



# Journal of Religion & Society

Table of Contents  
~~~~~

ISSN: 1522-5658

---

The Kripke Center

Volume 10 (2008)

---

## Borrow and Lend

### Social Exchange and the *Gemach*

Donna Shai  
Villanova University

#### Introduction

[1] The concept of the gift has been widely discussed in social science literature and applied to everyday situations, but the notion of borrowing has been less developed. This article examines a religious lending organization, found primarily among Orthodox Jews, and known as the *gemach*, an acronym for *gemilus chessed* (“acts of loving kindness”). Using gifting as an alternative system of exchange, I will attempt to place the *gemach* within a broader framework of lending within a religious community. I first became aware of the importance of *gemachs* while carrying out a larger study of Orthodox family life (Shai). I subscribed to an on-line *gemach* for three years and studied each request and offer. This article is based on a study of *gemach* lists in a variety of forms including on-line exchanges.

[2] Immigrant ethnic groups in the United States have developed a variety of lending organizations to meet the specific needs of their communities, including volunteer organizations, mutual benefit societies, lending organizations, clubs, and informal banking systems (Tenenbaum). One example is the *susu*, an investment association with rotating beneficiaries. Among Haitians immigrants in the U.S., as well as in the Caribbean, these exchanges involve a trusted group of persons who agree verbally to contribute a certain amount of cash to the fund at regular intervals. According to a prescribed rotation, one member receives all the money during a given pay period (Hastick). Problems of trust arise when a person defaults on their payments after drawing a hand. The incentive to follow the rules is the shame delinquency brings on the person’s family within the Haitian community. The commitment to act in a trustworthy way is reinforced by the threat of community sanctions (Hastick). Rotating credit associations were also common among Japanese and Chinese immigrants based on models in their societies of origin (Tenenbaum).

[3] The *gemach* has a long history in Jewish societies. In the European shtetl, when families needed money for emergencies such as illness, holiday preparation, or a business transaction, if one’s credit was not good enough for a private loan, a Jew could always turn to the *gemach*, which advanced community funds without interest (Zborowski and Herzog). When East European Jews came to the United States in the late nineteenth and early twentieth century, they created the Hebrew Free Loan Societies that provided an important source of capital for Jewish immigrants (Tenenbaum). These societies began in the 1880s, and grew at the turn of the century due to the large number of Jews in the mercantile trades who had difficulties in finding other sources of loans. The idea of lending money without charging interest made the Hebrew Free Loan Societies culturally distinct from other ethnic credit associations in the larger society; these organizations declined only when credit was available from other sources such as credit unions, banks, and finance companies that emerged in the late 1930s (Tenenbaum).

[4] A *gemach* is both a free-loan society and a framework for the organized borrowing and gifting of items. Money and goods are donated or lent out by members of the community. While the *gemach* is defined as “a fund set up in order to lend money, services or products to Jews in need” (Bindman: 7), there are strong social pressures for anyone borrowing from the *gemach* to lend as well. For example, someone who has borrowed a banquet-sized tablecloth for a ceremonial event will look around the

household for items that can be lent out, e.g., folding chairs. There are two types of *gemachs*: a public *gemach* that is operated by trustees using contributed funds, and a private *gemach* that is managed by one or more individuals using their own funds (Bindman). Funds can be loaned for various lengths of time, and records are kept in writing specifying the reason for borrowing the money, the provision of guarantors who are responsible for the loan if the borrower does not pay back on time, or items or cash left as a pledge.

## Alternative Views on Gifting

[5] Gifting has been analyzed through two major models of exchange. One approach, presented by Mauss, describes gifting as essentially an expression of a relationship, that gifts are often obligatory, and that an association with the giver remains with the gift even while possession has been transferred. Mauss, like other anthropologists, was interested in the act of gifting and the bonds and expectations that are created when one person gives to another. He argued that there are three obligations in gifting, which form a kind of contract: the obligation to give, the obligation to receive, and the obligation to repay. The obligation to give is part of the spiritual bond between persons. In giving to others “a man gives himself, and he does so because he owes himself – himself and his possessions – to others” (Mauss: 45). The obligation to receive is based on the identification of the gift with the giver. Rejecting a gift is tantamount to rejecting the relationship with the giver. To fail to reciprocate a gift, is debasing for the person who accepted the gift (Mauss: 63). This view, in which the exchangers are seen as moral persons, can lead to anxieties concerning what is an appropriate gift, whether the gift will meet the recipient’s expectations, and how the gift reflects on the giver (Wooten). Gifting involves the transfer of ownership of items, and the recipient has the right to use the item as he or she wishes, and even to dispose of it. However, there remain implications for the gifter and the recipient if the gift is squandered, broken, thrown away, used carelessly, or given away to another (“regifted”).

