The main aims of this presentation

- Provide an overview of how our financial system is structured.
- Show where our income comes from and how we spend it.
- Provide an overview on the growth of our economy over the last 10 years, according to available financial data.
- Reflect on the success of our economy.
Auroville’s Major Economic Aims

- Establish and sustain a self-supporting city of 50,000 people.

- Provide for everyone’s material needs, not according to notions of right and equality, but on the basis of the most elementary necessities.

- Ensure that everyone contributes in work, kind, and/or money.

- Eliminate the exchange of money between Aurovilians.

How Auroville’s Economy is “Different”.
The World in General
Privately Owned
Ownership
Sole Proprietors, Partner-ships, Corporations
Contracts, Salaries & Wages

Auroville
Collectively Held
Stewardship
Trusts
Volunteers

Auroville Financial Organizational Structure

Governing Board & Finance Committee
FAMC (Approves Budgets & Policies)
Internal & External Contributions
Unity Fund (Receives and Disburses) via Financial Services
Budget Coordination Committee (Proposes Budgets, Collects Contributions, and Monitors City Services Budgets)

Executive Bodies
CSR
Aasamitra
AVAT
Matrimandir
SAIFER
Unit Trusts
Housing & Public Buildings
Land Purchase & Management
Daurmir (Planning)
Projects
City Services

All entities under FAMC/Unity Fund have their own balance sheet, which are consolidated in the AV Foundation.
Auroville Income: 2019-20

- 86% of income is generated or captured by Aurovilians and Auroville Entities.
- About 95% of the income that comes from Aurovilians is from Auroville Entities.
- The AV Entities use about 93% of their income to cover expenses or are held by them for their future development.
- The remaining 7% is contributed to City Services via the Unity Fund.
- This 7% plus the funds from Indian, Foreign, and GOI donors leaves about 23% of the total income for Auroville’s development.

Unity Fund Income: 2019-20

**Indian** (Rs. 17 crores) were primarily for bioregional development, energy, and Matrimandir.

**Foreign** (Rs. 14 crores) were primarily for bioregional development, buildings and infrastructure, and education.

**GOI** (Rs. 11 crores) was primarily for SAIIER (education), Infrastructure (TNEB sub-station), Housing, Bharat Nivas, and City Services.

**AV** (Rs. 30 crores). About 70% was for City Services and 30% for housing.

Contributed income is routed through the Unity Fund

Total Income = Rs 328 crores ($44.2 million; €38.2 million)
Per Capital Income = Rs. 10.44 lakhs ($13,943; €12,031)

Contributed Income not Contributed

Total Income = Rs 72 crores ($9.6 million; €8.3 million)
Per Capital Income = Rs. 2.27 lakhs ($3,035; €2,618)
Unity Fund Income: 2019-20

Available for use by Municipality (City Services)

Specified funds must be used in accordance with donor instructions.

Unity Fund Payments, 2019-20

Total Payments = Rs 67 crores ($9.0 million; €7.4 million)
Per Capital Payments = Rs. 2.12 lakhs ($2,800; €2440)

Others are Categories that received less than 2% of total payments. These are: International Zone, Health, Culture & Sport, Scientific Research, Farms & Forest, Guest Houses, Administration, Communication, Consultancy, and Planning and Development.
Auroville’s Financial Contribution to Bioregional Development

- In 1970, the UN General Assembly adopted a resolution that economically advanced countries give 0.7% of their national income in aid.

- We estimate that Auroville’s Gross Community Income at approximately Rs. 328 crore.

- Its total payments to bioregional development were 6.71 crore, which is 2.05% of its Gross Community Income. This is 2.9 times higher than the UN target.

- Auroville’s direct payments to bioregion development were 1.5 crore, which is 0.5% of the Gross Community Income, just below the UN target.

- Only six countries have ever met the target, and the OECD average has never exceeded 0.4%.

Taking Inflation into Account: Nominal vs. Real

- Nominal is the monetary value of an item (e.g., money that you get or money that you pay)
- Real is its value adjusted for inflation.

<table>
<thead>
<tr>
<th>Year</th>
<th>Nominal Income</th>
<th>% Change</th>
<th>My Basket of Goods</th>
<th>Avg. Inflation</th>
<th>Price Index on my Basket of Goods</th>
<th>Real Income (My Purchasing Power)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1,000</td>
<td></td>
<td>950</td>
<td>8.9%</td>
<td>100</td>
<td>1,000</td>
</tr>
<tr>
<td>2011</td>
<td>1,050</td>
<td>5.0%</td>
<td>1160</td>
<td>1200</td>
<td>109</td>
<td>964</td>
</tr>
<tr>
<td>2012</td>
<td>1,103</td>
<td>5.0%</td>
<td>1250</td>
<td>1400</td>
<td>119</td>
<td>927</td>
</tr>
<tr>
<td>2013</td>
<td>1,158</td>
<td>5.0%</td>
<td>1250</td>
<td>1400</td>
<td>132</td>
<td>877</td>
</tr>
<tr>
<td>2014</td>
<td>1,216</td>
<td>5.0%</td>
<td>1275</td>
<td>1400</td>
<td>140</td>
<td>866</td>
</tr>
<tr>
<td>2015</td>
<td>1,276</td>
<td>5.0%</td>
<td>1290</td>
<td>1400</td>
<td>149</td>
<td>859</td>
</tr>
<tr>
<td>2016</td>
<td>1,340</td>
<td>5.0%</td>
<td>1400</td>
<td>1400</td>
<td>156</td>
<td>859</td>
</tr>
<tr>
<td>2017</td>
<td>1,407</td>
<td>5.0%</td>
<td>1490</td>
<td>1400</td>
<td>160</td>
<td>880</td>
</tr>
<tr>
<td>2018</td>
<td>1,477</td>
<td>5.0%</td>
<td>1550</td>
<td>1400</td>
<td>168</td>
<td>881</td>
</tr>
</tbody>
</table>
Unity Fund Income, 2006-07 to 2019-20 (in Rs. Lakhs)

