IISMUN'17

Lok Sabha

[Background Guide]

Will Demonetization Have A Catastrophic Impact On The GDP Of India In The Long Run

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Letter by the Executive Panel

Lok Sabha

Dear Delegates,

Welcome to the second edition of IIS MUN! It is an honour for us to be your executive panel.

Even though a lot of you are taking part in a MUN for the first time, we are sure that you will do great. MUNs are all about active participation, so be confident and who you truly are. You have already been given prior workshops but still if in case you have any queries, feel free to contact us.

Although there is no **fixed** criteria for judgement, it's always recommend that you go through it (later in the guide).

Now don't think too much about the criteria mentioned, it's more of an outline than the actual criteria. Furthermore, if you stay cool and confident in the committee you'll do just as well as anybody else.

Remember, MUNs are not JUST about researching and debating, they're also about socializing people and convincing them and how to stay calm in certain situations.

Again, keep calm and have fun. We're sure that we'll have an awesome time together.

Work hard, have fun. Happy debating!

Best Wishes.

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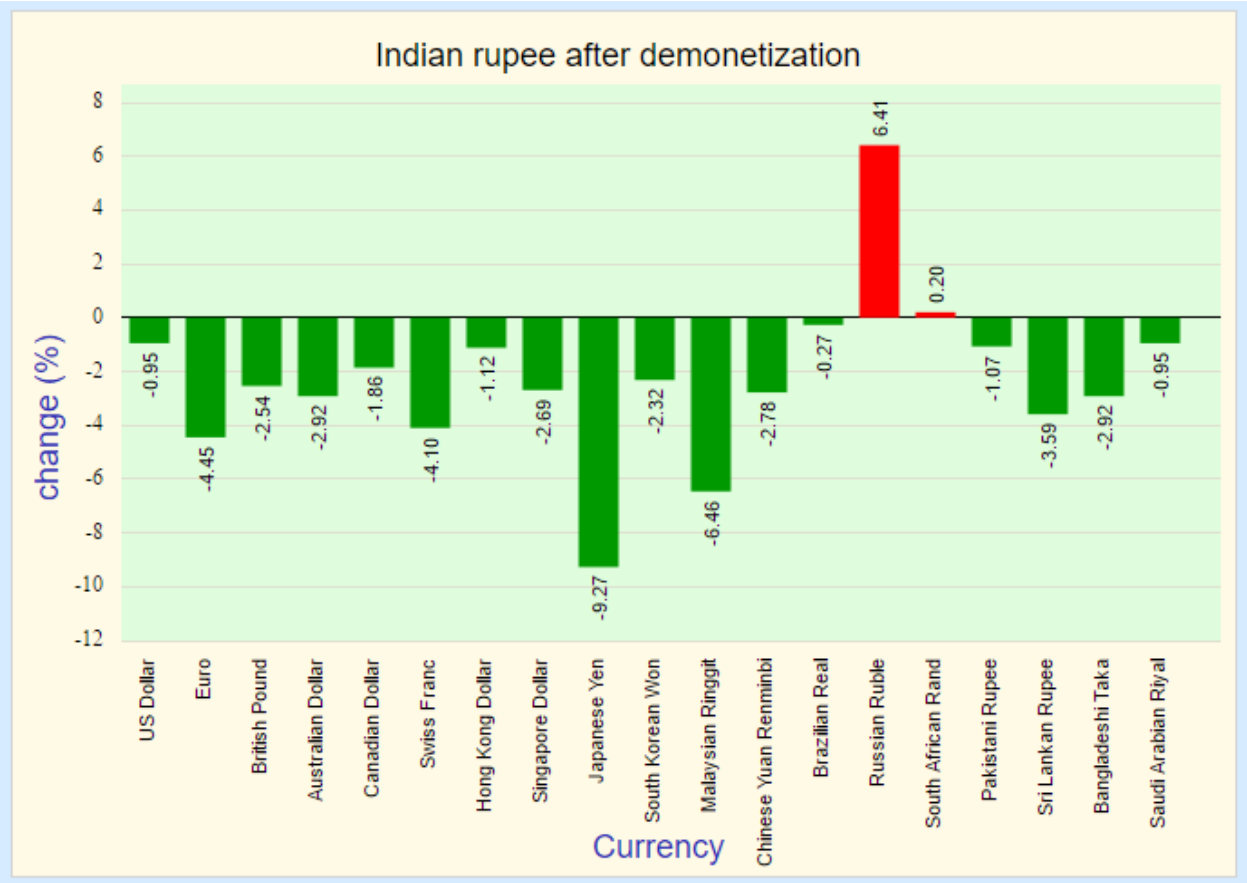
Introduction to the Agenda

