

# What We Can Learn from the Guilds

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The global credit collapse, and the worst economic downturn since the 1930s, has discredited the universal application of market solutions to social problems, and its associated syndrome of 'globalisation'. There seems to be a clear need for a replacement philosophy in a variety of areas, not just in economics and politics, but also in the voluntary sector.

However, the experience of the last twenty years also indicates that the simple alternative of even more large-scale government intervention does not work either. Firstly, it is simply not feasible. The economic crisis has left government budgets in huge deficit in virtually all developed economies; the future will see less, not more, public spending. Secondly, the UK evidence of the past ten years indicates that it does not work; the government has invested massive amounts in the health service and in education, but it is not certainly not self-evident that standards in either of these has increased.

Finally, there seems a growing feeling that government intervention leads to a kind of '*systemic monoculture*' where the only thing that matters is meeting the government's latest set of standards; and the underlying values of a creating a liberal education or of a caring environment are thrown out of the window. A good example of the latter might be the way hospitals have sold off their gardens to turn into profit-making car-parks; all the evidence suggests that the presence of a garden has significant positive therapeutic value, yet that is neglected in the current system.

So where do we go from here? I want to suggest that one answer may lie in a revival of mutual self-help groups, inspired by spiritual values, which we might call by their old medieval name of 'guilds'. Of course I am not suggesting an exact return to the medieval guilds, any more than I am advocating that people should go around talking Chaucerian English. However, I do argue that the guilds provide a model answer to two major problems of modern economic and social life. The first of these is the rapid shift in the labour market from life-time employment for most people to a world of self-employment and temporary contracts. The second, partly as a consequence of the former, is the reduction in the safety net provided by the welfare state and corporate health and pension provision.

## **What Were the Guilds?**

Although for some people the word '*guild*' may be seen as signifying a kind of proto-trade union, nothing could be further from the truth. Trades unions grew up as a mass movement, an essentially negative phenomenon in reaction to the

Industrial Revolution. In contrast, the guilds were an association of freemen, of craftsmen working together to sustain each other, and through apprenticeship and training to ensure the quality of what they produced. Generally speaking, they were groups of craftsmen in medieval England and elsewhere who submitted themselves to a system of mutual aid, but also of mutual discipline. They were not communes; each workshop was led by a Master who worked for his own profit. The nearest modern analogy would be the farmers of Denmark and the Netherlands, who own their own land and take the profit of it, but who market their produce through great co-operatives.

The guilds sprang up all across Europe when trade revived alongside the growth of towns towards the end of the eleventh century. In Germany they were called *Zuenfte*, in Italy *Arte*, in France *corps de metiers*, and in England guilds or 'gilds', which comes from an Anglo-Saxon word meaning to pay. However, there was relatively little that was distinctive about English guilds compared to those in the rest of Europe. There were also two types: wealthy *merchant guilds*, who were relatively small in number but great in wealth and importance, and *craft guilds* organised of workmen who worked with their own hands and which were overwhelmingly the most numerous.

In circumstances where supreme political power was lacking and where the merchant guilds derived great wealth from trade in luxury goods they could become a corrupt oligarchy embroiled in battles for political control. This was most true in Italy and the Low Countries in cities such as Florence, Genoa, Bruges and Ghent. In England this was only true of London, and here I will concentrate upon the craft guilds as they existed in England and Wales in their heyday of the late Middle Ages, from 1350-1500.

It is worth briefly noting the background to the period. Economic life in Western Europe had collapsed along with the Roman Empire around AD 400. For roughly seven centuries a greatly reduced population lived on the basis of subsistence farming, with trade and the circulation of coins virtually ceasing. (Inevitably there is academic dispute about how severe the collapse was, with the French historian Pirenne arguing that what he called '*le grand commerce*' or long-distance trade of luxury goods continued after the fall of Rome. However, there is overwhelming evidence that the mass production of well-made standard goods ended in Europe when the Empire fell, and it only began to recover around the year 1100.<sup>[1]</sup>) Although trade had revived it was very local; the absence of decent roads meant that very few goods were transported over any distance. The combination of weak government and poor roads meant that each local community was to a very large extent self-sufficient. I mentioned that people are looking at alternatives to globalisation and 'free markets', and guilds certainly provide a good example of a functioning localised economy in practice.

