



Study for the development of an ecological transition income (ETI) pilot project in the canton of Vaud

Summary

May 2023

[Complete study \(in French\)](#)





The spirit of the proposed scheme is to create synergies between different groups of people and enable people who have been excluded from the labour market to contribute to the challenge of ecological and social transition.

It is also thanks to new ecological and social transition projects that we will be able to promote a shift of the canton's economy, a source of long-term employment and resilience in the face of future upheavals.

1. Context

The habitability of our planet is being jeopardised by a number of global limits being exceeded, including climate change and the erosion of biodiversity. Anticipating these upheavals and organising the changes in economic activity that will enable us to limit the risks will require major investment and change if we are to successfully complete the ecological transition of our society.

In order to remain in a safe zone, economic activities must respect the environmental ceiling and the social floor that would allow a dignified life for all. This safe and fair zone is defined by a *doughnut*, proposed by economist Kate Raworth (figure opposite). This *doughnut* theory offers a decompartmentalised vision and a compass for the economy by combining the issues of environmental integrity and social justice.

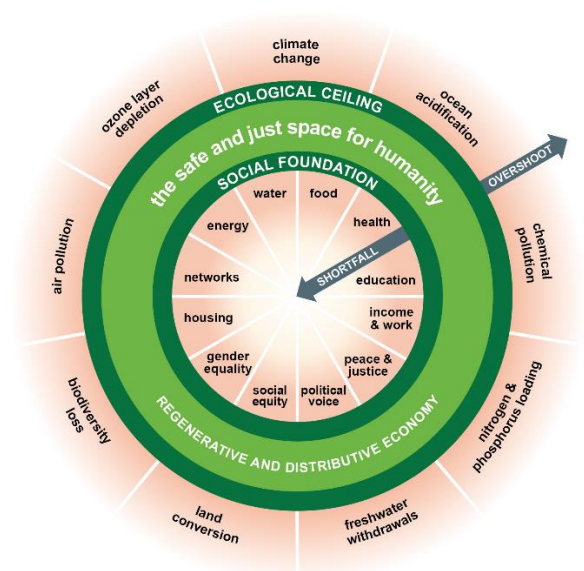
The state of Vaud is committed to reducing its greenhouse gas emissions by 50-60% by 2030, with the aim of achieving carbon neutrality by 2050. This involves action in a number of areas, from the economy and infrastructure to mobility and energy.

By supporting ecological initiatives that create jobs, the ecological transition income (ETI) contributes to this transformation and to the shift of the economy.

To find out more, read the [complete study \(in French\)](#) in the following chapters:

- Introduction p. 8
- Un RTE Vaudois guide par le donut de Kate Raworth p. 26

Doughnut of social and environmental limits (Kate Raworth)



Source: Oxfam

2. Ecological transition income (ETI)

ETI is a tool that needs to be adapted according to the context in which it is applied. It offers monetary compensation and support to people who commit to an activity that responds to the ecological and social emergencies in their area and who join a democratic structure or ecological transition cooperative (ETC).

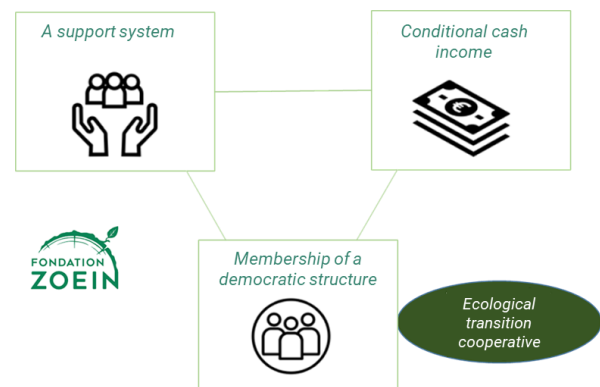
Based on people's needs, skills and desires, the aim of ETI, a concept developed by Sophie Swaton, philosopher and economist, is to enable everyone, including the most vulnerable, to develop an activity that is paid, fulfilling and enables them to live with dignity while respecting the planet's limits.

With support, people and initiatives involved in the ecological transition can help to shift the economy and make our society more resilient.

To find out more, see the [complete study](#) in the next chapter:

→ Le revenu de transition écologique p. 10

The three pillars of ETI



Source: Fondation Zoein

3. Approach

In the canton of Vaud, one of the aims of the pilot scheme is to integrate people on income support (IS) into the labour market. Various stakeholders were consulted in order to take stock of the issues, explore possible synergies and identify organisations interested in an ETI pilot scheme. The process was led by a project team – EPER, Fondation Zoein, Direction générale de la cohésion sociale (DGCS) – and overseen by a steering committee.

