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The Great Depression and the Great Recession in America: Socio-Political Effects in a Comparative Perspective

الكساد الإقتصادي العظيم و الركود العظيم في الولايات المتحدة: التأثيرات الإجتماعية والسياسية من منظور مقارن

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الملخص:

كانت أزمة الكساد العظيم والركود العظيم بمثابة أشد أزمتين اجتماعيتين واقتصاديتين تضربان الولايات المتحدة. ومثل الكساد أعمق وأطول انهيار اقتصادي في تاريخ البلد، واستمر من عام 1929 حتى اندلاع الحرب العالمية الثانية. ويزعم خبراء الاقتصاد أن الأزمة بدأت بركود، ونتيجة للجهود غير الكافية والسياسات غير المناسبة للتغلب عليها، تفاقمت الأزمة إلى كساد اقتصادي طويل الأمد. أما الركود الذي بدأ في أواخر عام 2007، تفاقم في عام 2008، واستمر حتى عام 2009؛ وبالمثل، كان له آثار بعيدة المدى رغم أنه استمر لفترة أقصر. وفي هذا الصدد، أدت نقاط الضعف والاختلالات التي اتسمت بها الرأسمالية والبؤس الإنساني الواسع النطاق الذي أثر على المجتمع الأمريكي إلى توليد عدد كبير من الآراء التي قارنت الأزمة بالوضع في ثلاثينيات القرن العشرين. تعتمد هذه الدراسة على البحث النوعي والنهج المقارن لإثبات كيف كانت الأزمتان شديدتي التأثير على المجتمع الأميركي، حيث انخفضت مستويات المعيشة بشكل كبير، وتناقص دخل الأسر بسرعة، وارتفعت معدلات البطالة بشكل واضح، وارتفعت مستويات الفقر بشكل غير مسبوق. وعلاوة على ذلك، عاد الجدل الايديولوجي الساخن بين المحافظين والليبراليين حول الاقتصاد إلى الظهور، وبرزت الحركات ذات التوجه الراديكالي بشكل ملحوظ. ورغم وجود أوجه تشابه ملحوظة في الأسباب المسؤولة عن دفع المجتمع الأميركي في العصرين إلى معاناة قاسية، إلا أن مدة وعمق ونطاق الأزمتين شكل تباينا كبيرا في مختلف القطاعات الاجتماعية والسياسية.

الكلمات المفتاحيّة: الكساد العظيم؛ الركود العظيم؛ الفقر؛ التطرف؛ البطالة؛ الولايات المتحدة.

Abstract:

The Great Depression and the Great Recession marked the two most severe socio-economic crises that hit the United States. The Depression was the deepest and longest economic collapse in the nation's history, lasting from 1929 until the break of WWII. Economists argue that it started as a recession that, due to insufficient efforts and inappropriate policies to overcome it, exacerbated to a long-lasting economic downturn. The Great Recession that began in late 2007, worsened in 2008, and continued through 2009; similarly,had far-reaching effects though lasting much shorter. In this respect, the weaknesses and imbalances that characterized capitalism, the remarkably severe collapse of the financial system during the Recession, and the widespread human miseries that affected American society generated a significant number of views comparing it with the 1930s situation. This qualitative-based case-study paper uses the comparative approach to demonstrate how both crises were closely intensive on the U.S. community as the living standards fell dramatically, household income dropped quickly, unemployment rates rose distinctly and poverty levels went up considerably. Furthermore, the heated conservative-liberal debate over the economy revived, and radically-oriented movements remarkably emerged. The study concludes that despite the remarkable similarities in the causes responsible for leading the American society to a downward spiral, the duration, depth, and scope of the two crises had significant disparities in various socio-political sectors.

Keywords:

Great Depression; Great Recession; Poverty; Radicalisation; Unemployment; United States.

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1. INTRODUCTION

The length and depth of contraction that characterized the 2008 Recession makes it comparable to the 1930s Depression or even worse, especially in the global impact. In practice, the advent of severe economic crises usually generates extreme affliction to the various segments of society. Accordingly, the Depression and the Recession were labeled: "Great", partly because of their role in creating and exacerbating the vicious circle of unemployment and poverty in an already shaken American community. In reality, unemployment rates significantly increased, and poverty levels went notably up.

As history repeats itself, comparative theories tend to explore, explain and interpret similar events and contexts in order for history to proceed. Using the comparative approach, this paper seeks to link theory with empirical substance. It involves two major parts. The first one will be a theoretical framework for the qualitative research and the comparative approach that deal with contexts which share the same problematic. The second part provides evidence of the socio-political effects inflicted by both the 1930s Great Depression and the 2008 Great Recession on the U.S. community, which reinforces the idea that crises are recurrent in the capitalist system and the Great Recession's impact was not mild when compared with the 1930s socio-economic crisis.