[6] Newman applies the principles of Mauss’s theory to the experience of downward mobility in the American middle class. With job loss and business failure, a man may turn to his kin for loans after he has exhausted conventional sources of borrowing money. Newman describes the difficulties involved in borrowing from relatives:

When a married man turns to his own natal family for help, or even worse, to his affines (in-laws), he is entering an emotional minefield: family can feel obligated to help, but resentful. Confusion and embarrassment can intensify over whether material help is a loan, a gift, a favor, or a right – self-abasement or a statement of love and sharing (Newman: 125).

In this situation, Newman finds that the downwardly mobile prefer to turn to an impersonal institution rather than relatives during financial distress. Telling a stranger about one’s financial problems is less embarrassing than telling a friend or relative.

[7] The second approach toward gifting is the model of commodities exchange in which two or more independent and calculating participants freely exchange items for mutual benefit (Carrier). Blau has argued that individuals experience a conflict between their desire for social advantage and support on the one hand, and their desire for instrumental advantage in social association on the other. Because of this conflict an individual would seek to receive intrinsic support such as love, affection, or respect from some associates, and extrinsic rewards such as money and physical labor from others.

[8] Schwartz draws a distinction between an inner circle who exchange gifts, e.g., celebrating Christmas, and an outer circle which provides support through “feast and church services, family get-togethers, leisure-time activities, etc., which immediately follow the exchange” (Schwartz: 10). He maintains that people will look outside their intimate circles for rescue. Seeking more distant others prevents too much dependency on a limited circle of exchangers. The implications are that there are advantages to getting economic rewards from those outside one’s immediate circle, but still inside the community.

## Borrowing

[9] Borrowing places a greater burden of mutual trust than gifting. In lending personal possessions or money, as opposed to gifting, there is a heightened level of expectations due to the continuation of ownership of the item and the time lag or delay between the lending of the item and its return, which creates a particular form of tension and risk for both the borrower and the lender. Researchers on the stability of neighborhoods have used borrowing among neighbors as an indication of civic engagement and mutual trust (Temkin and Rohe).



[10] The Chafetz Chaim, <1> an authority on the importance of acts of compassion in Judaism including the giving of charity, mentions risks involved in lending that are relevant to a wider sociological view of the borrower/lender relationship. In *Ahavath Chesed*, his work on kindness, he states that the borrower is obligated to be trustworthy in caring for the item. The borrower must return it in good condition, neither damaged nor broken, whether through carelessness or accident. The borrower must also take care in guarding the possession so that it is not lost, and return the object in a timely manner. Not to do so constitutes theft. While the borrower is free to use the item, he or she does not have the right to dispose of it or lend it to others without permission from the owner. The item should be used for the purpose intended and, in the case of money, not squandered on needless purchases, especially if the money was borrowed for a practical purpose. Additional risks on the part of the lender are not having access to the item or money during the borrowed period and that in displaying his or her possessions and wealth, others will request loans.

## The *Gemach* as a Lending Organization

[11] At present, *gemachs* are proliferating and include interest-free loans, computers, cell phones, EZPass stickers, and a variety of medical, household, and ritual items. In addition to its religious function, the *gemach* provides a means to obtain needed items, to give away items that are no longer needed, and obtain information about other resources in the community.

[12] The *gemach* can also function as an informal banking institution, since money may be placed there that is intended for future investment. A *gemach* can also provide debt restructuring and credit repair by working closely with individuals who have gotten deeply into debt due to medical situations, credit card debt, or financial disorganization.

[13] The *gemach* is a mechanism for recycling. Wedding dresses, used wigs, baby clothes, and invalid equipment are items which, at a certain point, are no longer needed and can be “recycled” within the community, enabling the donor to perform *chesed* (acts of loving kindness). The lending library offers a good comparison to the *gemach* in that items are lent out for a specific period of time and the borrower is required to return the item in good condition and on time or face fines (Bindman).

[14] A *gemach* can also function as an employment clearinghouse in which someone who needs a job can apply or can get information possibly leading to a job from someone else in the *gemach*. Helping someone to stand on his or her own two feet and become self-supporting is one of the highest forms of charity among Jews. According to the *Shulchan Aruch* (The Code of Jewish Law), priorities in lending should go to save a person’s business from failing or to help someone gain a livelihood, to provide essentials for the poor who have no other means of support, to improve a business, as well as to help a bride to marry (Bindman). Since Jews are not permitted to charge interest to other Jews, no interest can be exacted.