Average Annual Growth Rate 2008-09 to 2019-20

Nominal = 7.3%
Real = -0.5%

Population increased from 2,064 to 3,173
Nominal Per Capita = 2.8%
Real Per Capita = -4.7%

Entity Income, 2008-09 to 2019-20 (in Rs. Lakhs)

Average Annual Growth Rate From 2008-09 to 2019-20

Nominal = 10.8%
Real = 2.8%
Nominal Per Capital = 6.3%
Real Per Capital = -1.40%
City Services

City Service Income by Source, 2019-20

<table>
<thead>
<tr>
<th>Income Source</th>
<th>₹ Lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>917</td>
</tr>
<tr>
<td>Service</td>
<td>746</td>
</tr>
<tr>
<td>Individual</td>
<td>296</td>
</tr>
<tr>
<td>Guest Houses &amp; Guests</td>
<td>249</td>
</tr>
<tr>
<td>External</td>
<td>66</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,273</strong></td>
</tr>
</tbody>
</table>

Total Income = Rs. 2,273 lakhs
Per Capita Income = Rs. 71,629
City Service Distribution of Income by Source, 2019-20

Sources
Total = 511

Income
Total = ₹ 2,106 lakhs*

- 2% of sources provide 60% of the income.
- 5% of sources provide 20% of the income.
- 11% of sources do not contribute.
- 93% of sources provide 20% of the income.

*Does not include external sources

City Services Annual Income Per Capita, 2008-09 to 2020-21

Average Annual Growth Rate 2008-09 to 2019-20
Nominal = 6.7% Real = -1.0%

Remember the Real Per Capita Annual Growth Rate for Entities = -1.4% (about the same as City Services)

The correlation between Entities income and City Services income is 0.98. An almost perfect correlation
City Services Disbursements 2019-20

By Sector

By Ledger

Sectors < 4% received less than 4% of total disbursements. These are:
Culture & Sport, Outreach, Security, Land, Housing, Matrimandir, Roads, City Planning, Utilities, and Projects

Total Disbursements = Rs. 2,166 lakhs;
Per Capita Disbursements = Rs. 68,300

Maintenances
City Service Maintenance Breakdown, 2019-20

<table>
<thead>
<tr>
<th>Maintenance</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>6,000</td>
</tr>
<tr>
<td>Kind</td>
<td>6,000</td>
</tr>
<tr>
<td>Health Fund</td>
<td>450</td>
</tr>
<tr>
<td>Lunch</td>
<td>1,870</td>
</tr>
<tr>
<td>In-Kind Scheme</td>
<td>1,700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16,020</strong></td>
</tr>
</tbody>
</table>

Distribution of Maintenances, Sept 2019

- 2,167 Aurovilians (67%) were in the maintenance system. The average maintenance allocated was: City Services = 12,181; Entity = 13,490; Individual = 454.

Distribution of Maintenances by Rs. Total Distributed

Distribution of Maintenances by Persons in the Maintenance Systems,

Total Adults = 3,173

1 FTE = Rs. 16,020
Maintenance: 2010-11 to 2019-20

Average Annual Growth Rate (2010-11 to 2019-20)

- Nominal = 7%
- Real = 0%

- Nominal = 14%
- Real = 6%

Auroville’s Major Economic Aims

- Establish and sustain a self-supporting city of 50,000 people.

- Provide for everyone’s material needs, not according to notions of right and equality, but on the basis of the most elementary necessities.

- Ensure that everyone contributes in work, kind, and/or money.

- Eliminate the exchange of money between Aurovilians.
Auroville’s Strategy for Achieving its Aims

- Increase financial transparency and accountability by simplifying and strengthening basic regulations and policies (e.g. accounting manual)
- Increase the accessibility of financial data to ensure accurate documentation and more efficient use of Auroville’s collective wealth (e.g. asset register)
- Grow Auroville’s income-generating activities to increase work opportunities for Aurovilians as well as increase the amount of unspecified income to City Services
- Restructure the GOI grant allocation process to ensure fairness, transparency and efficient use of GOI grant monies.
- Restructure HRT into a comprehensive Human Resource department with processes and policies for building up and making effective use of Auroville’s human resource potential
- Redefine the maintenance system to ensure that it provides sufficiently for all
- Redefine the structure of all income-generating activities (units, services, activities) to create consistent guidelines
- Explore innovative solutions to provide affordable housing opportunities for Newcomers and Aurovilians (e.g. renting & leasing agreements, alternate sources of funding, etc.)
- Increase Auroville’s food production towards greater food security and self-sufficiency
- Ensure optimum utilization of assets in keeping with Auroville values