On 8 November 2016, Prime Minister Narendra Modi announced the demonetisation of all ₹500 and ₹1,000 banknotes of the Mahatma Gandhi Series in an unscheduled live televised address at 20:00 Indian Standard Time. The government claimed that the action would curtail the shadow economy and crack down on the use of illicit and counterfeit cash to fund illegal activity and terrorism. The sudden nature of the announcement—and the prolonged cash shortages in the weeks that followed—created significant disruption throughout the economy, threatening economic output. The move was heavily criticised as poorly planned and unfair, and was met with protests, litigation, and strikes.

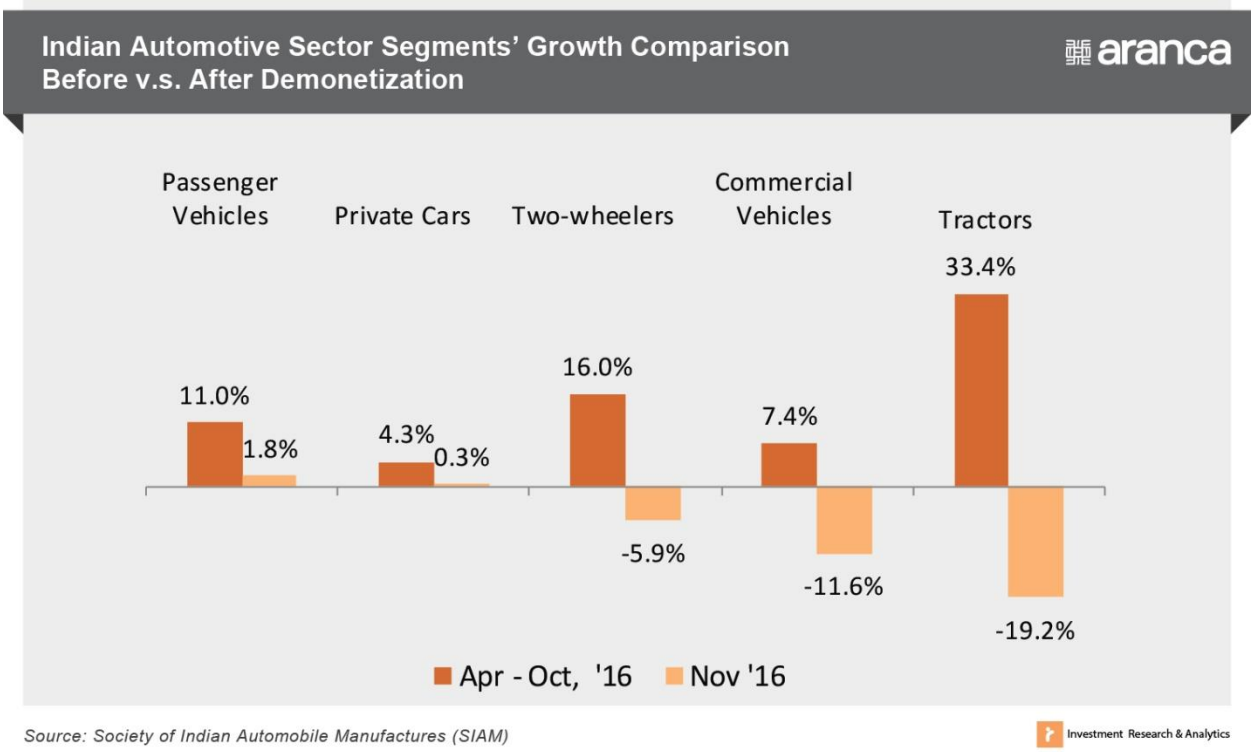
In the announcement it was declared that use of all ₹500 and ₹1000 banknotes of the Mahatma Gandhi Series would be invalid past midnight, and announced the issuance of new ₹500 and ₹2000 banknotes of the Mahatma Gandhi New Series in exchange for the old banknotes.