2. Methodology and Theoretical Framework

To assess the tremendous impact of the Great Depression and Great Recession in the US, the qualitative research approach is employed while exploring the differences and similarities characterizing both periods. This exploratory research methodology enables to raise hypotheses answering the "why" and "how" questions by demonstrating the reasons and methods behind a specific phenomenon in the pursuit of drawing logical conclusions. This paper adopting exploratory and analytical approach following a chronological order in the comparison process helps go back and forth in time to compare and contrast similar and opposing experiences. Though the Recession lasted much shorter, had less impact; and, therefore, required less scale of response by government, taking together the Great Depression and the Great Recession as a case study and identifying the devastating socio-political effects, logical conclusions are going to be drawn in order to reflect the similar deteriorating experiences of these recurrent and chronic crises. In an attempt at developing well-balanced hypotheses, this exploration refers to distinguished comparative theoreticians of comparative history, namely Heinz-Gerhard Haupt and Marc Block. This latter

argues that the comparative method, as an exploratory and explanatory research tool, avoids broad generalizations and provides a variety of answers, interpretations and perceptions. Its strength lies in the ability to prove the insufficiency of a single approach to history (Gul, 2010: 149). Morover, Heinz-Gerhard Haupt reveals that history cannot proceed without resorting to comparison. He confirms that the flexible comparative approach identifying similarities and differences helps enable researchers to overcome the national framework of observing history by amalgamating different contexts which share the same problematic (Haupt, 2007: 702).

3. Social Dislocation

The advent of severe economic crises usually generates extreme suffering to the various segments of society. Accordingly, the Depression and the Recession were labeled "Great", partly because of their role in creating and exacerbating the vicious circle of unemployment and poverty in American community. In this concern, unemployment rates witnessed significant increase and poverty levels went notably up during both downturns.

3.1 - Record Unemployment

One of the major issues in the 1930s macro-economics was unemployment. The Depression of the time was labeled "Great" for its severity on several sectors, among which was the depth and duration of labor market deterioration. Unemployment rates were not the same along the Depression years. Historians depend on a 1940 census that dealt with unemployment in the 1930s. According to them, those who had part-time jobs or temporary low-wage relief works were counted as unemployed (Eichengreen and Hatton, 1988: 325). More than a decade ago, in the Recession's peak of November 2008, job losses reached more than 1.5 million, the worst in thirty-four years. With the rise in the unemployment rate and the duration of the fall in employment to reach the eleventh consecutive month, the Recession marked the longest socio-economic downturn since the 1930s Depression (Rosenberg, 2010: 339), exceeding 10% as Figure 1 demonstrates.

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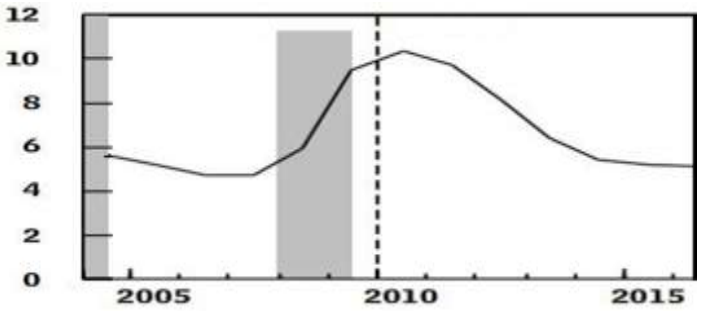


Fig.1. Unemployment Rate during the Great Recession (by %)

Source: Smart Adapted from Congressional Budget Office (January 2010), "The Budget and Economic Outlook: Fiscal Years 2010 to 2020," https://www.cbo.gov/sites/default/files/111th-congress-2009-2010/reports/01-26-outlook.pdf (accessed July 20, 2024).

The graph reveals how unemployment rate had a dramatic rise during the Recession as it reached its highest level since decades. The U.S. economy and employment sector suffered huge losses between 2008 and 2012. It lost as much as 1.2 million jobs in 2008. In this respect, President George Bush argued: "Today's job data reflects the fact that our economy is in a recession" (Bush, 2008). In a reaction, most industries resorted to urgent procedures such as job cuts, with the financial and banking sectors taking the initiative. In the meantime, major global banks had about 90,000 job losses. While the financial sector was the worst affected in November 2008, the second worst-hit sector was the retail industry with more than 11,000 job cuts (Rosenberg, 2010: 338). On February 6, 2009, Barack Obama explicitly stated: "The problem is accelerating not decelerating. It's getting worse not getting better" (Obama, 2009).

