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# An Overview of Auroville's Financial Structure

by [Renu](#) on February 23, 2022, 10:11 pm

## An Overview of Auroville Finance

October 2021

### 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.

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## Auroville's Major Economic Aims

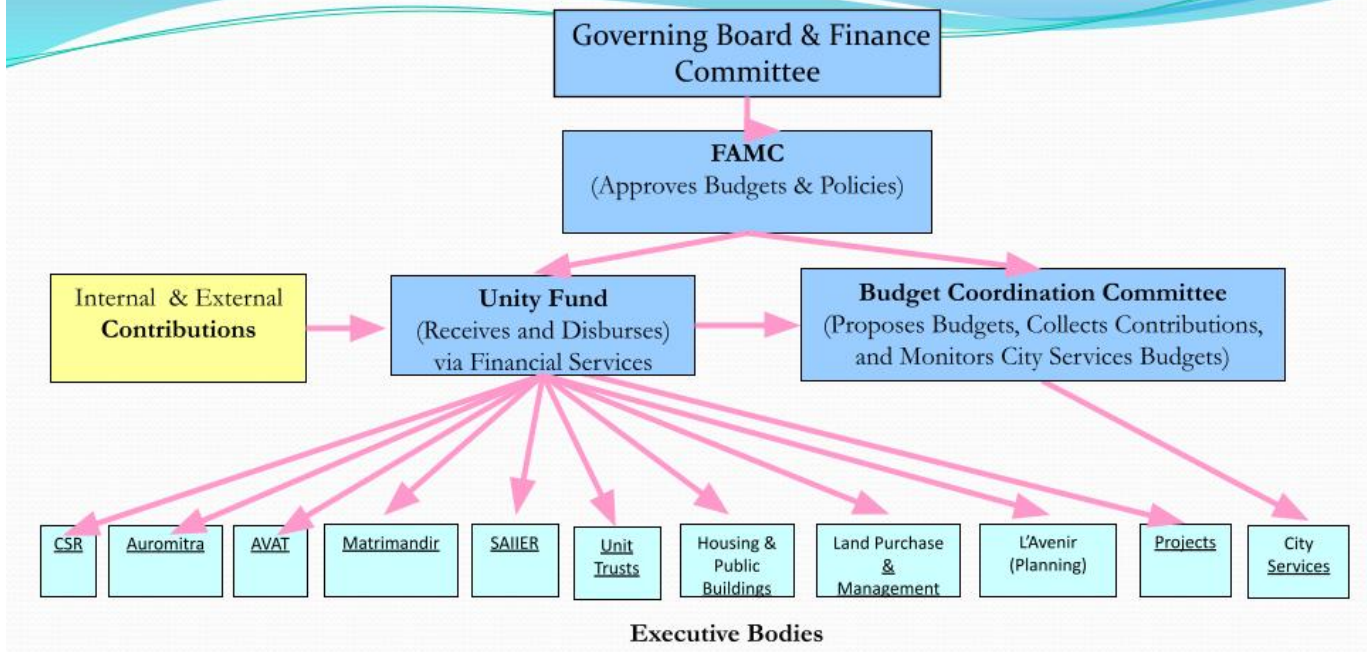
- Establish and sustain a self-supporting city of 50,000 people.
- Provide for everyone's material needs, not according to notions of right and equality, but on the basis of the most elementary necessities.
- Ensure that everyone contributes in work, kind, and/or money.
- Eliminate the exchange of money between Aurovilians.

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How Auroville's Economy is "Different".

<u>The World in General</u>		<u>Auroville</u>
Privately Owned	LAND	Collectively Held
Ownership	HOUSING	Stewardship
Sole Proprietors, Partner-ships, Corporations	COMMERCIAL UNITS	Trusts
Contracts, Salaries & Wages	LABOR	Volunteers

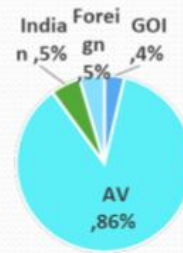
## Auroville Financial Organizational Structure



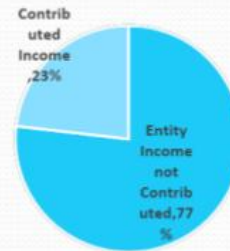
All entities under FAMC/Unity Fund have their own balance sheet, which are consolidated in the AV Foundation.

