

Business in the Middle Ages: What Was the Role of Guilds?



Courtesy Wikimedia Commons

A medieval baker with his apprentice (scanned from *The Medieval Cookbook* by Maggie Black).

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Guilds are defined as associations of craftsmen and merchants formed to promote the economic interests of their members as well as to provide protection and mutual aid. As both business and social organizations, guilds were prolific throughout Europe between the eleventh and sixteenth centuries. A significant part of the skilled labor force in medieval cities was structured around the organization of guilds, which provided economic, educational, social and religious functions.¹ The study of guilds provides opportunities for teaching several key economic concepts in a historical context, including specialization, division of labor, productivity, human capital (skills or education), monopoly power, economic systems, and labor unions.

The Organization of Guilds

Although the organization and functions of guilds varied greatly across areas and across time, certain generalizations are possible. Guilds in medieval Europe could be classified into two types: craft

guilds and merchant guilds. Craft guilds were made up of craftsmen and artisans in the same occupation, such as hatters, carpenters, bakers, blacksmiths, weavers and masons. Many craft guilds came about because the growing population

in cities and towns led to increases in specialization and division of labor.²

Merchant guilds included most or all of the merchants in a town or city and were involved in regional and long-distance trade. Merchant guilds were also influential in local governments, and many leaders of merchant guilds were wealthy and influential citizens. The functions of craft guilds and merchant guilds sometimes overlapped when merchant guilds opened shops or craft guilds engaged in trade. Guilds existed in rural areas also, and these were often established largely for social and religious purposes.

Guilds were organized so that workers would learn skills from others connected with the guild. Members traditionally advanced through the stages of apprentice, journeyman, and finally master. An apprentice was a young person, most often male, who learned a trade by working for a guild master. Apprenticeships often began at age 12, and commonly lasted from two to seven years. Apprentices frequently lived at their master's house and were given room and board, but earned no money.

After finishing an apprenticeship, the worker could become a journeyman. Journeymen were often paid wages by the day while working in the trade, and so are comparable to day laborers today. A master, or master craftsman, was a full guild

member who could start his own business. To become a master, journeymen frequently had to produce a "masterpiece" to demonstrate their skill in their trade. If the masterpiece was accepted by guild members, they could vote to accept the journeyman as a master. It was an honor to be a master, and some were chosen to be inspectors or wardens to ensure that other guild members' products were of a high standard.

The Functions of Guilds

Guilds served a wide variety of economic, social, and religious functions. An overview of these functions is provided in Table 1. Guilds helped to advance and expand the economies of the era by providing education and training for appren-

tics and by helping journeymen improve their skills. The specialization within a trade provided by the guild structure, along with the training and skills, led to increased productivity, increased wages, and higher standards of living. Guilds became a major source of employment for workers in cities, and guild membership was widespread.

Guilds functioned as local monopolies. In classic monopolistic style, they sought to raise wages through increased profits by limiting the quantity of goods and services produced and by controlling prices. Guild membership was limited so as not to flood markets with products and cause prices to fall. In hard economic times when demand was low, fewer journeymen would become masters and fewer

Table 1. Functions of Guilds

Provided training for workers
Provided employment
Restricted competition through monopoly power
Regulated prices of goods
Set standards for the quality of goods
Influenced local governments
Provided for families of guild members
Encouraged religious living

Figure 1. Year 1347 A.D.: The Rules of the Hatters of London *

These rules are accepted by Thomas Leggy, Mayor of London at the request of the Hatters of London.

1. In the first place, six of the most lawful men of the hatters trade shall be assigned to be Wardens. They will rule and watch the trade, in the same way that Wardens rule and watch other trades.
2. Also, that no one shall make or sell any manner of hats within the city if he is not free and from the same city. If anyone is caught violating this rule he must give up the hats that he made or offered for sale.
3. Also, that no one shall be made apprentice in the hatters trade for a term of less than seven years. Anyone who receives an apprentice in any other manner shall lose his freedom until he buys it back again.
4. Also, that no one in the hatters trade shall take any apprentice, if he is not himself a freeman of London.
5. Also, that the Wardens of the hatters trade shall search all the hats that are for sale in the area, as often as need be. And the Wardens shall have the power to take any hats that they find defective and bring them before the Mayor of London, so that those causing the defects found may be punished.
6. Also, some workmen in the trade have made hats that are not high quality, and this deceives the common people and brings great scandal, shame and loss to the good folks of the hatters trade. Therefore no workman in the trade shall do any work by night, but only in clear daylight, when the Wardens may openly inspect their work. Anyone who does otherwise shall pay a fine to the Chamber of Guildhall for the first and second offense, and the third time he shall lose his freedom.

* Adapted from "The Articles of the Heaumers and of the Hatters" from *A Source Book of London History from the Earliest Times to 1800*, edited by P. Meadows, London: B. Bell and Sons, Ltd, 1914; pp. 44-45. Available at www.archive.org/stream/sourcebookoflond00mead#page/n5/mode/2up

apprentices would become journeymen. When times were better and demand for goods and services was higher, promotions within guilds were more common. Guilds also controlled the quality of goods produced, realizing that it was in their self-interest as well as that of consumers to produce high quality products. Guilds relied on cooperation among their members to achieve their common goals, and low quality products were not tolerated because all guild members would suffer.³

Guilds often had a great deal of influence over local governments. Guild leaders, especially those of powerful merchant guilds, frequently also served as local government officials. This situation enabled guilds to have legislation passed in their favor. Guilds also helped member families in need, and performed functions such as paying for burials and dowries for poorer families. When the Black Death caused the population of

Europe to plummet during the fourteenth century, guilds became extended families for plague survivors. Guilds also served important religious functions for their members. They worked to achieve eternal salvation for members by encouraging prayer for living and dead members, church attendance, and pious behavior.