The BSE SENSEX and NIFTY 50 stock indices fell over 6 percent on the day after the announcement. In the days following the demonetisation, the country faced severe cash shortages with severe detrimental effects across the economy. People seeking to exchange their bank notes had to stand in lengthy queues, and several deaths were linked due to the rush to exchange cash



Early Effects of DeMo

Initially, the move received support from several bankers as well as from some international commentators. It was heavily criticised by members of the opposition parties, leading to debates in both houses of parliament and triggering organised protests against the government in several places across India. The move is considered to have reduced the country's GDP and industrial production. As the cash shortages grew in the weeks following the move, the demonetisation was heavily criticised by prominent economists and by world media.



The Indian government had demonetised bank notes on two prior occasions—once in 1946 and then in 1978 - and in both cases, the goal was to combat tax evasion by "black money" held outside the formal economic system. In 1946, the pre-independence government hoped demonetisation would penalise Indian businesses that were concealing the fortunes amassed supplying the Allies in World War II. In 1978, the Janata Party coalition government demonetised banknotes of 1000, 5000 and 10,000 rupees, again in the hopes of curbing counterfeit money and black money.

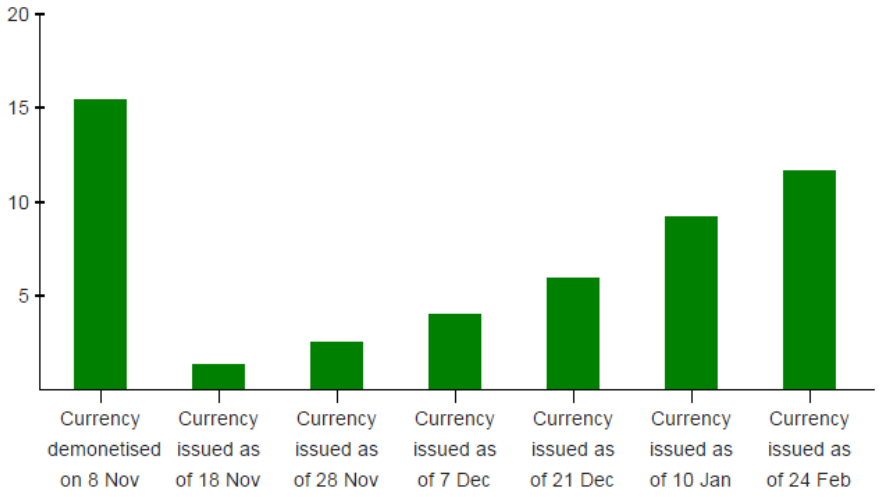
In 2012, the Central Board of Direct Taxes had recommended against demonetisation, saying in a report that "demonetisation may not be a solution for tackling black money or economy, which is largely held in the form of benami properties, bullion and jewellery." According to data from income tax probes, black money holders kept only 6% or less of their wealth as cash, suggesting that targeting this cash would not be a successful strategy.

In June, the Government of India had devised the Income Declaration Scheme, that lasted till 30 September 2016, providing an opportunity to citizens holding black money and undeclared assets