One feature in common between the two periods was that unemployment targeted workers on various levels such as age, sex, and geography. Most unemployed workers were middle-aged or older, foreign-born, and single. In the Depression, unemployment rates for those living in the North-East or the West surpassed that which existed in the North-Central or the Southern States. Another measure of unemployment was the educational level and social status. The unemployed often had fewer years of schooling and considerably less wealth and wage income compared to the employed (Eichengreen and Hatton, 1988: 330).

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Moreover, industry and occupation were important determinants of employment status among experienced unemployed workers. While agriculture witnessed the lowest unemployment rates in the Depression years, other sectors like mining, heavy manufacturing and the service sector saw high rates, and extremely high proportions in the construction industry. Concerning occupation, professionals and managers had low unemployment rates, average rates for service workers and skilled craftsmen, and high rates among unskilled laborers who accounted for 41.1% of experienced workers (Eichengreen and Hatton, 1988: 332).

Regarding the Recession, by the summer of 2009, it hit the construction and manufacturing sectors most, as they saw a considerable rise in unemployment rates. Therefore, teenage unemployment rose to its highest levels since 1948, along with the number of people working part-time jobs and those who had been seeking a job for longer than six months. Moreover, by September 2009, America was facing a long duration of joblessness reaching twenty-one consecutive months. In October 2009, the government said that job losses were even worse as the economy lost 5.6 million jobs in one year. Indeed, out of every six workers, there was more than one either unemployed or underemployed (Rosenberg, 2010: 342). Though the Depression was comparatively greater, the quick and profound impact of job losses during the Recession seemed to resemble the one taking place in the 1930s, as Figure 2 shows.

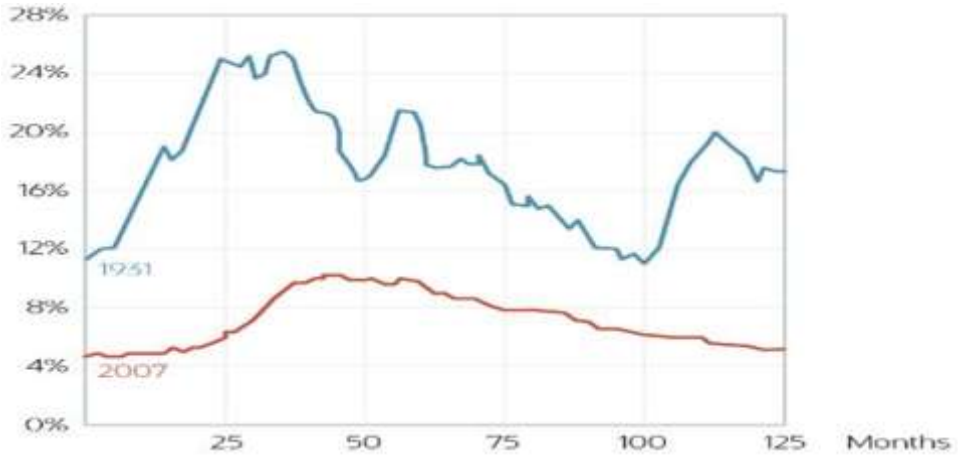


Fig.2. Unemployment in the Great Depression and the Great Recession

Source: Nelson, F. (May 19, 2022). "Types of Economic Recessions Explained," *Oracle NetSuite*, <https://www.netsuite.com/portal/resource/articles/business-strategy/types-of-recessions.shtml>, (accessed July 20, 2024).

According to the graph, long-term unemployment represented a grave concern along the Depression years. Despite the remarkable regression in its rates and duration, employment status varied in certain periods and among different categories of the labor force. Much alike, more than a decade ago, the permanent increase in job losses triggered the attention of historians as a phenomenon dating back to the 1930s. In February 2009, there were 667,000 Americans seeking unemployment insurance, workers older than forty-five years shared a long-term unemployment that reached six months or longer. In 2008, those laid-off workers experienced a period of more than 22 weeks out of work. Accordingly, some reports indicate that the unemployment level was high among certain social segments such as teenagers, African Americans, and Hispanics. As a matter of fact, about 30 percent of this group spent twenty-seven weeks out of work (Rosenberg, 2010: 339-341).