[15] Many items lent are needed for religious rituals: there are *gemachs* for providing benches to have a ritual celebration at home, artificial flowers and candlesticks for weddings, and utensils, all of which must be carefully counted to make sure they are returned (Bindman). Some items are borrowed new and then replaced to the *gemach* such as babies’ pacifiers. Others are circulated for those who need them and returned eventually to the *gemach* such as high chairs, strollers, and hospital equipment. A separate *gemach* constitutes a “lost and found,” involving a database of people who find an item and hold it until the owner can be found (Bindman).

[16] Berman has noted that religious acts of charity and mutual aid are fundamental to maintaining the religious and economic lifestyle of Orthodox Jews: “We observe remarkable altruism in donation of both time and money to community charities. These provide insurance to community members in the form of job search, spouse search, and transfers of food, clothing, medical services and money” (922). In contemporary practices, Jewish Orthodox families are enjoined to keep a certain amount of cash aside to be loaned to someone in need. According to the Chafetz Chaim, it is better to give out several small loans to the poor rather than one large loan. Loans must be repaid since it is forbidden to misappropriate the property of others. Needless to say, within a religious community there are strong pressures on individuals to conform to the lending norms.

## Concepts of Gifting and the *Gemach*

[17] Looking at the kinds of items individuals are willing to lend is helpful. Given the risk inherent in borrowing, we might expect that the items offered would be relatively inexpensive, or easy to replace, or not needed in the immediate future. We can also speculate that petitions to borrow might center on items difficult to obtain, which are not necessarily available from one’s inner circle, or would exert strain on a



small number of lenders. Schwartz's notion of turning for rescue to persons within the broader community but outside one's personal social circle, to solve immediate problems, has implications for the *gemach*.

[18] Most *gemachs* operate through lists, which are circulated within the community, specifying items and a telephone number to contact. A *gemach* may be a list of owners of items, which are for loan but occasionally offered as a gift. For example, chairs are a common item to lend, while a used wig is usually offered as a gift. A single individual may collect unwanted items, such as used computers, eyeglasses, or coats from others, for the purpose of lending. Recently, more and more *gemachs* are operating through the computer in order to reach a wider audience. One problem of the on-line *gemach* is that it makes it harder to screen for fraudulent requests, since it eliminates face-to-face contact, at least in the initial stages of the exchange. The transactions themselves usually involve getting in touch with individuals or an agency. Another problem is that individuals may go from *gemach* to *gemach*, borrowing money and getting themselves deeper and deeper into debt, somewhat like credit card over-extension. However, in most cases, the exchange through the *gemach* allows people to pool their resources, help others, and make use of items that they no longer need or want.

[19] The form of the *gemach* – a circulated list, an on-line resource, or a community-based organization – may draw from different sectors within a population. For example, a computer-based *gemach* also potentially eliminates persons who do not have access to the internet. However, computer use is widespread among the Orthodox Jewish community, and its relative anonymity offers an alternative to turning to a smaller circle of lenders.

[20] Requests that appeared frequently on *gemach* lists included money for interest-free loans to cover emergencies, loans to train for, start up, maintain, or save a business, and loans to travel to or help getting established in another country (usually Israel or the United States). Another large category was medical services, medicine, or equipment. Persons requested help in meeting medical bills, getting fertility treatments, and even obtaining a kidney transplant. Loans were requested for religious rituals, especially the wedding. Expensive items, which have become almost necessities in modern life, such as a car or a computer, were often requested.

[21] Items offered to others included loans of cash, sometimes with stipulations of strict restructuring and monitoring of the person's debt; items for babies and toddlers including clothing and equipment were plentiful, as were medical equipment and invalid care. Ritual items for weddings were frequently offered, such as dresses for the bride, mother of the bride, and sisters, other wedding apparel, centerpieces, candleholders, mezinka brooms (symbolic item in a traditional dance), prayer books, and bridal canopies along with folding chairs. Invalid care items available included walkers, canes, commodes, crutches, and wheelchairs. Finally there were electronic items such as cell phones and EZ-Pass stickers.

## Conclusions

[22] Although the *gemach* has deep roots in Jewish charity organizations, by all indications it has expanded greatly in recent years, both on-line, in synagogues, and in Jewish communities. To what can we attribute the growing custom of exchange through a *gemach*? One reason is the renewed growth of Orthodoxy within the Jewish community. For those who follow an Orthodox way of life, lending to the poor within the Jewish community is a positive injunction, and considered superior to charity, since the recipient is not demeaned by accepting a gift. The obligation to lend extends to the rich and the poor, men and women, and must be extended to all within the community (Chafetz Chaim).