## 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.



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



Contributed income is routed through the Unity Fund

Total Income = Rs 72 crores (\$9.6 million; €8.3 million)  
Per Capital Income = Rs. 2.27 lakhs (\$ 3,035; € 2,618)

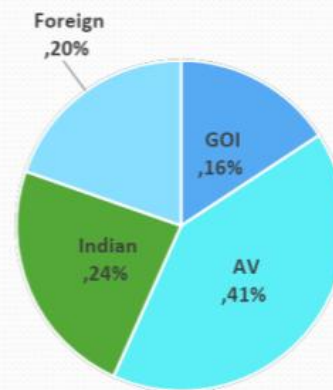
## Unity Fund Income: 2019-20

**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 SAIER (education), Infrastructure (TNEB sub-station), Housing, Bharat Nivas, and City Services.

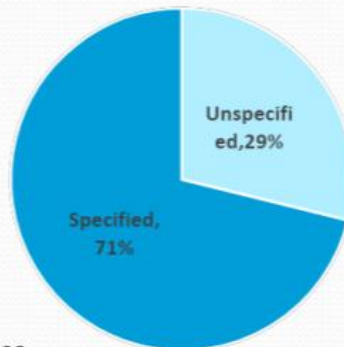
**AV** (Rs. 30 crores). About 70% was for City Services and 30% for housing.



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.

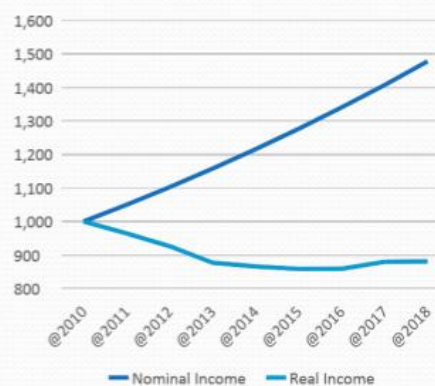
## Auroville's Financial Contribution to Bioregional Development

- 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.

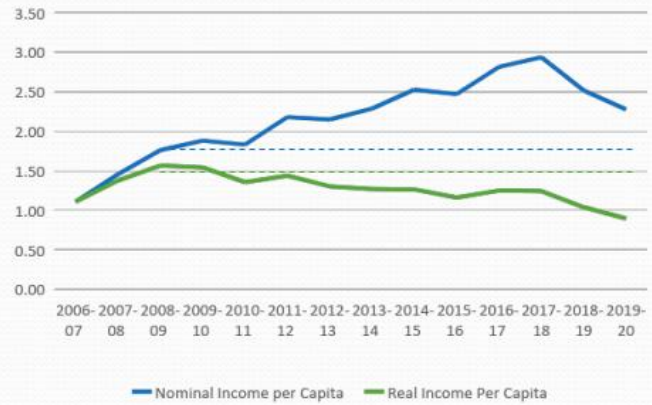
Year	Nominal Income	% Change	My Basket of Goods	Avg. Inflation	Price Index on my Basket of Goods	Real Income (My Purchasing Power)
2010	1,000		950		<b>100</b>	1,000
2011	1,050	5.0%	1150	8.9%	<b>109</b>	964
2012	1,103	5.0%	1200	9.3%	<b>119</b>	927
2013	1,158	5.0%	1250	10.9%	<b>132</b>	877
2014	1,216	5.0%	1275	6.4%	<b>140</b>	866
2015	1,276	5.0%	1290	5.9%	<b>149</b>	859
2016	1,340	5.0%	1400	5.0%	<b>156</b>	859
2017	1,407	5.0%	1490	2.5%	<b>160</b>	880
2018	1,477	5.0%	1550	4.9%	<b>168</b>	881