These layoffs further worsened in 2009. Besides, searching for jobs by unemployed workers took about four months and carried significant wage cuts. In early 2009, an additional 589,000 jobs were lost. Furthermore, the end of the year witnessed a big rise in unemployment to reach a total of 11.6 million unemployed workers. In this regard, when considering part-time and low-wage workers as unemployed, that would raise the number to as much as 21.7 million in 2009. Regarding the Depression's duration of unemployment, the 1940 census sample figured the total distribution of weeks unemployed: it counted 21% of unemployed workers who were out of work for thirteen weeks, 38% for six months, 9.4% for more than ten months, and as much as 41.5% for as long as one year or longer (Eichengreen and Hatton, 1988: 332).

The Depression marks the only economic crisis that witnessed an unemployment rate exceeding 20 percent, and this what makes it the worst economic crisis in the twentieth century. In this respect, it exceeded 10% every year along its duration from 1930 to 1942 (Hout and Cumberworth, 2012). However, the Recession's unemployment rate of 10%, seemingly, was lessened due to the social insurance and social assistance programs. The social insurance programs covered most workers and proved effective in mitigating the impact of unemployment. Whereas, the social assistance programs were designed to serve certain social categories. Social insurance contained social security program that represented one of the largest budgets of federal spending. Indeed, it provided retirement and health care coverage to most workers. It covered as much as 95% of the U.S. workforce. Moreover, social insurance contained an employment compensation program that provided unemployment

insurance and workers compensation to help those temporarily unemployed (Cochran, Mayer, Carr and Cayer, 2010: 239).

The declared unemployment percentage of the Depression and the Recession does not necessarily reflect the disparity in their effects. Certain factors, apparently, contributed to mitigating the effects of the recent Recession on the labor force, mainly the government social insurance and social assistance programs covering millions of Americans that did not exist in the 1930s. Unlike the Depression years, these programs guaranteed the minimum level of living standards to those unemployed for certain reasons including age and disability (Cochran, Mayer, Carr and Cayer, 2010: 239). Hence, underemployment and government assistance programs, remarkably, helped underestimate the reality and severity of unemployment levels of the Recession that may resemble the 1930s.

3.2 - Crushing Poverty

Unemployment and poverty go hand in hand in difficult economic crises. As the downturns had been going deeper, those unemployed people were undergoing severe situations. The lack of income sources led those previous workers to stand unable to buy food, to secure shelter, and to keep supporting the living standards and maintaining the basic necessities of their families. Consequently, a significant number of American families went hungry and homeless during the two crises.

Stories about the breadlines, relief agencies, and private charitable organizations were common those days among Americans who were struggling to secure enough food for their starving households during the 1930s. Moreover, even those who were still at work experienced a sharp drop in their incomes from $705 in 1929 down to $374 in 1933. In those days, a big part of Americans had no income at all (Hanes and Hanes, 2002: 192). As for the Recession, President Obama noted: "Somewhere in America, a small business has shut its doors; somewhere in America, a family has said goodbye to their home; somewhere in America, a young parent has lost their livelihood" (Obama, 2009). In this context, the severity and hardships underwent by American society during the Recession led to relate it with the 1930s downturn. Accordingly, some call it the "Great Recession" and some others tend to label it the "Little Depression" (Aaron, 2011).

Despite the reports that show the Recession's hardships like the overcrowdedness of apartments and shelters and the constant rising of the poverty rate, the late 2000s Americans did not witness the 1930s massive expansion of breadlines, Shanty Towns, and Hoovervilles. Besides, though there were similarities as the colored communities suffered particularly more and had higher rates in both periods, it seems infeasible to make comparisons of unemployment and poverty levels for certain reasons. Particularly, the absence of evidence-based studies and exact statistics for poverty rates in the Depression, in addition to the disparity in programs that were not existing at the beginning of the Depression's years, namely Medicaid, Medicare, and unemployment insurance (Aaron, 2011).

It seems that people who highly suffered from poverty in normal times experienced stressful situations with the advent of hard economic periods. In this regard, the Recession exacerbated their misery and contributed to a significant increase in their deterioration. Besides, the Recession had a disproportionate impact on various social and age groups. The official poverty rates show that people aged 18 to 34 were more sensitive and witnessed an increase in their poverty rates, unlike those 55 to 64-year-olds. Moreover, the educational level was a major factor in determining the poverty level. In the 2007-2010 period, the poverty rate increased by 5.5% among those with less than a high school degree, but the rate rose by 3.3% among high school graduates and only 1.1% increase among those with a college degree (Danziger, Chavez and Cumberworth, 2012: 4).