Specifically, following documentary work, interviews and three workshops were held with around forty of the organisations and institutions concerned.

To find out more, see the [complete study](#) in the next chapters:

→ Gouvernance de l'étude p. 11; Méthodologie p. 12

- Organisations providing socio-professional integration measures;
- Project leaders;
- Businesses;
- Municipalities;
- Organisations supporting ecological transition.

4. Opportunities and challenges

The analysis of the Vaud context carried out in the various areas of transition shows that many people want to get involved in ecological transition activities and develop projects. However, activities that are compatible with respect for the planet's limits remain unprofitable, receive too little support, and are therefore still in the minority.

Opportunities

Committed partners: the state of Vaud is committed to decarbonising the canton and is implementing measures to support a sustainable economy. The service provider organisations we met see ETI as a real opportunity for their beneficiaries to be integrated into the labour market and are ready to commit to the creation of a structure that will enable greater synergies and resource pooling. Many project leaders are keen to develop economic activities as part of the ecological transition, and also to play a part in the inclusion of disadvantaged people.

More labour is needed to adapt economic activities to respect the limits of the planet and shift them. For example, a circular economy requires more labour than a linear economy. In the field of energy transition and renovation, a major shortage of labour is well established.

Democratising participation: to ensure that the transition is a matter for the entire population, and not just for the middle class, it is necessary to professionalise activities and create jobs. This would enable everyone to return to meaningful employment.

Challenges

The inadequacy of the regulatory framework: it is evolving, but has not yet made it possible to impose the inclusion of negative external effects, i.e. environmental damage, in the costs of products and services. As a result, economic activities that respect planetary limits are at a disadvantage and are therefore not very competitive compared with conventional economic activities. For example, it is now more profitable to sell a new garment produced under problematic social and environmental conditions than to sell a second-hand or locally produced garment.

Support for sustainable entrepreneurship is not sufficient to compensate for the competitive disadvantage faced by economic activities that do not integrate negative external effects.

Competitive disadvantage means **that too few companies** have an economic activity that respects the limits of the planet. Certain areas, such as the circular economy, require the emergence of new economic stakeholders.

The target group of people receiving income support is considered to be not very employable.

Consumers still need to be made aware and encouraged to consume differently (short cycles, repairs, second-hand goods, etc.) in order to encourage local initiatives by companies committed to sustainability.

Areas

The goal of carbon neutrality by 2050 will require all sectors to transform in order to achieve decarbonisation. While it is expected that the ecological transition will offer opportunities by creating new activities and new jobs in the future, it appears that employment opportunities for people who have been out of the labour market vary according to the sectors of ecological transition. Some areas, such as energy transition, need workers right now, from existing employers. Other areas are struggling to create profitable activities that will create sustainable salaried jobs. The emergence of these activities, which are sources of local employment, must be encouraged by providing support.

The areas studied are:

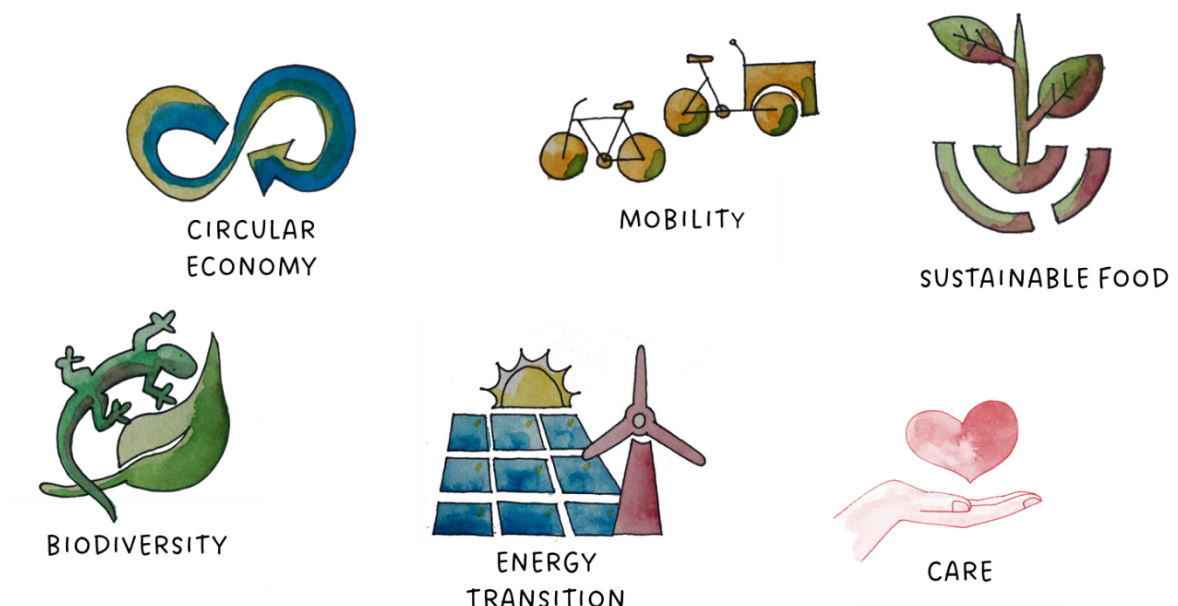
- **The circular economy**, which includes eco-design, sharing, reuse, repair and recycling, is a lever for shifting economic flows and developing a more local and sustainable economy;