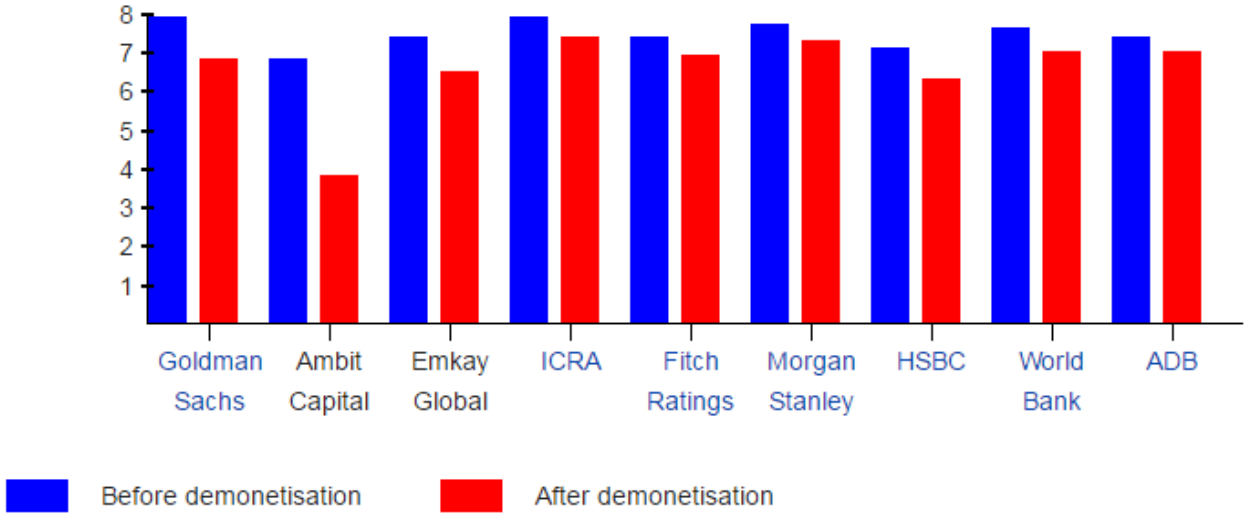
to avoid litigation and come clean by declaring their assets, paying the tax on them and a penalty of 45% thereafter.

Up to 97% of the demonetised bank notes have been deposited into banks which have receiveda total of ₹14.97 trillion ($220 billion) as of December 30 out of the ₹15.4 trillion that was demonetised. This is against the government's initial estimate that ₹3 trillion would not returnto the banking system.

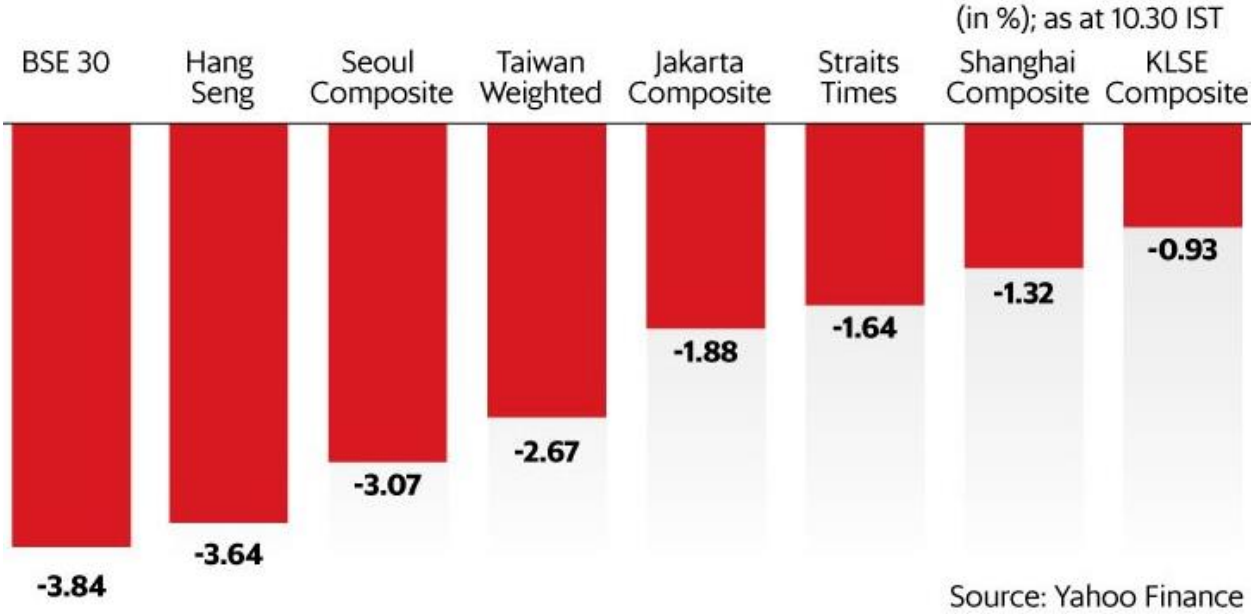
Of the ₹15.4 trillion demonetised in the form of ₹500 and ₹1000 bank notes of the Mahatma Gandhi Series, ₹9.2 trillion in the form of ₹500 and ₹2000 bank notes of the Mahatma Gandhi New Series has been recirculated as of 10 January 2017, two months after the demonetisation.