### **The Spiritual Role of the Guilds**

When modern historians discuss the guilds they tend to focus on their economic function, and they often use phrases such as 'monopolising trade', which suggest

that their prime objective was to maximise profits. Nothing can be further from the truth, and the use of the word 'monopolise' is really a glaring anachronism. The prime objective of the guilds was religious, based as it was upon a desire to sanctify their work, and to bring honour to themselves within the community as a religious brotherhood. This is why they regulated trade; it was done to protect consumers and prevent one tradesman dragging down standards, although it also had the effect of leading to the best pay and working conditions for the ordinary working man for five centuries! As a French scholar wrote 90 years ago:

'Historians are almost unanimous in holding that, taking into consideration that less was spent on food, rent, and furniture, and above all on intellectual needs, it was easier for a workman's family to make both ends meet in those days than it is now.... it is not too much to say that, materially the position of the journeyman was at least equal, if not superior, to that of the workman of today. It was also better morally. He sometimes assisted in the drawing up and execution of the laws of the community; he was his master's companion in ideas, beliefs, education, tastes. Above all, there was the possibility of rising one day to the same social level... [in the case of] the lesser guilds where the workshop remained small, intimate, and homely. [However], directly we go on to study the great commercial and industrial guilds profound inequalities appear.' [\[ii\]](#)

When the anarchy and violence of the Dark Ages began to end around the first millennium, the only thing that had just managed to hold civilisation together was the Christian Church. Indeed, many future great cities were founded during this period as adjuncts to religious centres. Tribal chiefs who wanted to become effective kings needed the organizing skills that were only to be found in the Christian clergy. At the same time it is a remarkable fact that while the barbarian tribes who overran the Roman Empire were all pagans, by the millennium they had all become deeply Christian societies, even in Scandinavian countries which had no Christian history.

The medieval guilds can only really be understood against this background. In essence they were *religious brotherhoods* which had a variety of interlocking functions: spiritual, economic, social, and even political. It is worth stressing again that the world of late medieval Europe was alien to us in two ways; it was explicitly based on Christian principles, and it was intrinsically local. As the great medieval historian Christopher Dawson observed:

'One of the most remarkable features of medieval guild life was the way in which it combined secular and religious activities in the same social complex. The guild chantry, the provision of prayers and masses for dead brethren, and the performance of pageants and mystery plays on the great feasts were no less the function of the guild than the common banquet, the regulation of work and wages, the giving of assistance to fellow-guild members in sickness or misfortune.'[\[iii\]](#)

Indeed, as the German historian Troeltsch wrote about a hundred years ago, the medieval town with its guild system exemplified Catholic Social Teaching in action:

‘The medieval city was a pattern of Christian society as we find it in Thomist theory... with its cathedrals and its intensive church life, its religious confraternities and guilds, its care for the spiritual and material welfare of its inhabitants, and its educational charitable institutions (it appears) as the highest point of the medieval spirit.’[\[iv\]](#)

A modern historian has come to a similar conclusion:

‘To the extent that medieval man theorized about his society he regarded it not as a *Gesellschaft* or association like a firm, but as a *Gemeinschaft* or community like a family: as an organism with the Pope as the head, the warriors as the arms and the peasants as the feet.... The economy of medieval Europe in general, leaving aside a few highly unusual areas, was an agrarian peasant economy which was characterized by a high degree of self-sufficiency within each community.’ [\[v\]](#)

Each guild was at the same time a legal entity in the life of the town, and also as a religious brotherhood or fraternity. Generally speaking the membership of the two bodies was identical, although in certain cases external membership of the brotherhood were allowed. Every guild was therefore a local group based at a particular church and usually devoted to a particular saint linked with the trade, for example: St Vincent of the vine growers, St Fiacre of the gardeners, St Blaise of the masons, etc. Every fraternity had its appointed church in which candles were kept burning, and it celebrated an annual festival or *frairie* on the guild’s patron saint’s day. As the anonymous Yarmouth chronicler wrote in about 1350:

