, contributed to long-term economic health and preparedness, fostering resilience and determination in the face of challenges.

Obama emphasized diplomacy, international cooperation, and mutual respect in his foreign policy. Obama highlighted the need to assist developing countries by supporting their quest for peace, economic stability, and good governance. Obama focused on rebuilding alliances and offering aid, stressing America's role in helping other nations achieve progress through partnerships. The development performance of Trump can be analyzed with the help of Table 2.

Table 2: Development Performance of Donald Trump (2017 -2020)

S.N.	Development Indicators	Trump Administration
1	Average Real GDP Growth Rate (%)	1.50
2	Inflation Rate (%)	2.00
3	10-Year Treasury Yield (%)	2.50
4	Public Debt Increase (%)	37
5	Total National Debt Increase (%)	36
6	Real GDP Increase (\$ Trillion)	0.64
7	Real GDP per Capita Increase (\$)	1,800

Source: Bureau of Economic Analysis; Bureau of Labor Statistics; U.S. Department of the Treasury.

Table 2 shows major economic indicators of the U.S. economy from 2017 to 2020 during the Trump administration. Trump's speech often highlighted his administration's efforts to boost economic growth and job creation. The U.S. experienced an average real GDP growth rate of 1.5 percent during the pandemic years (2017-2020). Inflation remained around 2.0 percent, and the fluctuating yield reflects market uncertainty and economic volatility, which could influence Trump emphasis on the policies to stimulate economic growth and stability. The speeches of Trump often addressed fiscal responsibility and government spending. Trump emphasized on job creation and economic revitalization aligns with the fluctuations in real GDP per capita. The significant increase in total national debt by 88 percent during his presidency reflects the scale of interventions aimed to stimulate growth and create jobs. There was a substantial increase in public debt, which rose by 37 percent, and total national debt increased by 36 percent over the same period. In terms of real GDP, there was a modest increase of U.S.\$ 0.64 trillion real GDP per capita saw a fluctuating trend increasing U.S.\$ 1,800. Despite the emphasis of Trump on economic growth and job creation in his speeches, the data reveals a mixed performance.

The foreign policy of Trump was more inward-looking and centered on 'America First'. Trump emphasized that the foreign aid U.S.A. would be tied to American interests, focusing less on nation-building abroad and more on ensuring that America's allies and trade partners contribute fairly to global security. Trump stressed the importance of protecting the jobs and industries, of U.S. signaling a more transactional approach to relations with developing nations.

Findings of the Study

Leaders play a crucial role in economic development through effective public communication. Their speeches convey development visions, identify economic progress gaps, and inspire collective action. Leaders create an environment conducive to policy approval and implementation by articulating agendas and rallying public support. The tenure of Obama (2009-2016) emphasized unity, collective effort, and strategic investments in infrastructure, education, and clean energy, resulting in a 2.0 percent average GDP growth, a US\$ 2.4 trillion increase in real GDP, and a stable 1.4 percent inflation rate. Despite a 128 percent rise in public debt, his policies fostered long-term economic resilience, increasing real GDP per capita by U.S.\$ 4,593. The tenure of Trump (2017-2020) focused on economic growth, job creation, and fiscal responsibility. Despite the challenges of the COVID-19 pandemic, the U.S.A. saw 1.5 percent average GDP growth and a stable 2.0 percent inflation rate, but also an 88 percent rise in total national debt. The modest US\$ 0.64 trillion increase in real GDP and US\$ 1,800 increase in real GDP per capita reflected a mixed economic performance. The study underscores that while both presidents prioritized economic stability and growth, their different approaches led to varied results, highlighting the need for balanced strategic investment, fiscal prudence, and inclusive policies for sustainable development.

Lesson Learned

Effective leadership communication is crucial for gaining public support and implementing policies successfully. Clear and visionary rhetoric of leaders can inspire collective action and economic growth that encourage infrastructure investment, which is essential for job creation and long-term development. Public speech is significant for garnering a development environment that creates job opportunities, balancing global cooperation, promoting equitable growth, and addressing poverty. Leaders must focus on education, innovation, critical drivers of economic progress, and fiscal responsibility, which are necessary to maintain a stable economic environment. Leaders holding offices should speak responsibly to promote public participation and accountability to strengthen governance and policy outcomes.

Adapting these lessons can help nations, including Nepal, achieve sustainable development and improve the well-being of citizens. Effective leadership communication is vital for the economic development of Nepal as it can inspire public support, drive infrastructure investments, and create a development-friendly environment that attracts foreign investment. Clear visionary rhetoric from leaders helps address key issues like job creation, poverty alleviation, and regional inequalities. By promoting education, innovation, and fiscal responsibility, leaders can set the stage for long-term growth. Additionally, responsible communication fosters public participation, strengthens governance,

and ensures accountability, all essential for implementing successful policies and achieving sustainable progress in Nepal.

Conclusion

Leaders play a crucial role in economic development, using speeches as a primary tool to identify gaps, set development visions, and inspire action. Both Obama and Trump used their speeches to outline economic challenges and articulate their vision for addressing them. They emphasized resilience, determination, and unity in overcoming obstacles, advocating for collective efforts to solve shared problems. Their speeches highlighted priorities in healthcare, education, energy, and foreign policy, calling for rebuilding international alliances and urging citizen participation in shaping the future of the nation. The rhetoric of Obama emphasized collaboration, inclusivity, and innovative solutions, while Trump focused on unilateral action, deregulation, and protectionism. These differing approaches significantly influenced their economic policies and outcomes. Both presidents stressed the importance of investing in infrastructure like highways, bridges, and airports to create jobs and stimulate economic growth. They aimed to encourage economic expansion, attract investment, and spur job creation by reducing government regulations perceived as hindrances. Ultimately, both leaders sought to revitalize the American economy and improve the livelihoods of citizens.

Effective leadership communication can play a transformative role in shaping the economic development of the nation. Nepalese leaders can learn valuable lessons by analyzing how leaders like Obama and Trump used their speeches to articulate economic challenges, inspire collective action, and set development priorities. Emphasizing inclusivity, resilience, and visionary rhetoric can help unite the nation in addressing its own development gaps. Leaders who communicate a clear vision for infrastructure investment, innovation, and sustainable policies will likely inspire public trust, attract investments, and foster long-term growth. Ultimately, the study highlights the power of leadership rhetoric in driving economic progress and shaping the future of Nepal.

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