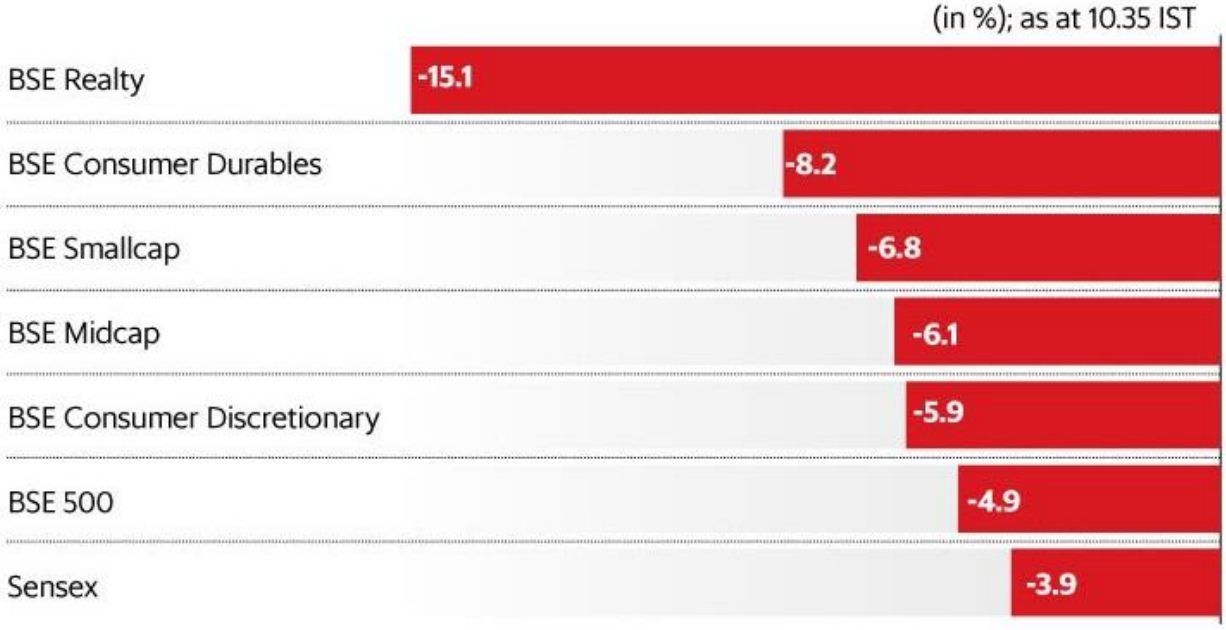
Global analysts cut their forecasts of India's GDP growth rate due to demonetisation. India's GDP in 2016 is estimated to be US$2.25 trillion, hence, each 1 per cent reduction in growth rate represents a shortfall of US$22.5 billion (Rs. 1.54 lakh crores) for the Indian economy.[258] According to Societe Generale, India's quarterly GDP growth rates wouldbelow 7% for an entire year at a stretch for the first time since June 2011.



Indian shares have fallen slightly more than other Asian markets



The real impact of the demonetisation process is seen in mid-and small sized stocks and some sectoral indices



Economic Policies and Party Stands

Bhartiya Janta Party (BJP) –

The BJP's economic policy has changed considerably since its founding. There is a significant range of economic ideologies within the party. In the 1980s, like the Jana Sangh, it reflected the thinking of the RSS and its affiliates. It supported *swadeshi* (the promotion of indigenous industries and products) and a protectionist export policy. However, it supported internal economic liberalisation, and opposed the state-driven industrialisation favoured by the Congress.

The two NDA governments in the period 1998-2004 introduced significant deregulation and privatisation of government owned enterprises. It also introduced tariff-reducing measures. These reforms built off of the initial economic liberalisation introduced by the Congress government in the early 1990s. India's GDP growth increased substantially during the tenure of the NDA. The 2004 campaign slogan "India Shining" was based on the party's belief that the free market would bring prosperity to all sectors of society. After its unexpected defeat, commentators said that it was punished for neglecting the needs of the poor and focusing too much on its corporate allies.