Insights about Guilds from Original Documents

Although written records about guilds from before the twelfth century are rare, many documents survive from the fourteenth and fifteenth centuries and later. A somewhat simplified version of a source document from the Hatters' Guild of London from 1347 is shown in Figure 1 (on p. 65). This document and others like it help to paint a picture of the role of guilds in the Middle Ages and the economic system that they helped to determine. According to this short document, the mayor of London

had the power to approve the guild's rules, and he appears to have been in charge of punishing those who produced defective hats. The most "lawful" men in the trade could become wardens, who examined the quality of hats and brought the defective ones before the mayor. An apprenticeship with the Hatters' Guild lasted seven years. The workmen who did not make high-quality hats brought "great scandal, shame and loss" to others in the guild. Therefore, hats could only be made in daylight, when wardens could inspect the work.⁴ Defective hats had to be forfeited. Evidence is provided that everyone was not free in London in 1347, and that freedom could be lost for violating the rules of the guild.

The Decline of Guilds and After

The decline of guilds after the sixteenth century took place for both economic and religious reasons. Industrialization and the existence of new markets greatly

TEACHING ABOUT GUILDS: A QUICK LESSON

Begin the lesson by explaining that a guild is a business group formed by workers in the same occupation to promote their interests. Explain that guilds were common in medieval Europe between the eleventh and sixteenth centuries. Carpenters, weavers, painters, goldsmiths, hat makers, and many other types of workers formed guilds. Have the students read the passage "Year 1347 A.D.: The Rules of the Hatters of London" featured on page 65.

Ask the students the following questions:

1. *Who were the wardens?* (They were six of the most lawful men of the hatter trade.)
2. *What did the wardens do?* (They watched over the trade of hats, including examining for defective hats.)
3. *How did the hatters' guild act like a monopoly?* (The wardens oversaw the trade of hats and had considerable powers, including the confiscation of hats. These powers allowed the guild to control the trade in hats.)
4. *What are some of the advantages to buyers of hats of having a strong guild in the market?* (The guild regulated the quality of the hats and ensured that hatters were well trained.)
5. *What might be some disadvantages to buyers of having a strong guild in the market?* (The prices charged by the guild were most likely higher than if more competition in the market had been allowed.)
6. *Besides being able to inspect for defective hats, why do you imagine that the guild prohibited the production of hats at night?* (Students might have many ideas, but one motivation might be to keep illegal hats from being made in the middle of the night.)

Conclude the lesson by noting that guilds played an important role in regulating trade in the medieval economy.

More ideas about teaching about guilds can be found in *Focus: Middle School World History*, which is published by the Council for Economic Education. The information in this article is based on Lesson 16, "Business in the Middle Ages: Working in a Guild."

weakened the control of craft guilds. As societies moved from feudalism to emerging forms of capitalism, the monopolistic practices of guilds and the hereditary structure of many apprenticeships became outmoded. With industrialization, the structure and control of guilds were difficult to maintain. In addition, the Reformation resulted in the suppression of guilds in Protestant nations because of their religious functions.

Despite their overall demise, many characteristics of medieval European guilds persist today. Some labor unions use the apprentice/journeyman/master progression of skills and status. Labor unions today perform many of the same functions that guilds did in the past, and like guilds, seek to engage members in mutual cooperation to better the interests of the members. The study of medieval guilds in Europe provides a lens to the lives and economic system in medieval Europe, with remnants of the system still evident today.

olists by attempting to push prices higher by restricting their output. Guilds created barriers to entry by not allowing non-guild members to work in the occupation. While some rules, such as the requirement that work be done during the day, may have helped improve the quality of the product, the rule also probably made it easier to ensure no nonguild members were working in the night.

Finally, throughout history, societies have created many institutions (Standard 10) to help organize their economic systems (Standard 3). Guilds are just one example of an economic institution; other examples include markets themselves as well as the development of a banking system. Because every society throughout history has developed its own economic institutions and systems, societies throughout time can be compared by how each dealt with the fundamental problem of scarcity. 🌐

Notes

1. Steven A. Epstein, *Wage Labor and Guilds in Medieval Europe* (Chapel Hill, N.C.: University of North Carolina Press, 1991).
2. Gary Richardson, "Medieval Guilds," in *Encyclopedia of Economic and Business History* (2010), <http://eh.net/encyclopedia/article/richardson.guilds>
3. Council for Economic Education, *Focus: Middle School World History* (New York: Council for Economic Education, 2011), 252.
4. "The Articles of the Heaumers and of the Hatters," from *A Source Book of London History from the Earliest Times to 1800*, ed. P. Meadows (London: B. Bell and Sons, Ltd., 1914), 44-45, <http://archive.org/stream/sourcebookoflond00mead#page/n5/mode/2up>
5. Council for Economic Education, *Voluntary National Content Standards in Economics* (New York: Council for Economic Education, 2d edition 2010).

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Teaching the Economics behind Guilds

A large number of economic concepts are easily introduced when teaching about guilds. Specialization and division of labor (Standard 6 in the *Voluntary National Content Standards in Economics*⁵) are easily demonstrated since workers specialized in a particular occupation, and within the occupation, workers divided the tasks to produce a good among themselves. Specialization and division of labor lead to an increase in the productivity of the workers.

Worker productivity was also increased by the creation of human capital (Standard 15). Apprentices increased their human capital through the education that their master provided and through the years of practice the apprentices would go through in their quest to become masters. Human capital is an important ingredient that leads to economic growth in an economy.

Of course, the monopolistic nature of guilds allows the discussion of monopoly (Standard 3). The guilds acted as monop-

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