

Agenda:

"Defense Versus Development: Understanding the Sectoral Impacts of India's Budget Allocations." Freeze Date: 24th July, 2024 BACKGROUND GUIDE

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# Letter from the EB

Dear Delegates,

It gives us immense pleasure to welcome you all to the All India Political Party Meet (AIPPM) of TFS MUN 2025. As members of the Executive Board, we are honoured to oversee what promises to be a platform for engaging in debates and exchanging innovative ideas.

As a delegate of AIPPM, you will be a representative of the people of India. You will be framing, amending, and deliberating upon laws that will affect the lives of 1.4 billion People. We encourage you to dive into the committee sessions, participate actively, and engage in healthy debates.

For this year's agenda, "Discussing the consequences of India's recent budgetary allocations, with a focus on the defence sector's prioritization and its effects on socio-economic sectors," we expect you to delve deep into your assigned roles, thoroughly research your stance, and prepare to present your arguments with confidence, conviction and clarity.

As your EB, we are here to guide you, to ensure that the debate remains structured, and to create an environment where every voice is heard. We urge you to approach this committee with an open mind, a collaborative spirit, and a commitment to excellence.

Warm Regards Sonakshi Jain, chairperson (9880329040) Adhavan Mohankumar, chairperson (7676729039)

## About the Committee

The All India Political Party Meet (AIPPM) is an important forum where different political groups in India come together to agree on key national topics before the start of parliamentary sessions. These meetings help various political parties discuss and collaborate on significant issues affecting the country.

In a Model United Nations (MUN), the AIPPM committee aims to create a similar experience. Delegates in the AIPPM represent well-known figures from various Indian political parties. Each delegate presents their stance and ideas as they work through the steps of policymaking and understanding the rules that govern these processes. This allows participants to engage in meaningful discussions, propose solutions, and learn how to collaborate in a country with diverse perspectives.

By participating in these meetings, delegates gain a deeper understanding of how Indian politics works. This experience helps them develop essential skills such as critical thinking and negotiation. It also fosters an appreciation for the importance of collaboration in a democracy like India, where many voices and ideas must be heard.

# **Rules and Procedures of the Committee**

#### 1. Seating of the Parliamentary Members:

The layout of the Chamber of the Committee should resemble as far as possible the layout of the Chamber of Lok Sabha:

- RULING PARTY TO SIT ON THE RIGHT SIDE OF THE SPEAKER
- Opposition and other alliance to sit on the left side of the Speaker

#### 2. Language:

- The use of only English shall be permissible in committee
- However, members may use any Indian official language for slogans along with a translation of the same for other delegates
- Documentation is permitted in English only

#### **3. Overview of the Procedure:**

The following procedure shall take the course during the Committee session:

- Roll Call
- General Speaker's List (GSL)
- Moderated and Unmoderated Caucuses
- Crisis Updates
- Drafting Resolutions
- Voting
- Closing Statements

**4. Roll Call:** The session begins with the Executive Board (EB) conducting a roll call to mark the attendance of participants. Delegates respond with "Present" or "Present and Voting."

#### 5. General Speaker's List (GSL):

#### a. Establishing the List

- The GSL is opened by the Executive Board (EB) at the start of substantive debate
- Delegates raise their placards to be added to the list.
- The EB notes the order in which delegates will speak

#### b. Speaking Time

- The EB sets a time limit for each speaker (e.g., 1-2 minutes)
- Delegates must strictly adhere to the time limit.

#### c. Speeches

• In the GSL, delegates present their stance, arguments and perspectives on the agenda, reflecting the views of the leader/party they represent

#### d. Yielding Time

If a delegate finishes their speech before the allotted time, they can:

- Yield to the EB: The remaining time is forfeited
- Yield to Another Delegate (must be approved by the EB)
- Yield to Questions

#### 6. Motions:

Formal requests made by delegates to propose specific actions, changes in procedure, or discussion formats. These motions are approved through voting in the committee. The motion is passed once a majority accepts it.



#### 7. Moderated Caucus:

A Moderated Caucus (MC) is a discussion within AIPPM sessions that allows delegates to focus on specific topics of the agenda. It is less formal than the General Speakers' List (GSL) but still moderated by the Executive Board (EB).

#### a. Motion for a Moderated Caucus

- Any delegate must propose a motion to initiate a Moderated Caucus.
- The motion must specify:
  - 1. The topic to be discussed.
  - 2. The total duration of the MC
  - 3. The speaking time for each delegate

#### b. Voting on the Motion

- The motion is put to a vote
- If a majority of the house supports the motion, the Moderated Caucus begins

#### c. Conducting the MC

- The EB moderates the discussion, calling on delegates to speak in turn
- Delegates raise their placards to indicate they wish to speak
- Each delegate speaks for the allotted time on the specified subtopic
- A motion can be passed to extend the duration of a moderated caucus too

#### 8. Unmoderated Caucus:

It is a delegate led discussion which involves less formalities since delegates are permitted to move around freely and communicate with others. An unmoderated caucus involves informal discussion about any particular event in the committee session. It is introduced by passing a motion and ends when the specific duration of the caucus is over.