This shift in the economic policies of the BJP was also visible in state governments, especially in Gujarat, where the BJP held power for 16 years. Modi's government, in power from 2002 to 2014, followed a strongly neo-liberal agenda, presented as a drive towards development. Its policies have included extensive privatisation of infrastructure and services, as well as a significant rollback of labour and environmental regulations. While this was praised by the business community, commentators criticised it as catering to the BJP's upper class constituency instead of the poor.

Indian National Congress (INC) –

The Congress endorses a mixed economy in which the private sector and the state direct the economy, reflecting characteristics of both market economies and planned economies. The modern Congress advocates import substitution industrialisation; the replacement of foreign imports with domestic products. The party also believes mixed economies are likely to protect the environment, standardise the welfare system, and maintain employment standards and competition. The Congress also believes the Indian economy should be liberalised to increase the pace of development. In 2005, Prime Minister Manmohan Singh introduced value added tax, which replaced sales tax, and has continued the Golden Quadrilateral and the highway modernisation program that was initiated by Vajpayee's government. In 2009, India achieved its highest GDP growth rate of 9% and became the second-fastest growing major economy in the world.

Guide to Parliamentary Procedure

Being familiar with parliamentary procedure is an essential element to succeeding at any Model UN conference. The following is a general list of points and motions used at most conferences along with a brief explanation of each. Some conferences may employ slightly different rules, so always be sure to check the conference handbook for any changes.

Point of Order –

This point may be raised when you feel that a delegate or the Chair is not abiding by correct parliamentary procedure (as laid out for the conference). A point of order is allowed to interrupt the speaker.

Point of Personal Privilege –

This point is used to indicate personal discomforts or impediments to debate. It may be raised during the debate if, for example, you cannot hear the speaker or feel uncomfortably hot or cold. This point is allowed to interrupt a speaker, but may not refer to the content of any speech or working paper.

Point of Inquiry or Point of Information –

This point may be raised after a speaker yields to questions. It is used to ask a question of the speaker relating to the speech just given. It may also be used to ask the chair a questions regarding parliamentary procedure during a normal session.

Motion to Open Debate –

This is the first motion of the conference and is made to move into formal debate and open the primary speakers list. If there are multiple topics on the agenda, the body will first debate on the order they are to be discussed until there is a motion to set the agenda. All delegates wishing to be added to the speakers list should raise their placards at the request of the chair or send a note to the dais. Speaking time during debate may be limited with a Motion to Limit Debate (see below).

Motion to Set the Agenda –

This motion is made with a specific topic mentioned to be debated first and the other second. This motion requires a simple majority to pass.

Motion to Adjourn the Session –

This motion adjourns the committee sessions for good. It will only be entertained by the chair at the end of the last committee session. This motion requires a second, is not debatable, and needs a simple majority to pass.

Motion to Enter Unmoderated Caucus –

This motion temporarily suspends the meeting for a specified amount of time. Use it to create resolutions, talk to other delegates, or anything else you may need to do. It requires a second, is not debatable, and needs a simple majority to pass.

Motion to Enter Moderated Caucus –

This motion brings the body into a moderated debate on the issue on the floor for a specified amount of time. The moderating officer will then recognize speakers for a specified amount of time, who cannot yield to anyone but the Chair at the end of their speech. This motion requires a second, is not debatable, and needs a simple majority to pass. This motion may not be made once debate has been closed.

Motion to Table the Topic –

This motion tables a topic (ending debate on the topic) until it is reopened with a Motion to Reconsider. This motion requires a second, is debatable (two speeches in favor and two against), and needs a two-thirds majority to pass.

Motion to Reconsider –

This motion is used to bring a resolution or topic that has been previously tabled back to the floor. It requires at least two speakers in favor and two against and needs a two-thirds majority to pass.

Motion for a Roll Call Vote –

This motion requests that the Chair conduct a roll-call vote on the resolution. This motion only requires a second to be accepted.

Motion to Adopt by Consensus –

This motion requests that the body adopt the resolution by consensus, meaning that no delegation would be casting a “no” vote if the resolution were to be voted upon normally. A delegation may abstain, but should one delegation object, the motion is out of order.