[23] A second reason is that the Orthodox lifestyle is an expensive one. Weddings and other celebrations are often large and costly affairs. Kosher food costs more and housing within walking distance of a synagogue can be expensive due to supply and demand pressures. Even traditional head-coverings for married women can be costly, as wigs made of real hair become common and are considered desirable among Orthodox women. The *gemach* can fulfill a need by providing items that might be burdensome to purchase, such as decorations for a celebration, or the acquisition of a used *shaitel* (wig) for a married woman. At the same time that there are increasing needs for consumer goods, there is more economic need within Jewish communities. Even given the relatively high level of education in the Jewish community, both in Israel and in the United States, unemployment is a growing problem. Some synagogues are providing job banks for the unemployed (Richman). As Berman has argued, the Orthodox lifestyle would be impossible without extensive mutuality within the Orthodox community. The Orthodox lifestyle has certain requirements that are not only expensive, but also obligatory. These include large family size, private Jewish schooling for children and the increasing practice of men withdrawing from the workforce for a year or more after marriage to study in a postgraduate rabbinical seminary or kollel

(Shai).

[24] Third, in borrowing money or obtaining debt restructuring from conventional sources, those unfamiliar with the Orthodox Jewish lifestyle are likely to make demands that would be unacceptable to an Orthodox family. Some examples are suggesting that children be sent to public schools, and that all available adults should be in the workforce. The *gemach* provides help, while understanding religious requirements.

[25] Fourth, although the Orthodox community tries to hold itself apart from the larger secular world, it is not impervious to the proliferation of consumer goods flooding the market. The Orthodox community is not isolated from electronic devices such as computers, cell phones, EZ Pass Stickers, i-pods, and Blackberries, even as these are adapted to the special needs and requirements of the Orthodox. The *gemach* provides the acquisition of expensive items on a borrowed basis, that some would not be able to afford to own outright. In this way, consumer goods can circulate within the larger group.

[26] Finally, in keeping with sociological notions of social exchange discussed above, the *gemach* provides an Orthodox family with a way to borrow outside their immediate circles, thereby avoiding dependency and pressure on a limited number of intimates. A traditional organization like the *gemach* can adapt to growing and changing needs within a religious community.

[27] The purpose of this paper is explorative and the intention is to raise questions rather than to resolve them. The topic of the *gemach* is largely unstudied outside of Jewish religious literature but has important implications for other groups in terms of sharing resources and mutual help in an age of consumerism.

## Bibliography

Berman, Eli

2000 "Sect, Subsidy, and Sacrifice: An Economist's View of Ultra-Orthodox Jews." *The Quarterly Journal of Economics* (August): 905-53.

Bindman, Yirmiyahu

1993 *If You Lend to My People: Gemachs and Their Operation (Free Loan Funds)*. Jerusalem: Feldheim.

Blau, Peter M

1964 *Exchange and Power in Social Life*. New York: Wiley & Sons.

Carrier, James

1991 "Gifts, Commodities, and Social Relations: A Maussian View of Exchange." *Sociological Forum* 6: 119-36.

Chafetz Chaim, The

1967 *Ahavath Chesed*. Second Edition. Jerusalem: Feldheim.

Cheal, David

2002 *Sociology of Family Life*. New York: Palgrave.

Hastick, Eda

1998 "Susus: New Life for a Caribbean Grassroots Approach to Savings." *Wadabagei: A Journal of the Caribbean and Its Diaspora* 1:121-35.

Kempson, Elaine, Alex Bryson, and Karen Rowlingson

1994 *Hard Times? How Poor Families Make Ends Meet*. London: Policy Studies Institute.



Mauss, Marcel

1954 *The Gift: Forms and Functions of Exchange in Archaic Societies*. London: Cohen & West.

Newman, Katherine

1989 *Falling From Grace: The Experience of Downward Mobility in the American Middle Class*.  
New York: Vintage Books.

Richman, Josh

2003 "As Tech Bust Lingers, Shuls Find a New Role: Job Bank." *Forward* (May 30): 1.

Schwartz, Barry

1967 "The Social Psychology of the Gift." *American Journal of Sociology* 73: 1-11.

Shai, Donna

2002 "Working Women/Cloistered Men: A Family Development Approach to Marriage Arrangements  
Among Ultra-Orthodox Jews." *Journal of Comparative Family Studies* 33: 97-116.

Temkin, Kenneth, and William Rohe

1998 "Social Capital and Neighborhood Stability: An Empirical Investigation." *Housing Policy Debate*  
9: 61-88.

Tenenbaum, Shelly

1989 "Culture and Context: The Emergence of Hebrew Free Loan Societies in the United States."  
*Social Science History* 13: 211-36.

Wooten, David

2000 "Qualitative Steps Toward an Expanded Model of Anxiety in Gift-Giving." *Journal of Consumer  
Research* 27: 84-95.

Zborowski, Mark, and Elizabeth Herzog

1969 *Life is With People: The Culture of the Shtetl*. New York: Schocken Books.

~~~~~  
*JRS Home*  
~~~~~