

Spencer has a metaphysical reason for preferring the largest possible scope of personal choice. He believes that the laws of evolutionary progress will spontaneously produce appropriate political and economic mechanisms. Societies efficiently adapt to changing circumstances without outside interference. If governments resist from meddling with the deeper metaphysical forces at work, economic and political progress will naturally happen through uncoerced individual initiative. (Think of Adam Smith's "invisible hand.") Any attempt to force the issue fails, for government oversight is inevitably misguided, clumsy, subject to great abuse, and counterproductive.

Seen from Spencer's perspective, evolution has a moral dimension. "Survival of the fittest" (a phrase he coined) rewards the industrious and punishes the lazy. This is in accordance with the strictest requirements of justice. Brought up among Dissenting or Nonconforming Protestants (who had left the Church of England), Spencer exhibits a Protestant appreciation for the dignity and value of work. He emphasizes the importance of individual responsibility, identifying "a law of conduct and consequence" such that "each individual shall receive the benefits and evils of its own consequent conduct" (70). Legislative attempts to interfere in the unregulated consequences of personal economic choices are then morally pernicious. To help the undeserving poor is to reward the bad (that is why they are poor) and to punish the good (through taxation). Although Spencer does not overlook the ethical importance of charity, he believes that effective charity must be exercised (like effective business dealing) through individual initiative. In criticizing the British Poor Law System, he insists that the hardship that naturally follows poor decision-making is a necessary corrective to bad behavior. Feeding the undeserving poor "not only takes away the punishment, but also destroys the most powerful incentive to reformation" (39).

Mingardi does an admirable job canvassing Spencer's scattered and sometimes insightful opinions, but Spencer's political views ultimately rest on an old-fashioned metaphysics that has lost its earlier appeal.

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Institutions and European Trade: Merchant Guilds, 1000–1800

Sheilagh Ogilvie

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Sheilagh Ogilvie offers an erudite critique of the medieval and early modern merchant guilds, so often defended in academic debates. She eyes in particular the allegation that merchant guilds were key to European economic modernization, improving commercial security and contract enforcement, acting as clearing houses for information, and solving the problems of long-distance commerce in an era before modern communications.

She denies each claim made by the merchant guilds' modern defenders. Far from being instruments for increasing economic rationality, the merchant guilds were, as she shows, rent-seeking and extortionary monopolists who sought the good of their own members at the expense of their societies and even of other guilds. Modern economic growth, she says, occurred in spite of the merchant guilds and not because of them.

Although *collegia*, fraternities, and other institutions similar to merchant guilds had existed in the classical period, in their customary form they emerged during the Commercial Revolution typically dated to about 1050. Because merchants traded the goods produced by others, the merchant guilds were guilds operating on a higher order than the craft guilds, whose membership were directly involved in the production of goods. In fact, the merchant guilds often sought to prohibit the craft guilds from trading and merchant activities. They asserted and secured legal rights to the trade of certain goods in certain areas, to the exclusion of others, and particularly to the exclusion of craftsmen. Her argument is convincing and deeply impressive on economic grounds, but she wades into the waters of moral evaluation where the currents are quick indeed. The question of value emerges within the debate on the facts.

The heart of Ogilvie's case lies in responding to those who have defended the merchant guilds on the terms provided by modern economic rationality. Merchant guilds and their modern analogues are, in their view, key elements of a functioning, modern economy, and they may be credited with helping its rise. The opening section of Ogilvie's work answers this claim by showing that the merchant guilds fulfill every characteristic that "economic theory predicts of monopolists." She responds to praise on modern terms with blame on modern terms. The merchant guilds sought legal protection, excluded outsiders, restricted supply, set prices, attacked competition, and defended their claims just as monopolists would be expected to do. They were in turn condemned by "ordinary consumers, small-scale traders, commodity producers, local officials, outside merchants and parliamentarians." Alas, we hear from these contemporaries only in passing.

Both Ogilvie and those she critiques judge the merchant guilds by a standard that was not present at the time the guilds were founded—a standard crafted to oppose the world of which the guilds were a part. She and her critics share a view that separates them from their object of study. Regardless of whether the merchant guilds augmented or hindered economic development, it is by the standard of economic development, they think, that the guilds must live or die. Adopting such a standard is a perfectly permissible thing to do if that standard is an absolute one, but it has the following consequences for scholarship.

