

## The gendered structure of moneylending in Vietnam

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Moneylending is a vital source of credit for unbanked and under-banked borrowers in Vietnam. Despite its relevance, this credit sector is poorly understood and shrouded in negative stereotypes about loan shark practices. It is thought to be a masculine world, a universe of violent and cruel men belonging to *giang hồ* [outlaw] gangs that prey on the poor and use strong-arm recovery methods. However, moneylending is also a feminine domain, a world of adaptable and humane women who support their community by providing loans. The tension between 'cruelty' [*sự hung ác*] and 'sentiment' [*tình cảm*], two terms expressed by male and female moneylenders respectively, reveals the gendered structure of moneylending in Vietnam. Not only do men and women run different types of lending operations, but they do so while deploying essentialist constructions of gender for moral and economic purposes. This deployment is both normative and strategic, as it simultaneously reinforces gender ideologies and sustains business practices.

### Gangsters and fear tactics

Male moneylenders operate in gangs, which people commonly refer to as *giang hồ* [outlaw], *xã hội đen* (lit.: 'black society'; meaning gangster, or mafia) and *tụi Hải Phòng* (lit.: 'gang from Hải Phòng', a coastal city in Northern Vietnam popularly considered a hotbed of criminality). These gangs cultivate a reputation of being reckless, belligerent and cold-hearted and, in some cases, display tattoos, fancy vehicles, flashy jewellery, and stacks of cash on social media. Some of these gangs use pawnshops and rental and wholesale businesses as fronts for their operations. They lend money to a range of borrowers whom they recruit through social networks and aggressive marketing. For small unsecured loans, they do not require collateral, trust, or a prior connection with the borrower. Some ask for a photocopy of the ID or household certificate, and only occasionally keep the original document. In line with a reputation for ruthlessness, they use brutal recovery tactics. Their motto

is 'if I lend money, I can always get it back'. Their methods include charging penalties and compound interest, insults and beatings, making a fuss at borrowers' homes, harassing their relatives, disclosing the debt to a spouse, posting their pictures and personal information in their neighbourhood, and splashing paint and fermented shrimp sauce at their front door. These bullying campaigns have devastating effects on late repayers. As described in his interview with me in Ho Chi Minh City, Quyên, 40, the head of a *giang hồ* gang of five 'little brothers' involved in pawnshops and moneylending, instilling fear among borrowers is key to sustaining his operation:

"To be honest, at first, I need something to make them scared of me and make them realise if they don't pay me or they flee, they won't be able to work. I will come and make a fuss at their house and look for them everywhere. If they are still stubborn, they know that I won't hesitate to hit them. We have to work hard and sacrifice our blood and tears to make that money, so we don't give it away to people easily. I also need power. Not that I want to deal with borrowers using violence, but I want to use my power to make them scared of me, so they pay me in due course. They must know that repaying is their responsibility. If they don't pay me, it's like if they steal from me. They must be afraid of me even if I do nothing to them. I just need them to understand they must pay me back".

*Giang hồ* lenders' use of extreme violence to recover loans stirs up public indignation and concern and a strong call for political action, to which the government has responded with persecution and has used as a justification for liberalising consumer lending. However, these male lenders embrace the stereotype of the ruthless and 'evil' usurer who crushes the poor with high-interest rates and strong-arm recovery methods. They also embody the *xã hội đen* image, the greedy gangster popularised in the campaigns against 'social evils' in the 1990s, a time when it was believed by the government that the

market economy and the country's insertion into the globalised economy would set off an irreversible process of cultural dilution and cause the proliferation of crime and greed. *Giang hồ* lenders also embody certain ideals of masculinity, in particular men's 'hot temper' that can easily turn into aggressive and violent behaviour (and intimate partner violence) when they consume alcohol. Although conforming to these gender roles marginalises male moneylenders as deviant and puts them at risk of repression and stigmatisation, it allows them to generate enough fear and respect among borrowers to sustain their lending operation.

### Sympathetic familiarity

On the contrary, women operate as small-scale 'neighbourhood moneylenders'. They work individually, use savings to launch small lending ventures, and offer flexible borrowing conditions to handpicked clients. They use their extensive experience and connections to lend money in their social networks. A prerequisite to lending is familiarity with and trust in their borrowers, typically a neighbour, a friend, an acquaintance or a business partner. According to Quyên, a small-scale neighbourhood moneylender from Ho Chi Minh City, "I only lend small amounts of money, like 2-3 million đồng (USD86-129), to people I trust. I lend it to people who are very close to me or whose situation I am sympathetic to, mainly people having a small business. Even if I am known as an easy moneylender, I only lend money to people I know and trust". To issue a loan, female moneylenders need to know the borrower's work and house address, but refrain from asking for an ID or a household certificate as collateral. Once they gain experience and contacts in the moneylending trade, build their reputation and increase their capital, they expand their operation to more distant circles in their social networks. Most argue that they 'lend money for affectionate reasons' [*cho mượn tình cảm*], meaning at slightly lower rates and with more flexibility toward defaulters than *giang hồ* gangs. Nở, a neighbourhood lender, who lends money to sex workers, explained that:

"I am familiar with the girls and understand their situation, so I can't grab their money like *giang hồ* gangs do. When they don't have enough money, I go easy on them and let them slide for that month. If they aren't able to pay me double next month, I let them pay one month and wait until they have enough money to pay for the missing

month. But first, I go to their place to see how they live. If I see that they really cannot pay and are going through a hard time, I sympathise and don't force them to pay".

As flexible as neighbourhood moneylenders' practices are, they must also recoup their money to sustain their business. When they run out of patience, they harass and insult late repayers. This is how Phường, a neighbourhood moneylender, pressures late borrowers: "I can say 'fuck you or your mother, is it you or me now?', or I could use more aggressive words like 'fuck your mother, fuck your father'. I only swear at the borrowers themselves. I never insult their mother, father and ancestors". As opposed to *giang hồ* gangs, neighbourhood moneylenders rarely hit 'stubborn' borrowers or 'make a fuss' at their home and workplace. Inflicting physical violence on associates, friends and family members would damage their reputation in the neighbourhood and therefore their capacity to recruit new clients. In fact, the relationship between moneylenders like Nở and Phường and their clients is framed within the terms of reference *chị-em* or 'old sister-young sister/brother'. This referential system lends itself to the narrative of moneylending as a mark of 'good sentiments' [*tình cảm*], a term frequently used in family and close interactions. The obligation to pay back is bound not only by the terms of credit but also by the seniority and the familial relations denoted by the pair of kinship pronouns.

In brief, neighbourhood moneylenders conform to the socially and politically-derived image of the petty trader who keeps a low profile and works diligently to support her family, as female moneylenders often claimed. Unlike *giang hồ* lenders, they are sensitive to people's living situation and too weak physically to use violence. This gender essentialism allows them to appear as moral subjects who lend money for a good cause in a burgeoning market economy where certain types of capitalist activity may raise suspicion. Embracing this gender role limits the scope of their operation and confines it to highly localised social spheres, but it also protects them from criticism and repression.

Overall, men and women occupy different positions and embrace different gender roles in the moneylending market in Vietnam. Taking this into account will enrich our understanding of how credit markets work in general and in Vietnam.

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