‘If the bond of love and friendship is laudable among mere rational men, then how much more is that which is between Christians who are tied by the strongest bonds of faith and religion; but above all by those Christians who form one fraternity bound and linked together by a solemn oath.’[\[vi\]](#)

Perhaps the most distinctive aspect of late medieval Christianity was its obsession with death, and with the inevitable judgement to follow on the souls of the departed. This of course was reflected in the spiritual role of the guilds, one of the important of which was to found chantries to pray for the souls of dead members. As one historian writes:

‘The support of chaplain to celebrate for the souls of former guild members and for the welfare of those still living makes it clear that the fraternities can be regarded as a kind of collective chantry, supported in some cases by men who could not afford to endow one on their own account. Behind such

foundations was the fundamental outlook of those who established them, the belief that life on earth was but a passing phase of existence, that man's true destiny was eternity, and that the sacraments which were necessary for salvation could be administered by the priest alone.' [\[vii\]](#)

Indeed, the common aim of all guilds was to arrange prayers in their guild church, particularly for the souls of deceased members. There is a recurring theme of keeping lights burning at regular masses for the souls of dead members. For example, the guild of St Stephen of St Stephen's church in London funded a permanent chaplain, provided 5 candles for the mass of a departed brother, and brought home his body if he died within 20 miles. Eamon Duffy writes about England on the eve of the Reformation in his superb book *The Stripping of the Altars*:

'With some variations all medieval guilds were modelled along the (same) lines – the maintenance of lights before images and the Blessed Sacrament, the procurement of attendance, and prayers, of the whole guild at funerals of deceased members, and finally the exercise of sociability and charity at a communal feast associated with the saint's day.' [\[viii\]](#)

### **Economic Significance**

I have noted that the guilds had a number of interlocking aims: spiritual, economic, and social. Having discussed their spiritual objectives I will now look at their economic function, which was to protect the welfare and honour of the craft via regulation of *production* and *sale*. As one expert notes:

'With regard to production, the guilds prided themselves on giving an official guarantee to the consumer. Hence the many articles contained in the statutes in which they boast of their good faith, or make a mark of emphasizing the honesty of their trade dealings; hence the complicated regulations for the prevention of bad work; hence the minute instructions prescribing the number of vats into which the Florentine dyer was to dip his materials and the quality and quantity of the colouring matters he was to employ.... The guild prided itself on letting nothing leave its shops but finished products, perfect of their kind; it examined and stamped every article, and further required that it should bear a special trade mark stating where it was made and its just price.' [\[ix\]](#)

No one could become a member of a guild without serving a long apprenticeship, normally seven years. Indeed, another old word for guild was '*mystery*' in recognition of the hard work required to master a craft! Only the members of the guilds (the Masters) had a say in the running of it. Each Master was assisted by journeymen (a skilled worker paid by the day, from the French '*journee*') and by apprentices. No Master was allowed to employ more than a certain number of apprentices or journeymen, and to ensure that trade was fair there were restrictions on production. For example, it was forbidden to work by artificial light. In Norwich at the beginning of the sixteenth century for example there were

some 80 craft guilds, which was typical for major cities outside London. They fell into certain natural groups such as: food (bakers, brewers etc); textiles and clothiers; wood-workers, metal workers and leather workers; and distributive trades. Their essential role has been described thus:

‘Their most potent economic function was to control entry into the craft or ‘mystery’, thereby preserving a local monopoly and by the enforcement of apprenticeship, maintaining both the standards of the work and the level of wages. Full membership of the guilds then became a formal path to the “freedom” of the town and thus the right to carry on business there.’ [\[x\]](#)

In modern city life local worthies are sometime honoured by being granted ‘the freedom of the city’. Few people probably ever think that this dates back to the guilds and the very practical right, which had to be earned, of being free to trade in a particular town. It is important to stress that the guilds did not exist in isolation; they were part of a clearly defined political and social order. Indeed, they played a crucial role in the development of representative local government in medieval Europe. They were closely association with the town corporation and therefore played a key role in the development of the independence of towns from feudal authority. As such, Dawson claimed that they facilitated the birth of democracy in England. [\[xi\]](#)

The modern world is based upon the *abundance* of goods and services. In such a situation controlling production is normally done with the aim of making excess or “monopoly” profits. In contrast medieval life was based on want, and on the constant likelihood of starvation. Drought, plague, or war could, and often did, lead to hunger and famine. In such a background of *scarcity*, the guilds not only maintained standards of quality but insisted that goods should be freely and fairly available, so that craftsmen should not extort undue prices from their customers.