Moreover, one common point was that both crises had a significant impact on the housing sector. In the 1930s, severe conditions were reported about evictions, families living in abandoned buildings with no basic necessities, and those residing in Hoovervilles and depending on charities. In 2010, similarly, food insecurity affected about one in six American households and the sharing of housing was remarkably common. Accordingly, there was an increase by 18% in the number of doubled-up households. Besides, more than 69 million adults were living in combined households in 2011. What distinguishes the recent Recession from the previous ones is the substantial loss of homes and income by homeowners and families during the foreclosure crisis. In fact, the period ranging from 2007 to 2011 saw a decline in median family income by 8.2% and an increase in the official poverty rate from 12.5 to 15%. In this regard, the American professor Sheldon Danziger notes that the severe decline in household wealth was a result of the collapse in housing and stock prices and the unprecedented levels of long-term unemployment. According to him, during

the Recession period about 25% of all households lost 75% of their pre-Recession wealth, and about 50% of all households lost what equals 25% or more (Danziger, 2013: 14).

Another analogy with the Depression years, though at different levels, is the Recession's remarkable disparity in poverty rates taking place among racial and ethnic groups. The official rates show a substantial increase among Blacks and Hispanics that were more vulnerable to the 2008 downturn. Indeed, the poverty rate witnessed an increase by 3.7% for Blacks, 4.5% for Hispanics, but only 2.2% for Whites. Furthermore, the last decades saw a rapid increase in the number of households headed by single women. This rise highly contributed to the increase in the poverty rates. In 2010, for instance, married-couple households had a poverty rate of 7.6%, whereas it was as much as 34.2% among households headed by single women (Danziger, Chavez and Cumberworth, 2012: 4). Despite the remarkable increase in poverty rates during the Recession, it was not as high as was expected, partly because of the fast response to the crisis with the 2009 Stimulus Plan. Still, some social groups such as young adults, the less educated, Blacks and Hispanics were more vulnerable and experienced higher poverty levels.

Moreover, Danziger argues that the advent of the Recession exacerbated the poverty levels that already existed in the previous decades as it contributed to a remarkable increase in wealth and racial inequality. But still, according to him, wealth inequality started to have a dramatic decline during the Recession and post-Recession period. For instance, the net worth of the median family fell from about $95,000 in 2007 to $47,000 in 2011. As for wealth disparities among the racial groups, the median net worth of nonwhite families witnessed a fall of as much as 73% to reach $5,000 but it dropped by 31% to reach $84,000 for White and Asian households (Danziger, 2013: 14). These statistics demonstrate the mitigated impact of the Recession compared to the 1929 Depression, as depicted in Figure 3 below.

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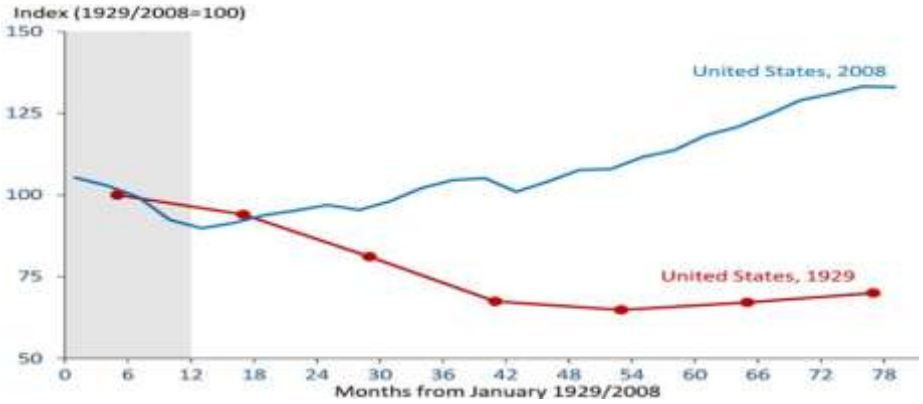


Fig.3. Household Net Worth

Source: Furman, J. (Sep 15, 2015). "5 Indicators That Show We Turned a Depression-Like Shock into a Six-Year Expansion," <https://obamawhitehouse.archives.gov/blog/2015/09/15/5-indicators-show-we-turned-depression-shock-six-year-expansion>, (accessed July 20, 2024).

The line graph illustrates household net worth rates in the US in the climax of both the 1929 Depression and 2008 Recession. Overall, it is apparent that the Depression proved to be more profound in the magnitude and impact on the American families' incomes. While the households wealth droped significantly ranging between 60% and 75% over the Depression period, it went slightly down (just over 125%) in 2008, after a gradual increase in the previous years. Unlike the 1930s, unemployment insurance, along with other programs like Medicaid and Medicare, helped reduce poverty levels caused by the Recession. Besides, social security mitigated the impact of poverty and kept certain social segments out of it, particularly the elderly, retirees, and the disabled.