- **Housing and energy**, including energy-efficient renovation of buildings, eco-construction and the development of renewable energies;
- **Sustainable food**, which includes changes in farming practices and the development of micro-farms, agro-ecology and short distribution channels;
- **Preserving biodiversity** is essential in Switzerland too, where almost a third of mammal species are threatened;
- **The mobility** of tomorrow, which will require the development of cyclomobility, cyclogistics and public transport;
- **Care and services for people**, whose needs are growing in our society;

To find out more, see the [complete study](#) in the next chapters:

- Analyse des opportunités et défis p. 13
- Opportunités et défis par domaine p. 18

The areas of ecological and social transition explored



5. Three types of ETI for the Vaud scheme

The proposed pilot scheme comprises three types of ETI for different audiences. This would make it possible both to integrate people on income support (IS) into the workforce today with employers involved in sustainability projects, and to help build the jobs of tomorrow by supporting the creation of ecological and social transition activities by entrepreneurs.

ETI insertion (ETIi) for people on IS who want to find a job in the ecological and social transition. ETIi would include income and training in the challenges of ecological and social transition. Participants would also be supported to join different types of jobs within companies (for example involved in the energy transition), local authorities, social enterprises or new entrepreneurial activities related to the ecological transition.

The ETI new project insertion (ETInpi) is designed for people on IS who want to set up their own business in an area of ecological and social transition. The ETInpi could include income, training and support.

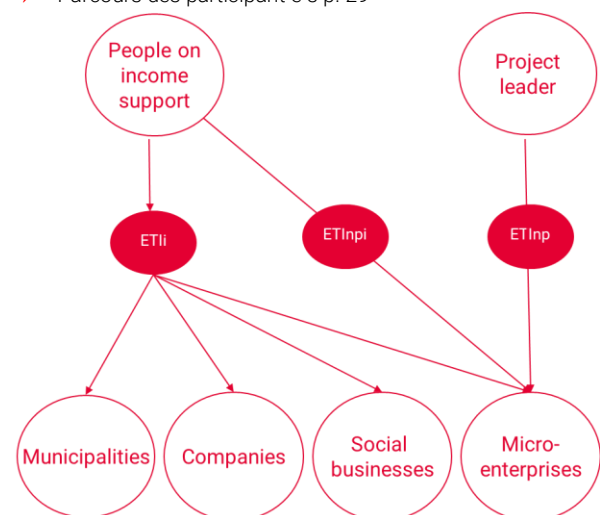
The ETI new project (ETInp) is aimed at project leaders who are not on social support and who could be supported by an ETInp to create their new economic activity in ecological transition. In this way, they would contribute to the local ecological transition and become future employers of people currently on IS.

Thanks to these three types of ETI support, this pilot project aims to bring together people with different profiles, with a view to inclusion and de-stigmatisation, while meeting the needs of each participant.

This will enable everyone to get involved in innovative projects to promote ecological and social transition.

To find out more, see the [complete study](#) in the next chapters:

- Trois types de RTE proposés p. 27
- Parcours des participant-e-s p. 29



Three types of ETI

- ETIi: “ETI insertion”
- ETInpi: “ETI new project insertion”
- ETInp: “ETI new project”

Les trois types de RTE proposés – study p. 27

6. An ecological transition cooperative

The proposal is based on the creation of a shared governance structure, such as an ecological transition cooperative (ETC), to facilitate synergies between the various stakeholders. This democratic structure is an intrinsic part of the proposed Vaud ETI pilot scheme.