In many cases the guilds enforced the sale of goods only in public markets, so that less aware buyers could not have their ignorance abused. The system was meant to be fair to both buyers and sellers, and most historians agree that it was. The practice of *forestalling*, of buying goods before they were brought to market, was prohibited, as was *regrating*, buying things in a market and selling them again for a higher price. *Engrossing*, the idea of buying up goods with a view to restrict supply and force up price was particularly despised. The system was meant to be fair to both buyers and sellers, quite unlike the rapacious tax-collectors of Ancient Rome. The historian Tawney captured well the medieval world-view:

‘Loans are made largely for consumption, not for production. The farmer whose harvest fails or whose beasts die, or the artisan who loses money, must have credit, seed corn, cattle, raw materials, and his distress is the money-lender's opportunity. Naturally, there is a passionate popular sentiment against the engrosser who holds a town to ransom, the



monopolist who brings the livings of many into the hands of one, the money-lender who takes advantage of his neighbours' necessities to get a lien on their land and foreclose.' [\[xii\]](#)

On the other hand, while most people lived a life little above subsistence, this did not mean starvation. Indeed, foreigners commented how well fed the English people were, although for the poor this probably meant a basic diet of bread, cheese and milk, with meat reserved for Sundays and feast days. On the other hand, trade flourished within localities. In England and Wales there were some 700 market towns where a weekly market was held, which meant that virtually everybody could walk to market, do their business, and walk home, all within a day's work.

To sum up, economically the guilds were a key part of the medieval objective that commercial life should be an integrated expression of the Church's teaching. There was a code of mercantile ethics decreeing that craftsmen should make their goods honestly and well, that sellers should give good weight and be satisfied with reasonable profits. Let me quote from one of my favourite works of G.K. Chesterton, *Chaucer*. In it Chesterton examines two wealthy and respectable citizens making that famous pilgrimage towards Canterbury. They are a Doctor and a Dyer, the latter a master chemist and supplier of pigments. As GKC put it:

'The Doctor, in short, still exists as a roughly recognizable figure. The Dyer has totally disappeared.... The reason why the Doctor is recognizable, and the Dyer is unrecognizable, is perfectly simple. It is that the Doctors not only were, but still are, organized on the *idea* of a Medieval Guild.... The British Medical Council, which is the council of a Guild... does what a Guild was supposed to do. It keeps the doctors going; it keeps the doctors alive, and it does prevent one popular quack from eating all his brethren out of house and home. It sets limit to competition; it prevents monopoly.'

[\[xiii\]](#)

### **Charitable Objectives**

Another most important aspect of the guilds was the way they promoted works of charity in a poor society where the poor would otherwise have starved. This ranged from direct alms-giving to the running of hospitals and schools, as well as self-help between guild members, such as establishing the first ever pension scheme to help the aged or infirm who could no longer work. As the French guild expert Renard noted, there was a genuine attempt to integrate the ideals of brotherhood into their economic role, with the ties of unity strengthened at regular intervals by guild feasts and banquets:

'The merchant or craftsman found in his craft guild security in times of trouble, monetary help in times of poverty, and medical assistance in case of illness. At Florence the carpenters and masons had their own hospital. When a member died, shops were shut, every one attended his funeral, and masses were said for his soul.' [\[xiv\]](#)

He goes on:

‘Apart from the obligatory assistance at certain offices and at the funerals of its members, the fraternity owned a chest, that is to say a fund maintained out of the subscriptions and voluntary devotions of the members, as well as the fines which they incurred. Of these funds, collected from various sources, part was given to the poor, to the hospitals, and to the expenses of worship. Thus at the Rennes the fraternity of bakers ordained that in every batch of bread one loaf of fair size should be set apart, called the *tourteau-Dieu*, which brings to mind the portion for God or the poor.’[\[xv\]](#)