The two crises sustained the assumption that severe economic downturns have a habit of generating substantial increases in poverty levels and material hardships. In this respect, the unemployment rates and poverty levels during the two periods were remarkably long-lasting and had a slow recovery (Danziger, Chavez and Cumberworth, 2012: 1). As a matter of fact, the Depression of the 1930s exceeded the last decade's Recession in scope, duration, breadth and effects. Yet, both crises pushed the middle class to undergo circumstances of poverty. In this sense, the high levels of unemployment meant an increase in the number of people deprived of rent money or mortgage payments. There were hundreds of thousands of jobless and homeless people on the street or resorting to temporary shelters (Hanes and Hanes, 2002: 192).

Therefore, the economic crisis played a major role in diminishing the distance between social classes in both periods. Accordingly, unemployment and poverty became no longer considered as the outcome of laziness or personal failure but as an immediate consequence to the shrinking gap of income and the unsustainability of the labor market. In addition to the socio-economic effects, the two downturns generated significant political impact reflecting the mass displeasure over the capitalist system and the existing institutions.

4. Political Consequences

Major severe economic crises have a habit of generating a political agenda that goes beyond the declared objectives of the socio-economic reform campaign to seek a political change. Accordingly, the Depression and the Recession had two main political outcomes: they revived the heated debate that regularly takes place between conservatives and liberals over major socio-economic issues, and pushed a significant number of Americans to move toward radicalism.

4.1 - Conservative-Liberal Ideological Debate

Regarding the socio-economic issues, a heated debate usually takes place between conservatives and liberals over prime concerns such as economic crises, poverty levels, and unemployment rates. In the liberal perspective, poverty and unemployment, for instance, are the outcome of the inconsistent economic characteristics and life precarious situations, whereas the conservative view tends to blame the poor and jobless themselves for their conditions.

Liberals and conservatives disagreed in explaining the last decade's crisis and those responsible for it. As for the conservative mainstream, they blamed individuals and public bureaucracy for the spiral downturn of the U.S. economy. According to them, the spending of private individuals exceeded their means and their ability to pay back, and this is what led to over-borrowing in order to satisfy their thirst for consumption. Moreover, conservatives stressed the defect in some programs and their entitlement. They note that such programs undermined work ethics and created a culture of dependency. It follows that individuals and families resorted to the debt due to their insufficient incomes. As a result, this income insufficiency highly affected the federal treasury that received fewer tax revenues derived from workers' wages and led to spending more on social programs. Furthermore, conservatives also tended to blame public officials and their legislations of causing the crisis. For instance, they went back to the Community Reinvestment Act of 1977 that prompted banks to lower interest

rates and allowed the use of risky loans. They argued that these loans and low interest rates led to the rise of risky home ownership and the subsequent meltdown (Love and Mattern, 2011: 403).

Concerning the mainstream liberal view, its adherents emphasized the responsibility of investors and bankers in causing market unsustainability due to certain financial practices such as credit default. Furthermore, liberals highly criticized decision-makers who were responsible for the limitless deregulation of financial markets. Besides, liberals put the blame on external forces in the economy as the chief reasons for generating and exacerbating the already existing unemployment and poverty levels. According to them, the social disparity is always existing because there are certain segments of society deprived of the opportunities for education, employment, and job training. In this respect, liberals asked for more opportunities to the poor, effective job training programs, and suitable jobs and chances for success (Cochran Mayer, Carr and Cayer, 2010: 229).

Moreover, liberals attributed poverty to the effects of the capitalist, free-enterprise economy that have a tendency to offer insufficient wages to less-skilled workers and even to full-time laborers. Furthermore, in liberal perspective, racial and sex discrimination against Blacks, Hispanics, and women marked an important factor in creating and exacerbating poverty among these social segments that suffered most during the 1930s Depression and the 2008 Recession. They argued that discrimination affected progress in vital sectors such as school, employment, wages and housing conditions. Liberals, therefore, called for a change in the structure of the economy and asked for real ambitious programs to improve these conditions (Cochran, Mayer, Carr and Cayer, 2010: 230).

On the other hand, conservatives tended to argue that the poor themselves were to blame for their own situation. According to them, the economy provided opportunities for all in order to succeed and thrive. Therefore, the real existing levels of poverty were limited and little involuntary cases in American society. They argued that the free-enterprise system provided equal chances to those who seek success and well-being. For those unable to secure acceptable living standard because of their inability to work due to certain considerations such as age, poor health or other disabilities, conservatives emphasized the sufficiency of the existing supportive resources like social insurance programs, private charities, and philanthropy.