#### 9. Crisis Updates:

Crisis updates are unexpected hypothetical situations introduced by the EB to the committee, related to the agenda. The affected delegates must provide short speeches with their stance and solutions on the crisis. Other delegates may raise their placards to deliver their arguments, viewpoints and solutions on the crisis.

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#### **12. Drafting Resolutions:**

Towards the end of the committee session, delegates of each bloc draft their resolutions for the agenda. It is a formal document that outlines proposed solutions, recommendations, or actions to address the agenda under discussion.

- A group of delegates collaborates to draft the resolution
- The draft is submitted to the Executive Board for review
- The EB checks for adherence to format and rules of procedure
- The draft is then presented to the committee
- Delegates debate its content, proposing amendments if necessary
- After debate, the draft is put to a vote
- If it receives the required majority, it is adopted as the final resolution

#### **13. Format of Draft Resolution:**

#### Title

Preambulatory Clauses Operative Clauses [to be numbered sequentially] Sponsors and Signatories

#### 14. Points:

- Point of Personal Privilege: To address personal discomfort or difficulty (eg: you want to go to the restroom or outside the committee hall)
- Point of Order: To point out an error made by another delegate or the EB
- Point of Parliamentary Inquiry: To question any procedural rule
- Point of Information: To seek clarification or ask a factual question to the speaker (when allowed by the EB)
- Point of Relevance: To question the relevance of a statement made by the delegate.
- Right to Reply: The right of a delegate to refute when personally insulted by any other delegate
- After debate, the draft is put to a vote.
- If it receives the required majority, it is adopted as the final resolution.

## About the Agenda

#### <u>Agenda:</u>

"Defense Versus Development: Understanding the Sectoral Impacts of India's Budget Allocations."

Freeze Date: 24th July, 2024

#### Meaning of the Agenda:

- 1. DEFENCE SECTOR PRIORITIZATION: The Indian government has allocated the highest portion of the budget to the defense sector. This includes upgrading the technology and equipment of the army, navy, and air force.
- 2. Ripple effects: the major focus on defense leads to consequences in other sectors such as health and agriculture Since their allocations are considerably low even though they are under areas of improvement.
- 3. It focuses on examining the balance between India's spending on defense and its investments in developmental sectors like education, healthcare, infrastructure, and social welfare.
- 4. **Trade-offs**: How prioritizing defense spending, affects other crucial sectors, potentially limiting resources for socio-economic development.
- 5. Impacts: The short-term and long-term consequences of budgetary decisions on India's overall growth, security, and well-being of its citizens.
- 6. **Policy Challenges**: The difficulty of maintaining national security while ensuring sustainable development in a country with diverse needs and priorities.
- 7. This agenda encourages discussions on whether India's budget strikes the right balance between safeguarding the nation and addressing developmental goals.

## Introduction to the Agenda:

A country's budget is a plan that shows how the government will earn and spend money over a specific period, usually a year. The government collects money mainly through taxes, and the budget allocations decide how that money will be spent on various public services such as education, healthcare, infrastructure, defense, and social programs, or political sectors like defense or foreign affairs.

The budget helps ensure that the government manages its finances wisely by balancing income and expenses. If the government spends more money than it earns, it may need to borrow money, similar to how an individual might use a loan. The goal of a country's budget is to ensure that there are enough resources to meet the country's needs without causing financial problems.

The budget is divided into two components:

- **Revenues**: The income the government generateS, primarily from taxes (such as income tax, sales tax, etc.), as well as other sources like grants, loans, and income from government-owned enterprises.
- **Expenditures**: The spending by the government on various sectors such as education, healthcare, defense, infrastructure, social welfare programs, public sector salaries, and debt servicing.

A balanced budget occurs when a country's revenues equal its expenditures, while a budget deficit happens when expenditures exceed revenues, and a surplus occurs when revenues surpass expenditures.

Usually, in a budget deficit, the taxes increase, and when the budget is allocated to sectors which do not release larger revenues, budget deficit occurs often. like in this year's allocations.

The latest financial year (FY) of India, which announced a surplus budgEt, was 1951-52.

### Introduction

India, one of the fastest-growing economies in the world, faces a unique challenge: balancing its need for national security with the demand for socio-economic development. This debate has grown sharper with each Union Budget, as the difference between allocation of resources between defense and developmental sectors has significant increase, thus implying on the nation's progress. This agenda invites delegates to analyze how India's fiscal policies affect its ability to ensure security while addressing the aspirations and welfare of its people.

#### **Key Terminology**

- 1. **Defense Budget:** The portion of the national budget allocated for military and defense-related expenditures, including salaries, technological advancements, equipment procurement, research, and modernization.
- 2. **Developmental Budget:** Funding earmarked for sectors like education, healthcare, infrastructure, agriculture, and social welfare aimed at improving the quality of life and fostering economic growth.
- 3. **Trade-off:** The compromise between allocating resources to defense versus developmental priorities due to limited financial resources.
- 4. **GDP** Allocation: The percentage of a country's Gross Domestic Product (GDP) spent on various sectors, indicating economic priorities.
- 5. Sustainable Development Goals (SDGs): A set of global goals adopted by the United Nations to end poverty, protect the planet, and ensure prosperity for all.