### Unity Fund Income, 2006-07 to 2019-20 (in Rs. Lakhs)



### Per Capita

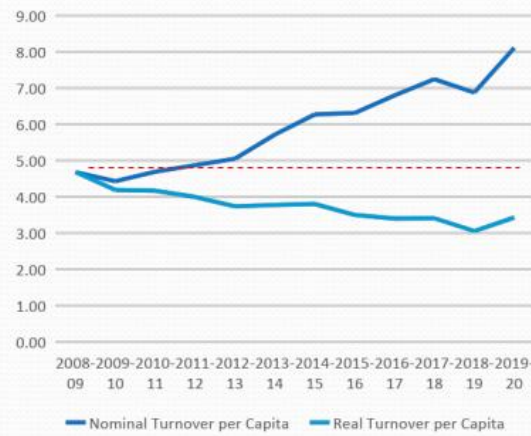
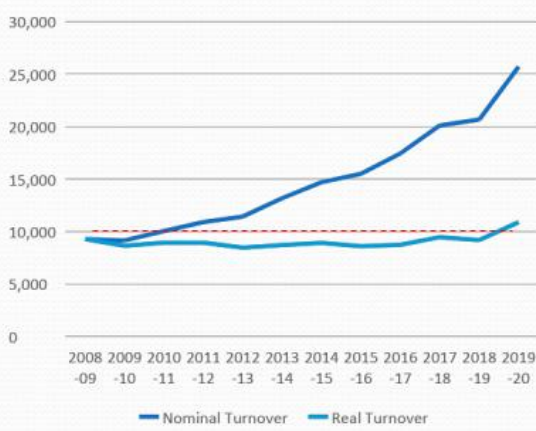


### Average Annual Growth Rate 2008-09 to 2019-20

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)



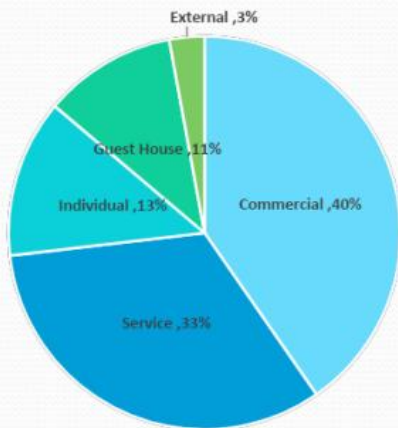
### Average Annual Growth Rate From 2008-09 to 2019-20

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



Income Source	₹ Lakhs
Commercial	917
Service	746
Individual	296
Guest Houses & Guests	249
External	66
<b>Total</b>	<b>2,273</b>

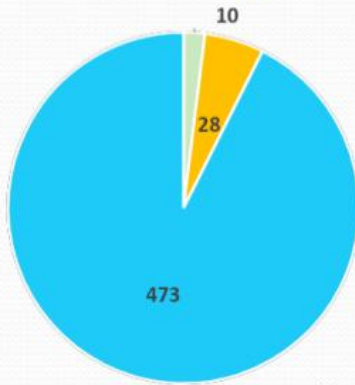
Total Income = Rs. 2,273 lakhs  
Per Capita Income = Rs. 71,629



## City Service Distribution of Income by Source, 2019-20

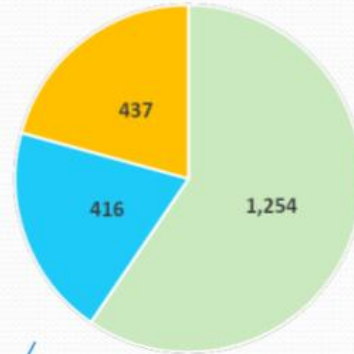
### Sources

Total = 511



### Income

Total = ₹ 2,106 lakhs\*

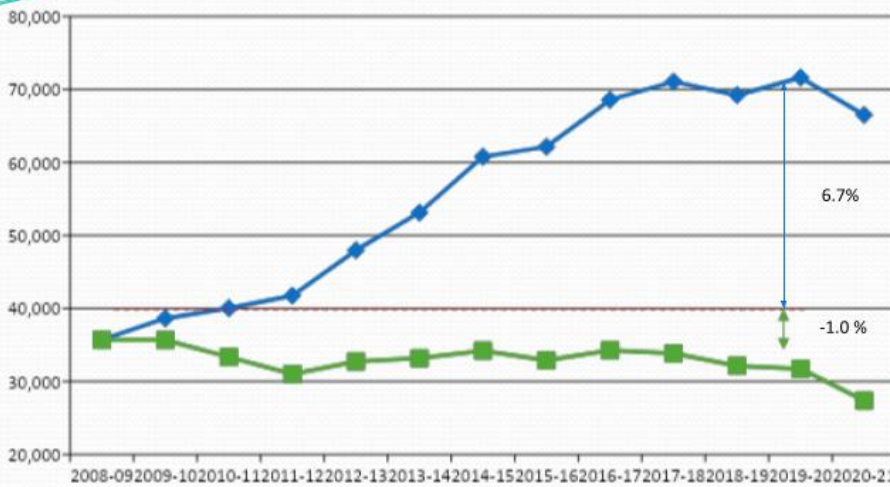


11% of sources do not contribute.