In modern English the phrase ‘bakers dozen’ is still used for the number thirteen. However, I doubt if few if any people who use it realise that it goes back to the medieval guild custom of baking a batch of 12 loaves for the customer, with one extra to be given to the poor. Sadly, the wealth they accumulated attracted the attention of a greedy and self-willed king. In the words of Jack Scarisbrick's *The Reformation and the English People*:

‘When the royal commissioners went out in 1546, and again in 1548 to survey the colleges, chantries, obit land, guilds and fraternities which the crown was about to seize, they were interested in institutions with permanent endowments of land and property – that was what the government was after.’[\[xvi\]](#)

This ‘landgrab’ ushered in the most severe hardship for the poor. A flourishing network of local hospitals, schools, and almsgiving was abolished. Henry VIII pledged to use the money to refound such institutions on a ‘purer basis’, but totally failed to do so. It is a striking fact that fifty years after the Reformation, the term ‘*poor law*’ appears. After fifty years of using whips, branding tools and amputation to try and control the poor, Elizabeth I finally gave up and in 1601 passed the first Poor Law in English history. This seems an obvious consequence of the Reformation, but it is one which is seldom mentioned by historians. Rather like the State's absorption of local hospitals and friendly societies in 1945, local initiatives which worked had been abolished by force. The State was then forced to set up large cumbersome attempts at great expense to itself

While almsgiving was a major social function of the guilds, perhaps their most distinctive feature was that of a ‘*mutual self help group*’, and this is the point I really want to stress today as important for the future of the voluntary sector. We should always remember that life remained intensely local during the Middle Ages, and that very often secular and religious motives were intertwined. For example, poor roads and robbers made travel highly dangerous, so it was natural for travellers, like Chaucer's Canterbury Pilgrims, to travel in groups under the protection of a patron saint.



Many of them had social as well as religious functions, the most important providing support members who had accidentally fallen into poverty. The most common rate of benefit was 7d per week. [\[xvii\]](#) Indeed, the guild chest or fraternal treasury had a close resemblance to modern friendly societies, as there was not only help when somebody was unable to work, but a pension for the infirm, and they also supplied dowries to the poor girls of the fraternity, an important consideration at that time. [\[xviii\]](#)

As such groups they enabled the ordinary workmen to receive payment in case of sickness or old age, something swept away with the guilds and not re-appearing until Lloyd George's Pension Act of 1908! Indeed, the earliest known example of a pension scheme comes from the Guild of St James Garlickhythe in 1375:

'If any of the forsaied brotherhood falls into such mischief that he hath nought for old age or be able to help himself, and have dwelled as the brotherhood for 8 years and have done thereto all duties within the time, every week after he shall have of this common box 13 pence for the term of his life or he be recovered of his mischief.'

### **Modern Lessons from the Guilds**

I believe the guild model may be of use in the modern world. Firstly in the economic sphere, where in developed countries small business are the main engines of job creation. The guilds provide one answer to the problem of how small independent businesses may efficiently use the complex equipment and access scarce capital they need, as well how they can market themselves in an increasingly suspicious world. (*Mutual guarantee schemes* for small businesses exist and have been very successful in Italy.) Note however that the aim is not the classic trade union one of combining together to extort higher wages. Rather it is to enable the self-employed to guarantee quality, to efficiently use finance and equipment, and lastly as a self-help mechanism. Finally, mutual guarantee schemes also enable small businesses to access economically and share capital, something that is increasingly scarce in our credit-crash world.

I think that mutual self-help groups can also provide an answer to another problems: the increasing failure, both morally and financially, of the welfare systems set up in the US and Europe after the War. In the context of a rapidly ageing population, unfunded State pensions schemes may be described as financial pyramids, something quite illegal in the private sector. At the same time, company final-salary pension schemes, which guaranteed workers a secure retirement, are increasingly being closed. There is a wealth of evidence that less and less of the funds spent on welfare actually goes to the deserving poor, and more and more is used up in an ever-increasing bureaucracy. The complexity of much welfare law tends to discourage the honest applicant to the benefit of the professional scrounger. Finally, as the MP Frank Field has bravely stated, the system encourages moral hazard – with a rising proportion of the population happy to rely solely on the State.