#### Background

India's geographical location and security challenges necessitate substantial investment in defense. Border disputes, terrorism, and strategic regional interests compel India to maintain a strong military presence. However, the country also grapples with pressing developmental needs, including poverty alleviation, education access, healthcare infrastructure, and unemployment.

The 2024-25 Union Budget saw 13.18% of total government expenditure allocated to defense, with ₹5.94 lakh crore dedicated to military spending. Meanwhile, critical sectors like health and education received smaller shares of the budget. This imbalance has sparked debates over whether India's emphasis on defense compromises its ability to achieve equitable growth and development goals.

# **Key Issues to Consider**

#### 1. National Security Needs

- India's strategic challenges include tensions with neighboring countries like China and Pakistan, cross-border terrorism, and internal insurgencies.
- Modernizing the armed forces and securing critical defense technologies are essential for maintaining sovereignty and deterring threats.
- What are the consequences of underfunding defense in a volatile geopolitical environment?

#### **2. Developmental Priorities**

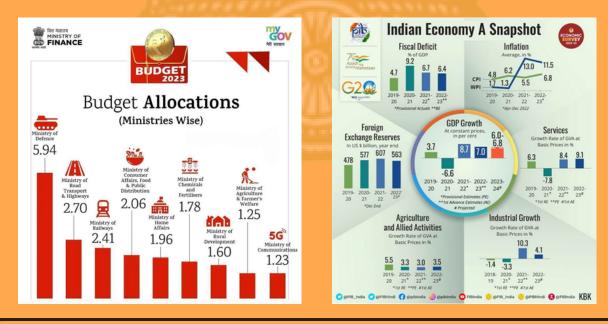
- Over 25% of India's population lives below the poverty line, highlighting the need for substantial investment in social welfare.
- Key sectors like education and healthcare are critical for fostering long-term growth and addressing inequality.
- How does underfunding developmental sectors affect India's progress toward the SDGs?

#### **3. Economic Trade-offs**

- India's budget is constrained by fiscal deficits, making it essential to prioritize between competing demands.
- Could innovative policies, such as Public-Private Partnerships (PPPs) or foreign collaborations, reduce the burden on either sector?

#### 4. Regional and Global Perspectives

- Comparisons with other nations' budgetary priorities can provide insight into India's strategic decisions.
- How do global economic trends and security alliances influence India's defense and development spending?



# **Points for Discussion**

- What should be the ideal proportion of GDP allocated to defense and development?
- How can India ensure adequate funding for defense without compromising developmental goals?
- What role can technology and innovation play in reducing costs for both defense and development?
- Are there lessons to be learned from other countries that have balanced defense and development effectively?
- How can India's private sector contribute to both defense and development?

#### **Stakeholders**

- 1. Government of India: Responsible for drafting and implementing the Union Budget.
- 2. Defense Sector: Military officials and defense contractors advocating for security needs.
- 3. **Developmental Agencies:** Public and private organizations working in health, education, and infrastructure.
- 4. Citizens: Affected by both security and socio-economic policies.
- 5. **International Community:** Observers and allies influencing or impacted by India's fiscal priorities.

#### **Bloc Positions**

- 1. **Pro-Defense Bloc:** Delegates arguing for higher defense spending, citing national security threats and strategic imperatives.
- 2. **Pro-Development Bloc:** Delegates advocating for increased developmental spending to address poverty, inequality, and social welfare.
- 3. **Moderates:** Delegates seeking a balanced approach that ensures both security and socio-economic progress.

# **Preparation for Delegates**

- **Research:** Study India's recent budgets, current socio-economic challenges, and defense needs.
- Analyze: Understand how other countries manage the balance between defense and development.
- **Propose:** Develop innovative solutions and policies to optimize budget allocations.
- **Debate:** Be ready to present arguments, counterarguments, and compromises during discussions.

#### Links for Research:

https://www.indiabudget.gov.in/ https://www.india.gov.in/spotlight/union-budget-2023-2024 https://www.indiabudget.gov.in/budget2022-23/index.php https://pib.gov.in/PressReleasePage.aspx?PRID=1794165 https://www.indiabudget.gov.in/doc/eb/sumsbe.pdf https://www.indiabudget.gov.in/doc/eb/allsbe.pdf https://www.indiabudget.gov.in/doc/eb/vol1.pdf https://www.indiabudget.gov.in/doc/Budget\_at\_Glance/budget\_at\_a\_glance.pdf

#### Conclusion

This agenda challenges delegates to think critically about the competing demands of defense and development. By engaging in meaningful discussions and proposing innovative solutions, participants will gain valuable insights into the complexities of policymaking in a diverse and dynamic democracy like India.

# We hope you enjoy your time in AIPPM!

Thank You?