Motion to Introduce a Working Paper –

This motion brings a working paper that has already been approved by the Chair with the appropriate number of signatories to the floor for general debate. It requires a second, is not debatable, and needs a simple majority to pass.

Motion to Limit Debate –

This motion sets the amount of time a delegate has the floor during normal debate (excluding moderated caucuses). It may also be used to change the set speaking time.

Working Paper

A working paper is an important aspect of MUNs. It is kind of like your first impression on the speaker/chair of your committee. The typical working paper that we expect from you would be about a page long (350~500 words approx.), but that is not exactly speaking a "word limit", it's always ok to have a longer working paper.

(**Important Note –** This also means you should not, just to "impress us", end up submitting a 300 page thesis… you get the point, right?)

Any typical working paper would include your politician's (or for that matter of fact, YOUR) stand on the topic and the solutions or ideas that you can come up with to cope up with the problems. You can also have ideas that you've been thinking about for the concluding resolution paper in the working paper.

Even though in IISMUN we don't have awards for the best working paper, they still count and yes you do get points for them.

Try searching online for working papers and do try and make yours look attractive. Nobody likes reading a wall of text.

Your Working Paper should be short, crisp and sweet. If it's too short, you haven't researched well, and if it's too long, your thoughts aren't clear.

- Try researching online
- Look for good examples
- Try some templates if you can find some
- Make it attractive, but then don't make it look like an artwork by Picasso
- Keep it formal

Marking Criteria

The criteria mentioned below is more of an outline and can change anytime and the points weightage is just to give you an idea of how important things are and what should you concentrate on.

#	What?	How Much?
1	Research Skills	60
2	Debating Skills	60
3	Working Paper	15
4	Critical thinking	35
5	Resolution Making	25
6	Diplomacy & Lobbying	10
7	Delegate Courtesy	10
8	Secret points for extra awesomeness	15
	Total	**230**

Research Skills – The research you conduct, the matter that you have and how many times you go wrong (factually)! Try and keep up with current affairs as well!

Debating Skills – Your speaking skills; they are decided by how well can you convince people, make your points and counter others'

Working Paper – More like the first impression, they are decided by how good your working paper is.

Critical Thinking – How well can you handle emergency and extreme situations (look out for crisis situations in the MUN)

Resolution Making – Your team's collective contribution to the resolution paper. Choose wisely!

Diplomacy & Lobbying – How well can you socialize and team up with people, how well can you choose your allies and opponents.

Delegate Courtesy – Your manners! No chair slinging please.

Secret Points for extra awesomeness – They're a big secret.

Suggestions for the Committee

For Research –

- General information about your politician
- What is your politician's stand towards the issue?
- What is your party's stand towards the issue?
- Actions taken by your party, for and against, the issue

Wikipedia is a good general source of information and a good place to start as well, but your research should never be solely based on Wikipedia. Any good points that you might have spotted on Wikipedia will certainly have been spotted by many others!

Online articles and interviews are good sources of information, they help you find the politician's and the party's stand on the issue. Also, most controversies arise from interviews only!

Try to stay up to date with the current affairs, new controversies and conflicts can give you an edge over the other delegate. Newspapers can, at times, give you diamonds worth of information.

Keep your research organised! Keeping your research organised and ready for different situations at different times is very important. Don't play all of your cards in the first session either, keep some key facts that may help you gain edge at desperate times for later as well.

For Resolution –

- Solutions that are discussed in the committee or those that come into your minds
- How to once again stabilise the Indian currency
- What should/shouldn't have been done?
- How to prevent possible economic crisis

Always keep your eyes and ears open and if you can, try and keep a track of everyone's statements and facts. Every now and then, someone may give out ideas about the resolution – be it directly or indirectly.

Try and start lobbying the moment you enter your committee… in fact you should have started lobbying by now! Having allies to vote for you or to help you is a major factor in winning MUNs.

Remember to keep the balance between a qualitative resolution paper and a quantative one. You may have 10 points in your resolution paper but it's possible that none of them actually make sense, on the other hand – having a resolution paper with just a single point doesn't make any sense either.