In the proposal, the core of this structure dedicated to the Vaud ETI is made up of three main stakeholders who are thus networked and pool resources:

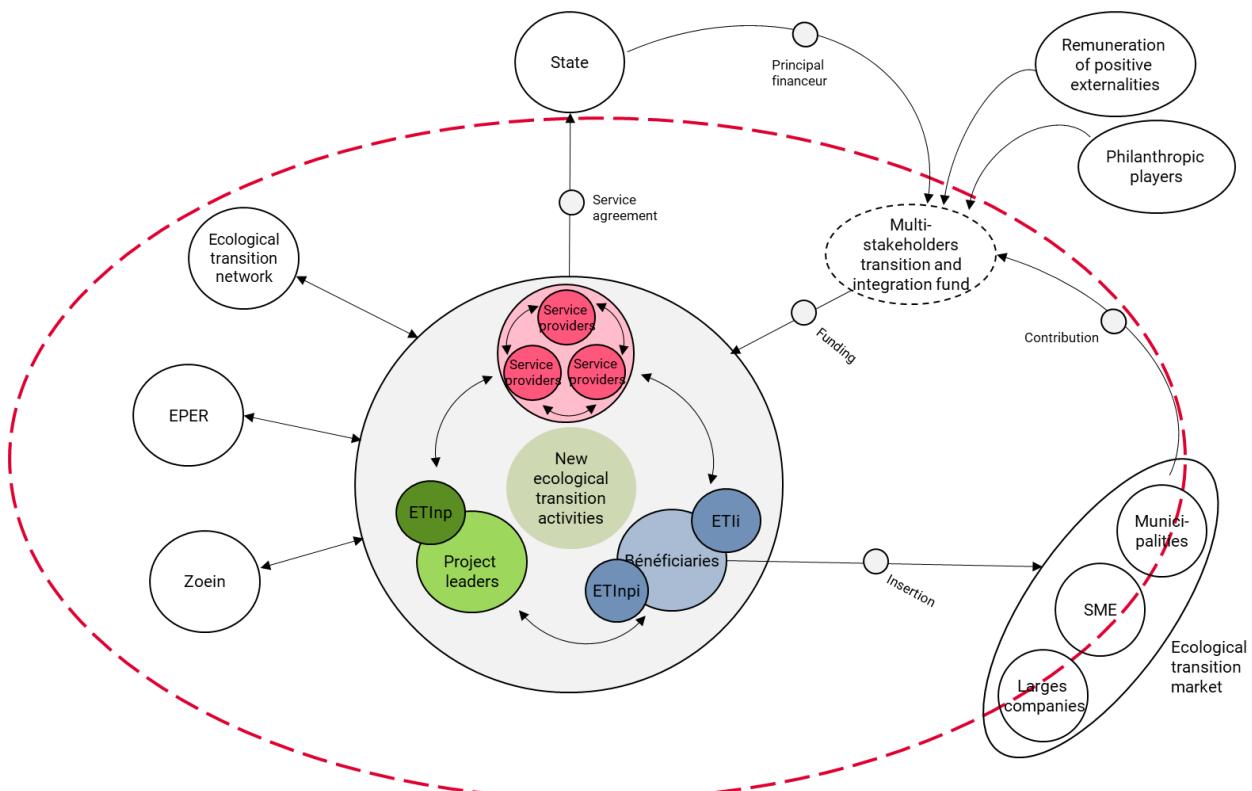
- service providers;
- beneficiaries of a ETIi and a ETInpi;
- ETInp beneficiary project leaders.

It is within this ETC that new ecological and social transition activities are carried out.

This first group would be networked with other stakeholders such as employers (companies and local authorities) involved in or planning to become involved in sustainability projects, the state of Vaud, HEKS, Fondation Zoein and existing stakeholders in the ecological transition network.

So, for example, people benefiting from ETIi can take part in new ecological transition activities developed by project leaders or be placed in sustainability-related jobs with existing employers.

The ETC: a new structure to support ETI



Roles of the ETC

Following consultations with the various stakeholders, the roles and services that a Vaud ETC could offer are as follows:

- **Bringing** stakeholders **together** by networking and pooling resources and skills;
- **Managing** ETI payments and developing a potential multi-stakeholder financing mechanism ("transition and integration fund");
- **Activating** the transition processes of ETC players and participants supported by ETI;

- **Promoting** and making visible the activities of the ETC and its members and document the ETI experiment through action research;
- **Imagining** and experimenting with new economic and social models.

To find out more, see the [complete study](#) in the next chapter:

→ Une structure démocratique pour porter le RTE p. 43

7. Recommendations

The study shows the interest and feasibility of setting up an ETI pilot scheme in the canton of Vaud and presents several conditions to increase the chances of success of this innovative project. Twenty-two recommendations have been made to ensure that the ETI pilot scheme is launched in 2023 and can be deployed at an appropriate scale.