In this context, conservatives revealed that the healthy adults had no justification to be poor except their lack of self-discipline and responsibility to work hard and save for the future. As a result, they showed a strong objection to government welfare programs that, as they stressed, cannot prevent or cure poverty but rather encourage its expansion by providing support for this dependent group of society. According to them, the policy of delivering assistance must be selective, accurate, and limited in order to be efficient (Cochran, Mayer, Carr and Cayer, 2010: 230).

It seemed clear that though the U.S. political spectrum had significant ideological differences, the views of liberals and conservatives had something in common. Apparently, while they showed a disparity in the commitment to free markets, they shared a strong adoption of capitalism.

4.2 – Radicalization

Depending on the definition of the word "Radical" as derived from the word "Root," radicalization, therefore, chiefly deals with treating the root of the socio-economic problems and asking for political change (Rowe and Carroll, 2014: 153). In this regard, a couple of protests and meetings reflected a big dissatisfaction with capitalism within the various political spectra including liberal, progressive, and radical circles. The participants emphasized the importance of a planned American economy, a strong organized labor sector in the 1930s, and asked for a radical change to capitalism in 2010 (Yangfang, 2012: 253).

In 1934, socialists held a conference in Kansas City in an attempt at inciting social workers against the New Deal and taking advantage of organized labor to promote the economic principles of socialism as an alternative remedy to the prevailing capitalist plight. As a result of this meeting, a joint view among communists and social radicals started pushing for a movement called the Rank and File Movement in an effort to lead an anti-capitalism campaign and promote social work radicalism. Simultaneously, socialists headed widespread public debates on unemployment, poverty and crime as an aftermath of capitalism and suggested a system called Social-Economic Planning instead (Selmi and Hunter, 2001: 75).

The unemployed workers movement was one of the outcomes of the 1930s socio-economic unrest that turned into a mass insurgency. The consolidation of those unemployed workers and their efforts led to the creation of the Workers Alliance of America in 1936. The left-wing parties, particularly the Communist and Socialist Parties, have undertaken the reform agenda through the mobilization and organization of these displeased groups. The Socialist Party created lobbying agencies for relief and

social purposes such as unemployment insurance and old age pensions on the one hand, and conducted a process of mobilizing and organizing protests for political purposes on the other hand. In fact, these uprisings led by socialists and other radicals involved mass rallies and militant protests characterized by violent actions. Some activists encountered repressive practices like arrests and deaths in the early years of the Depression. Indeed, these movements triggered the attention of local and State governments and Congress. The latter, before the passage of the Emergency Relief Act of 1932, expressed its deep concern over the hunger marches and frustrated rallies that reflected a mass displeasure (Valocchi, 1990: 196).

Meanwhile, the Soviet Union's economic strategy to overcome its own crises was taken into account and received wide acclaim. The 1928 Joseph Stalin's economic plan aimed at improving both industrial and agricultural efficiency by following strategies such as collectivization and centralized planning process. The success of this communist plan in eliminating unemployment and improving the living standards in the Soviet Union generated skepticism to capitalism as to the ability to overcome the economic Depression that was ravaging most of the capitalist nations, chiefly the US (Selmi and Hunter, 2001: 81).

The worsening 1930s Depression turned the attention of American radicals and disillusioned liberals toward the experience of the Soviet Union. Many got convinced that the problem was in the system (capitalism itself), and the solution to the American broken economy and unjust society revolves around radical strategies and principles of social planning. For this, conservatives who were in office in the 1920s and the beginning of the 1930s had a tendency to refer to liberals and radicals of the time as "Communist Sympathizers." As a matter of fact, the influence of radicals had been wide during the Hoover years. However, the advent of Franklin Roosevelt and the implementation of his New Deal helped both contain the insurgency among the unemployed and mitigate the initial impact of the Depression on this group (Valocchi, 1990: 197).

In the same way, the last decade's Recession resulted in a number of protests that shaped the post-crisis period and formed a public background for either reform or radicalization. In fact, these protests aligned with contemporary events that shaped the Middle East and Spain. In the US, California saw a massive protest as a reaction to tuition hikes and austerity policies after 2009. Washington D.C. also witnessed a mass civil disobedience in 2011. Similarly, in that year's summer, New Yorkers protested budget cuts and layoffs. The financial crisis and its aftermath generated a common

view among protesters against certain practices such as rising inequality, austerity budgets, slow economic growth and massive concentration of economic power. As a result, the movement that occupied New York and its stock exchange and other powerful investment banks took the label "Occupy Wall Street" (Rowe and Carroll, 2014: 160).

