

A man with integrity

Anoma Srisukkasem writes about an academic who made an enduring contribution to the country as both an economist and an educator

Puey Ungphakorn was born on March 9, 1916, to a poor Chinese family in Thailand, a humble beginning for a man who was to play a crucial role in forming the foundation of the country's modern capitalist system.

A technocrat economist and academic who paved the way for Thai education, Puey was also a key activist for democracy and demanded fairness in society.

His ideas significantly influenced modern intellectuals, helping to bring about democracy.

Puey was among the first generation of economists to graduate from a Western country that had liberalised trade policies.

Armed with a doctorate from the London School of Economics, Puey began his career in the Comptroller General's Department of the Finance Ministry, rising to become one of the key economists in the Thailand.

He took responsibility for key issues including the foreign-exchange regime, improving trade policies and overseeing fiscal and monetary policy.

His positions included director-general of the Fiscal Policy Office, adviser to the Finance Ministry, director-general of the Budget Bureau, governor of the Bank of Thailand (BOT), and executive director of the National Economic and Social Development Board (NESDB).

Puey's determination not to allow politics to influence the

BOT's decisions played a crucial role in establishing a high standard of integrity at the bank.

He later resigned to show his intention not to allow political intervention to tarnish his integrity.

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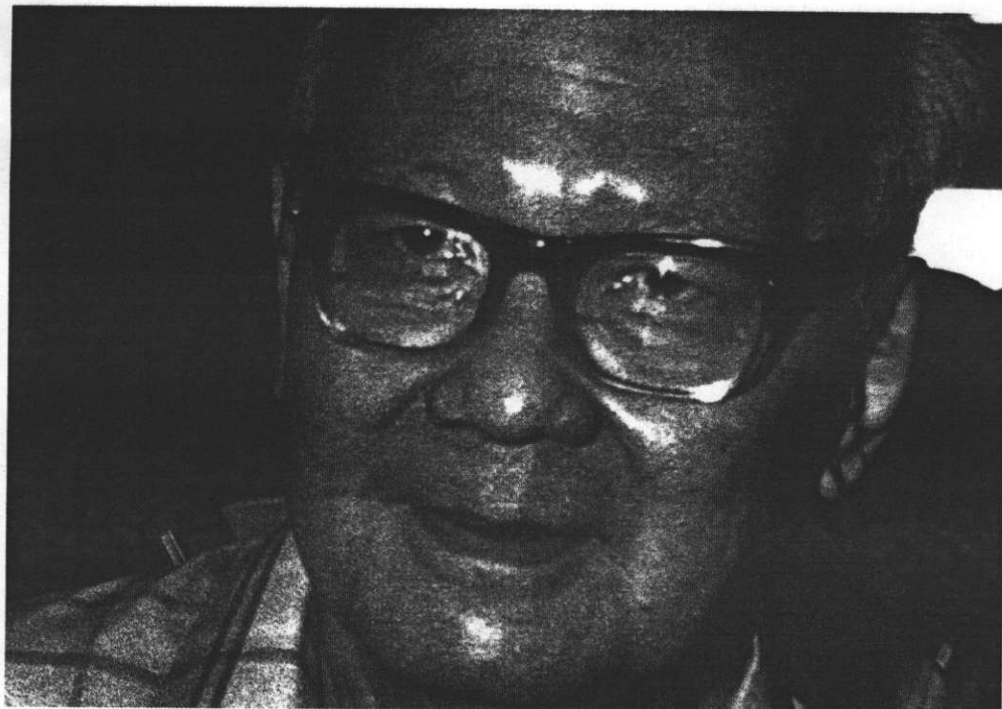
Puey played a key role in reforming the country's bureaucracy as well as centralising planning, which led to the establishment of the NESDB with the first NESDB plan. He also initiated control measures to limit foreign debt levels.

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The Nation. 35 most influential Thais over the past 35 years.

*/Tulsathit Taptim Bangkok: The nation, 2006, p 54 & 56.
Subj: Celebrities -- Thailand*



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Puey also developed his famous "Three Cylinder Balloon" theory, a three-pronged approach to boosting or slowing the economy, which has since been taught widely in economics classes.

The easily explained theory introduces three channels – government spending or fiscal policy, exports and imports or external financing, and bank lending or domestic financing – that can inflate or reduce economic growth.

With acceptable capability but a modest style, Puey was able to work under authoritarian governments.

However, his honesty and integrity, which led him to consistently reject any wrongdoing under the authoritarian regime, meant he was sacked from various positions and later lived in exile overseas due to political differences.

In 1953, when Field Marshal Plaek Pibulsongkram was Thailand's prime minister, Puey was deputy governor of the BOT. He refused an order from the

government to cancel a penalty on commercial banks that breached the central bank's regulations. He was later fired from the BOT.

When he was at the central bank he rejected a request from Pol General Phao Sriyanon, then deputy finance minister and head of the Royal Thai Police, to hire a US banknotes, saying their products were low quality and easy to duplicate. This significantly upset Phao, who was then a powerful politician.

In 1964, as the governor of the BOT, Puey delivered a speech in the form of a poem at a Thai Bankers Association party, in which he indirectly criticised military strongman Field Marshal Thanom Kittikhachorn for being a director at commercial banks.

As a result, Thanom, who respected Puey, resigned from his position as director at two banks.

When Field Marshal Sarit Thanarat was Thailand's prime minister, Puey held several key positions overseeing economic policy management, including director-

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general of the Budget Bureau as well as governor of the BOT.

As he believed one should not simultaneously hold positions in monetary policy as well as fiscal policy, he later resigned from the Budget Bureau.

During his tenure as central bank governor, he was invited by Thammasat University to become dean of its Faculty of Economics. Believing in the importance of educational development, Puey attempted to resign as BOT governor to take up the unquestionably less-powerful position at Thammasat.

Thanom rejected his request. However Puey did manage to resign in 1971.

In the final period of his career in the bureaucracy, Puey realised that problems of economic growth led to imbalance and unfair income distribution, particularly among farmers and low-income workers.

Believing education to be the solution to increasing economic growth and supporting manpower development, Puey sup-

ported improvements to education.

He focused his efforts in particular on secondary and other schools in the provinces in an attempt to provide education to poor students who otherwise would have had little opportunity.

In 1965, Puey was granted the Magsaysay Award for public service.

Later, as dean of the Faculty of Economics at Thammasat University, Puey gave full support to building a new generation of lecturers as well as improving the quality of courses, and he sought support from international organisations that sent foreign lecturers to work at the faculty.

In addition, Puey also had a key role in supporting rural-development projects and encouraging graduate students to work in the provinces for one year.

He was later forced to leave the country due to political pressure in the aftermath of the Oct 6, 1976 political turbulence. However, his writings as well as ideas remained influential among intellectuals, even though he was living in the UK.

Puey was forced to end his role in the academic sphere in 1978 when he suffered a stroke and was paralysed on the right side of his body, which also rendered him unable to talk.

He was to visit Thailand again, but in silence, in April 1987.

His book "The Quality of Life of a Southeast Asian: A Chronicle of Hope from Womb to Tomb" records his ideas on how to develop Thailand's economy and create a better quality of life and education for Thai people. His philosophy is based on the concept of self-sufficiency without taking opportunities from others and he believed democracy would create a fairer society.

Puey passed away on July 28, 1999. His diligence, honesty and his ethical standards, not to mention his theories on economics and education, remain a lasting legacy for his country and have made him a role model for future generations. ■