The study sets out recommendations to ensure:

- **Funding** for the pilot scheme. A central element in ensuring that its assessment is based on solid data;
- **The creation of a ETC that** brings together all the stakeholders, structures the system and creates the synergies needed to ensure its success;

- **Stakeholder commitment** to respond to the strong interest shown by the organisations and partners consulted in contributing to the project.

To find out more, see the [complete study](#) in the next chapter:

→ Recommendations détaillées p. 60

8. Gradual implementation

The ETI pilot project is envisaged as a gradual roll-out, to be improved over time in an iterative process.

The first phase of the pilot will support the first participants and gather feedback.

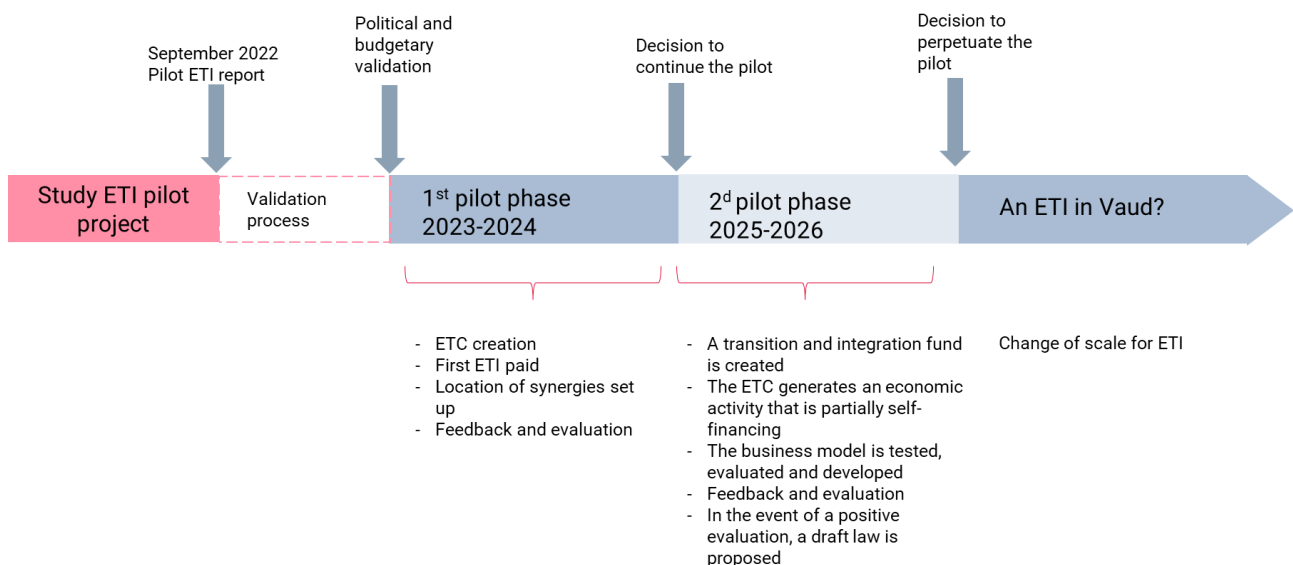
Depending on the evaluation, a second pilot phase could be implemented.

This could involve a larger number of stakeholders and roll out a system with a business model developed on the basis of feedback from the first phase.

To find out more, see the [complete study](#) in the next chapter:

→ Phasage et modèle économique p. 50

An ETI pilot scheme in two phases



9. A pioneering project

As the first experiment on a cantonal scale, the proposed ETI pilot project aims to test a new model of local, resilient and inclusive economic activity in the canton of Vaud, which can contribute to the transformation and adaptation of the Vaud economy to the challenges of the future.

The scheme brings together different audiences. It also supports the emergence of new ecological and social transition activities and enables people who are far from employment to contribute to the challenge of ecological transition, in particular by encouraging participation in entrepreneurial projects.

In the longer term, depending on the evaluation of the ETI pilot scheme, the aim would be to support the preparatory work on a bill for a cantonal ecological transition income.

The aim is to extend access to all those who are motivated to make the transition from an

unsustainable activity to a job that contributes to the ecological transition and respect for the limits of the planet.

To find out more, see the [complete study](#) in the next chapter:
→ Conclusion et perspectives p. 64

The study reports on the general pilot project and proposes a way of implementing all the various ETIs available. Each ETI will then have to evolve and develop in line with its own constraints and scope for action, particularly in legal and budgetary terms. It is therefore possible that there will be differences between the feasibility study and the actual project.

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