There is much furious thought going on about how to reform welfare and pensions. Self-help groups, in contrast, offer the advantages of economies of scale with the detailed knowledge which deters moral hazard. Most of today's insurance companies and building societies started life in the nineteenth century as *friendly societies*, groups of poor men who joined together to buy a house or insure their lives at a much better rate than the companies of the day offered them. When you see '*permanent*' on the side of a building society, it is a reflection of those days. Many building societies were 'temporary' i.e. when the last of its original members had bought his house, the society was wound up.

It seems to me that modern technology allows people to form *self-help* groups and buy their pension or healthcare insurance in bulk, bypassing the insurance companies and their like. A self-help group will work best if its members have an interest or some area of activity in common, so that they feel ties of loyalty to each other and have a forum where they can meet. This is called the essential 'common bond' of credit unions. A '*guild*' of workers such as writers or computer consultants has members with similar needs, and is a perfect vehicle for a self-help group. The common bond of faith is of course normally the best that there is.

One of the fastest growing areas in finance is so-called '*microfinance*', where seed capital is introduced into poor communities, and which has been highly commended by the World Bank for its role in reducing poverty and helping growth. The lenders get good rates of return, while the borrowers pay far less than they would to money-lenders. The system only works because a '*common bond*' among the local community prevents significant defaults, and in fact it is really a credit union by another name. Credit unions never really took off in the UK, partly because of the relative insignificance of the Catholic Church in the UK in the 19<sup>th</sup> century. Yet in many parts of the world the Catholic Church played a major role in alleviating poverty with priests and laymen devoting their time and expertise to setting up credit unions; this was true in much of Europe and Ireland, and it was true for example in Canada and Australia.

We should also not forget that many hospitals and educational centres around the world are run by the Church, and the example of the guilds shows us an old model of how this can work in the future. To take but one example, the Antigonish Movement was set up in the 1920s in Canada's Eastern coastal provinces by a group of priests. It blended adult education, co-operatives, microfinance and rural community development to help small, resource-based communities. The well-known Mondragon co-operative and bank in Northern Spain is another good example of Catholic Social Teaching in practice. The key point is this help is *local*, and it is centred around giving *time and expertise*, rather than simply handing out welfare cheques. The example of microfinance proves beyond doubt that it works in getting very poor people out of poverty.

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[i] See B. Ward-Perkins, *The Fall of Rome and the End of Civilization*, Oxford University Press,

2005. Also G.A.H. Hodgett, *A Social and Economic History of Medieval Europe*, Methuen, London 1972.

[ii] G. Renard, *Guilds in the Middle Ages*, G.Bell, London 1919.

[iii] C.H. Dawson *Religion and the Rise of Western Culture*, Sheed & Ward, London, 1950.

[iv] E. Troeltsch, *The Social Teachings of the Christian Churches* (1912).

[v] Hodgett, *op cit*.

[vi] Quoted in C.H. Dawson, *Medieval Religion*, Sheed & Ward, London, 1935.

[vii] JF Thomson, *The Transformation of Medieval England 1370-1529*, Longman, London 1983.

[viii] E. Duffy, *The Stripping of the Altars*, Yale University Press 1994.

[ix] Renard, *op cit*.

[x] D.C Coleman, *The Economy of England 1450-1750*, Oxford University Press, London and Oxford, 1977.

[xi] *Religion and the Rise of Western Culture*, *op cit*.

[xii] R.H. Tawney, *Religion and the Rise of Capitalism*, John Murray, London 1964.

[xiii] G.K Chesterton, *Chaucer*, Faber & Faber, London 1932.

[xiv] Renard, *op cit*.

[xv] Renard, *op cit*.

[xvi] JJ Scarisbrick, *The Reformation and the English People*, Wiley Blackwell; 2<sup>nd</sup> edition, London 1985.

[xvii] Thomson, *op cit*.

[xviii] Renard, *op cit*.