

# Wakefield, Edward Gibbon (1796–1862)

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## Article

Wakefield was born in London on 20 March 1796, the eldest son of Edward Wakefield, a radical Quaker philanthropist, statistician, and author of a standard work on Ireland which was highly regarded by Ricardo, James Mill and other members of the philosophic radical circle. His son was to become one of the more colourful characters to inhabit the margins of the history of economic debate, and can be variously described as a publicist, politician and author. Apart from his practical and frequently controversial contributions to the development of Australia, Canada and New Zealand, he left a distinctive mark in the annals of classical political economy during the middle third of the 19th century.

After a chequered education at Westminster School and Edinburgh High School, from which he was expelled in 1811, Wakefield first read for the Bar and later served as secretary to the British envoy to the Court of Turin (1814–20). In 1816 he successfully eloped with a 16-year-old Ward-in-Chancery who died in childbirth in 1820. From 1820 to 1825 he served with the British legation in Paris and entertained ambitions of entering Parliament. In 1826 he made an attempt to acquire a rich wife by the most direct means available: he abducted the daughter of a wealthy family from her school and married her at Gretna Green. He was apprehended by her family at Calais and subsequently given a three-year sentence, which he spent studying capital punishment and transportation, writing a powerful pamphlet condemning the former, and turning the latter into what was to become a lifetime's preoccupation with colonization. His first work on the subject, *A Letter from Sydney* (1829), purporting to be the reflections of a disillusioned settler on the poor prospects for Australian social and economic development, was actually written from Newgate prison. After his release Wakefield produced a spate of books, articles and prospectuses on the subject of colonization which led to the formation of the National Colonization Society in 1830 – a society which obtained the support of a number of Members of Parliament and of the youthful John Stuart Mill. Although most of his writings dealt with colonization in one form or another, his work on *England and America: A Comparison of the Social and Political State of Both Nations* (1833) is of wider interest for its diagnosis of the cause of the 'uneasiness of the middle classes' and for its economic interpretation of slavery. Wakefield also produced an edition of the *Wealth of Nations* (1835–9) which has some interesting editorial comments.

Wakefield's views on colonization were based on a dual analysis of Britain's need for an outlet for its surplus capital and population and a diagnosis of the causes of weak economic development in colonies of new settlement enjoying access to abundant land. His own schemes for 'systematic colonization' were intended as an almost self-regulating solution to both of these problems. Making use of ideas derived from the work of Robert Gourlay, Wakefield advanced a theory of growth in new countries which was designed to support a plan of optimal development. Contrary to the received view, he maintained that access to free or cheap land was responsible for population dispersion, scarcity of labour for hire, and consequent inability to reap the benefits of economies of scale through market concentration and the combined efforts of capital and labour. Under these circumstances the 'natural' pattern of development led to stagnation. Convict labour in Australia and slavery in the American South were both unsatisfactory expedients adopted to deal with a problem that could only be overcome by charging a 'sufficient price' for public or waste land which would deter premature dispersion, stabilize a revolving wage-labour force, and create a fund that could be used to subsidize immigration. The price was defined as one that was high enough to delay land acquisition by newly arrived immigrants without capital of their own, and low enough not to discourage voluntary immigration by reducing real wages and the return on capital.

Colonization on this plan required a new beginning in a colony that was not contaminated by convict labour; and for this purpose Wakefield initially chose South Australia, forming an association for this purpose in 1834. When his proposals were diluted in operation by the founders of the colony (among them another political economist, Robert Torrens), Wakefield turned his attention to New Zealand, serving as the Director of the New Zealand Colonization Company from 1839 to 1846. In 1838 he accompanied Lord Durham on his mission to Canada and wrote the appendix on land disposal to the resulting Durham report.

Wakefield's ideas are of interest for a number of reasons. He belongs to the non-Ricardian underworld by virtue of his attack on Say's Law, the wage-fund doctrine, and the associated idea that capital and labour could never be in surplus together – a mirror image of the problem in colonies where both were scarce. Yet his success in convincing John Stuart Mill and other economists of the correctness of his diagnosis of British and colonial problems gave new significance to the export of capital and labour to colonies and hence to the whole subject of colonization and the development of new countries as a topic within orthodox political economy.

Wakefield also plays a part in the Marxian tradition, or rather its demonology, as a result of Marx's decision to devote a chapter of *Capital* (vol. 1, ch. 23) to showing how Wakefield, under colonial conditions of labour scarcity, had been forced to reveal the underlying logic of capitalist exploitation. What could be achieved quite naturally under European conditions had to be created artificially in new colonies, with the additional subtlety that having served a term of exploitation, the wage-labourer had to pay for his replacement. One could also claim that Wakefield, less unwittingly, anticipated Hobson and Lenin in providing an economic interpretation of imperialism as a necessary response to stagnation in mature capitalist economies.

In 1853 Wakefield finally practised what he had been preaching by emigrating to New Zealand, where he died in 1862.

## **Selected works**

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