Ogilvie rightly notes that the merchant guilds fostered a particular system for enforcing contracts that supplanted old systems rather than, as some might argue, filling a sheer gap. Contract enforcement, for example, had long been made possible by "families, personal networks, ... guarantorships, written records, arbitration panels, state law-courts, ecclesiastical tribunals and municipal jurisdictions." Evaluating the merchant guilds against these earlier standards might have proved more fruitful. The merchant guilds, after all, were unaware of the standards of modern economics or monopoly theory, but they knew

the world of which they were a part, and set out to make conscious modifications of it. Instead, when contemporary complaints appear in Ogilvie's account, they chiefly buttress her own objections. Her argument depends on political judgments about the importance of markets free of political influences—a test that every institution of the premodern world will fail. Whether such a critique can cut deeply is evident in the following difficulty. The human characters mentioned in Ogilvie's book appear only in passing, with little story to tell. Her chief concern is the generalized analysis of merchant guilds on the basis of modern theories of rational action. Knowing all that we know, it is hard to evaluate the human beings involved.

The difficulties emerge right where Ogilvie thinks her case is closed: in the question of political support for the establishment of merchant guilds. She understands associations to be formed on the basis of economic self-interest. What the guilds do to corrupt that sensible goal is to enlist political enforcement of their monopolies. The guilds deserve criticism in proportion to these practices, for they reveal the guilds' fulfillment of monopoly practice: "The existence of these legal rights is in itself indirect evidence that alien [foreign] merchant guilds were monopolists." The direct account of a particular merchant guild might tell a different story, but such accounts are rare.

The question of political support for the merchant guilds puts an important qualification on some of the judgments implicit in Ogilvie's works. She notes that merchants were attracted to the merchant guilds because political rulers generally required traders to hold official permits. Only holders of privileges were permitted to trade, and holding an exclusive privilege meant greater rewards for the guild members. On the other hand, rulers favored guilds of merchants; they were easily identifiable, had stable, long-term structures outlasting the lives of the rulers themselves, and provided other sorts of benefits to the rulers. On all sides, a political arrangement was the natural solution.

Political or religious endorsement was the *sine qua non* of all premodern institutions, so it is no surprise that merchants would seek political sanction for their activities both on their own and in common. Ogilvie would have to blame the whole of premodern political structures in this case—not only the merchant guilds but the craft guilds, not only economic monopolists but monopolists of every kind. To know whether they were blameworthy, we would have to look at all of their deeds, beyond those that fulfill the characteristics of modern monopoly theory.

Ogilvie's nod to the universal importance of political privilege in the medieval and early modern eras shows that the larger political question is the one of fundamental importance: Should a person's way of life be sanctioned by politics, or should it be separate from politics and minimally obstructed by it? Merchant guilds may have exhibited every monopolistic behavior that "economic theory predicts," but economic theory cannot predict all their behavior. Ogilvie has conclusively shown that the merchant guilds were not agents contributing to the progress of economic development. The reason, though, is that no element of premodern society could possibly have had such a goal. Now that Ogilvie has settled the debate from the standpoint of economic history, serious inquirers

can approach the political question suggested in her work with the benefit of the research she has so meticulously and clearly arranged.

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Adam Smith as Theologian

Paul Oslington (Editor)

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This book arose from the widespread desire to celebrate the 250th anniversary of the first publication of Smith's *Theory of Moral Sentiments*. As the editor reports, the conference devoted to the theme of the book was held at the Royal Society in Edinburgh in January 2009. This was one of many conferences held in that year to celebrate Adam Smith and the publication of his first book. Of course, had Smith died before publication of his second book, *An Inquiry into the Nature and Causes of the Wealth of Nations*, it is certain that celebrations for him would have been on a vastly diminished scale.

The book is part of the Routledge Studies in Religion (rather than the Routledge Studies in the History of Economics). The series thus far has an eclectic mix of themes and topics, with a considerable component of postmodern themes. The book under review appears to be the only one in the series devoted to the interface between economics and religion.

The editor, Paul Oslington, has a degree in theology and a PhD in economics. Oslington is currently a professor at the Australian Catholic University, where he holds a joint appointment in economics and theology. He is an established contributor to economics and religion.

Adam Smith as Theologian consists of a preface, an introduction, and eleven chapters. As there are 145 pages written by these 13 contributions, each contribution is around 11 pages in length. The focus is on brevity. Hence, at some point one must wonder whether a book of this length is like a collection of poems (poetry is a highly compressed form of writing but enlightening, or at least entertaining) or like a pile of undergraduate essays (one rarely finds enlightenment from this genre of writing and the word limit makes the reading mercifully brief).

The suggestion in the title that Smith was a “theologian” is controversial, as A. M. C. Waterman points out in the preface (vii). The controversy is not just a matter of giving an anachronistic name to the same activity. There is much uncertainty about Smith's religious beliefs and there is evidence that, in order to preserve his treasured privacy, he deliberately promoted that ambiguity. Despite his friendship with David Hume, the famous agnostic, Smith usually did not publicize that fact. The same applies to a considerable degree to Smith's support for Hume's ideas. While Smith had many unfinished literary projects, he never mentions any desire to publish his lectures on natural religion. We know from John Millar, who attended Smith's lectures, the general character of these lectures wherein Smith “considered the proofs of the being and attributes of god; and those principles of