The simultaneity of protests of Arab Spring, La Puerta Del Sol in Madrid, Wall Street in New York and Taksim Square in Istanbul reflected a mass dissatisfaction with global capitalism. The system, that overwhelmingly expanded income inequalities, exacerbated the unemployment and poverty levels and overrode the vulnerable people. In fact, a massive civil disobedience preceded the Occupy Movement was called the Battle of Seattle in 1999. These two big movements attracted many grassroot activists. The radically-oriented groups, therefore, showed severe frustration at neoliberal capitalism that marked the 1990s, went through the 2000s, and caused the 2008 financial crisis. Consequently, the demonstrators asked for the replacement of the whole socio-economic system and considered capitalism as an organized crime (Yangfang, 2012: 253).

In this sense, it seems valuable to note the vital role played by sectarian socialists and anarchists in the general assembly prior to the real protest of the Occupy Movement on September 17, 2011. They insisted upon a radically-democratic general assembly process, the non-affectivity of concrete demands and the non-violent resistance as key features for success. As a result, the democratic general assembly facilitated the participation of the diverse socio-political groups and strengthened their commitment and solidarity. The avoidance of concrete demands for radicals and anarchists meant a radical refusal to give legitimacy to hierarchical market and state institutions that laid the basis for the 2008 financial crisis and its devastating consequences. Lastly, the non-violent strategy and decentralized diversity tactics gave more legitimacy to and triggered further sympathy with the peaceful movement (Rowe and Carroll, 2014: 163).

As a matter of fact, radical organizers gave much interest to the participation of labor unions that broadened the movement. Therefore, ideologically and tactically, radical leadership helped sustain the success of the left-wing. Indeed, the Occupy Movement had a considerable impact on America through bringing into light crucial socio-political issues. It came to represent a mass displeasure and frustration of decades ago at the limited aspirations of liberalism. Besides, it called for a revision of the current capitalist system that stood unable to offer practical short-term solutions on

the one hand, and which, on the other hand, proved to be vulnerable and subject to similar crises on the long-term. The movement put inequality at the heart of capitalism and, therefore, laid the basis for a renewed radicalism, rethinking of the system and promotion of potential long-term alternatives (Xinning, 2013: 135).

The radical view of unemployment, poverty and discrimination was different from that of conservatives and liberals. They went deep into their roots and tended to consider them as characteristics engendered in the American socio-economic system itself. Their attack, therefore, was not on society but rather on capitalism. According to those adherents to Marxist theory, for instance, capitalism requires the existence of poverty since it seeks to put wealth in the hands of the few. They argued that capitalism as a system aims primarily at realizing success to property owners. Moreover, they asserted that poverty provides a layout to unlawful practices such as gambling and prostitution (Cochran, Mayer, Carr and Cayer, 2010: 230).

Furthermore, they stressed that capitalism necessitates poverty and its subsequent negative consequences like violence, crime, and immorality to deflect attention away from the defects associated with capitalist practices such as corruption, injustice, and materialism. They firmly believed that welfare policies exist only to mitigate the poor's hardships not to end them. This policy, therefore, meant to prevent the marginalized groups from revolution and to cover the privileges that the rich enjoy. Hence, government programs were unwilling and unable to avoid poverty since this latter was part of the structure of the capitalist economy. The only remedy to cure it, as they believed, was to adopt a radical change and a new alternative system to capitalism (Cochran, Mayer, Carr and Cayer, 2010: 230).

5. Conclusion

In assessing the impact of the Great Depression and the Great Recession, it was of prime concern for this paper to compare and contrast major related sectors of society and politics. In this context, to determine the scope and depth of these two crises, the study took vital issues into account, namely unemployment, poverty, and housing that reflected social deterioration and also the ideological debates and radicalization generated by the two downturns. Although there are historians that emphasize the similarity of the last decade's Recession and the 1930s Depression, this paper concluded that the Recession was great but less severe for some reasons, particularly the short duration of the recent downturn compared to its 1930s counterpart, and the fast governmental response that prevented the Recession from exacerbation and turning into the 1930s escalating scenario. Therefore, the disparity in

the consequences of the two crises led to a remarkable difference in response policies. Besides, the experiences of the 1930s Depression and 2008 Recession taught valuable lessons to Americans and pushed some of them to seek an alternative to capitalism as an economic, social and political system governing the United States. To better grasp the implications of these outcomes, future research could address potential solutions for the chronic and recurrent nature of the econimic crises and suggestions for mitigating their substantial impact on the various segments of society.

6. ***Bibliography List***

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