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%

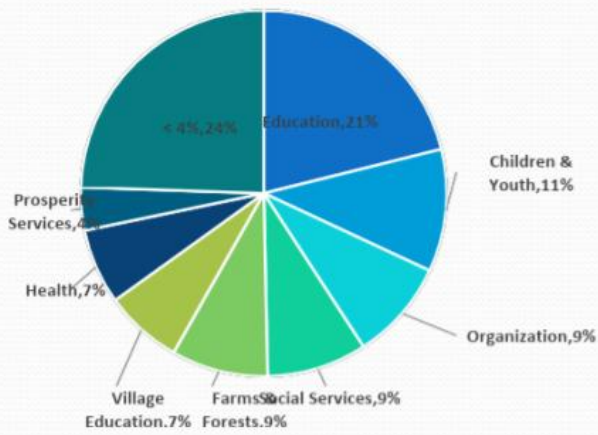
Real = -1.0%

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

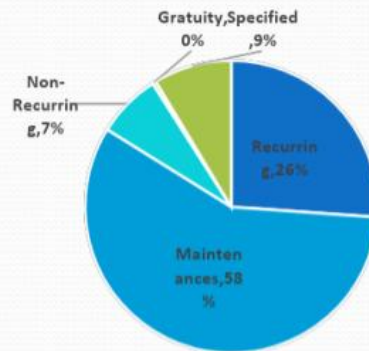
The correlation between Entities income and City Services income is 0.98. An almost perfect correlation

## 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

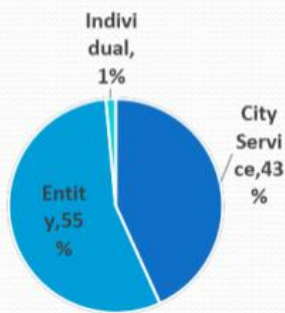
## City Service Maintenance Breakdown, 2019-20

Maintenance	Amount
Cash	6,000
Kind	6,000
Health Fund	450
Lunch	1,870
In-Kind Scheme	1,700
<b>Total</b>	<b>16,020</b>

## Distribution of Maintenances, Sept 2019

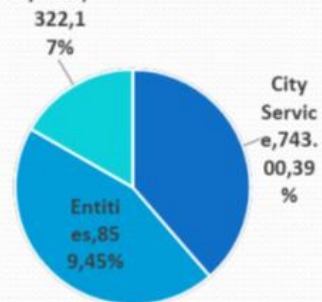
- 2,167 Aurovilians (67%) were in the maintenance system. The average maintenance allocated was: City Services = 12,181; Entity = 13,490; Individual = 454.

Distribution of Maintenances by Rs. Total Distributed



Total Adults = 3,173

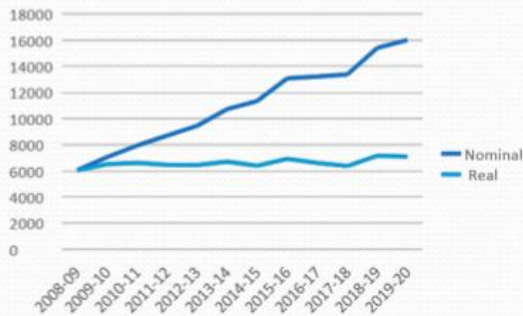
Distribution of Maintenances by Persons in the Maintenance System



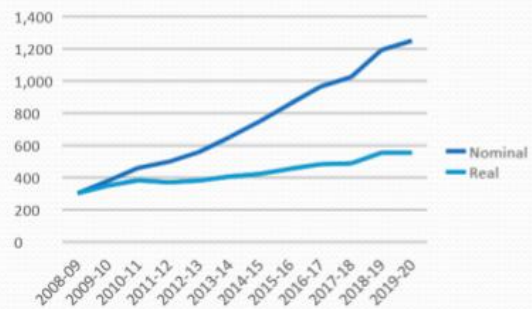
1 FTE = Rs. 16,020

## Maintenance: 2010-11 to 2019-20

**Maintenance Package (in Rs.)**



**Maintenance Disbursed (in Rs. Lakhs)**



**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

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