Leading Sustainability and Regeneration in Projects[1]

The Elephant in the Room: Questioning Continuous Growth, Donut Economics, and the Service Economy Transition[2]

By Dr. Hugo Minney

Figure 1 The elephant in the room - how do we measure success

Abstract

We confront a critical assumption in modern project mandates: the nature of "growth". We question whether continuous GDP growth is viable or desirable on a finite planet, and conversely, challenge the notion that economic growth is inherently impossible. The article illustrates how traditional growth models have contributed to environmental degradation and social inequality. We explore alternative frameworks such as Kate Raworth's Doughnut Economics and measurements of quality of life such as the Happiness Index and discuss the transition to a service-based economy and the emergence of the Pollution Halo Effect as viable pathways to growth which sidestep the busted GDP growth paradigm. By provoking critical thinking about the ultimate purpose of projects beyond mere financial returns, this article aims to equip project

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professionals and executives with a philosophical underpinning for genuinely sustainable and regenerative endeavours, and the opportunity to follow our passion as we deliver projects. Subsequent articles in the series will transform the philosophy into practical application.

Keywords: *Economic Growth, Sustainability, Regeneration, Doughnut Economics, Service Economy, Project Management, Project Success Metrics, Environmental Impact, Social Inequality, Happiness Index.*

Redefining prosperity beyond endless expansion

As business and project professionals, we assume that continuous economic growth, measured by Gross Domestic Product (GDP), is not only desirable but essential. The pursuit of 'more money' has driven vast infrastructure developments, ego projects and wasteful consumption of unsatisfying consumer goods. And yet many of our great successes were not driven by the profit motive (the 'Sagrada Familia' in Barcelona, the 'Pitman's Parliament' in Durham are just two examples of the "built by public subscription" model).

Climate change (droughts and floods rendering new regions uninhabitable for parts of a year, winds and wildfires), wars (Ukraine, the Middle East), inequality (poverty in rich countries) and mental illness (1 in 6 adults in UK [1]) highlight the need for sustainability and regeneration; the "elephant in the room" that needs addressing is to ask what truly constitutes "growth", and what should be our criteria for pursuing it[3]?

This series of articles is deliberately evidence-heavy, providing the foundation for shorter, practice-focused blogs which can refer back to the evidence here. In the previous two articles in this series, we challenged project managers to lead sustainability and regeneration (to "follow our passion")[2], and proposed a holistic four-pillar approach to sustainability for projects as opposed to the various other models for general economics [3]. Now, we challenge two opposing views: that GDP growth is the only solution, and that GDP growth is impossible on a finite planet. We accept that projects are supposed to improve our quality of life, and ask how we can square continuous growth with a thriving planet and flourishing societies?

This means asking not only what projects are sustainable in their outcomes but also sustainable in their operation. We believe the key to a long and satisfying life – reflected in indices like Bhutan's Gross National Happiness [4] or the European Social Progress Index [5] – lies in purpose: feeling part of society, feeling that we are making a difference. Therefore, a project manager delivering something that genuinely contributes and doesn't destroy is likely to have a better quality of life than one just following orders.

We know that purpose is important: people prioritise making a contribution to family, neighbours, and community in their choices of who to work for, where to work, and where to invest. Initiatives like "Time Banks," where individuals contribute and can ask back skills and time, demonstrate

[3] The question "should we pursue growth at all?" is also addressed.

how informal community contributions bolster social capital and individual wellbeing *(life in the years)*, potentially extending life expectancy *(years in the life)* by fostering a sense of purpose and connection [6]. I delivered one such scheme for NHS through Age UK North Tyneside. It fostered invaluable community connections and purpose, both helping those in need at no cost to the public purse and invigorating those who donated their time and skills. The inbuilt drive to contribute, which applies to project managers aligning professional endeavours with personal passion as much as it does to volunteers giving their time, can unlock deeper engagement and superior performance, leading to a more satisfying career and greater professional recognition.

The growth imperative and its discontents

Society expects continuous GDP growth, and continuous GDP growth is the lazy way to write economic policy. It's presented as the panacea for all societal ills: more growth means 'more jobs, higher living standards, increased wealth, and greater capacity to address social challenges'. Governments pursue it, businesses strive for it, and individuals are encouraged to contribute to it through consumption [7]. Political stability thinks that it relies on a growing economy to provide employment and public services; financial systems are structured around interest and returns which presuppose growth; and societal expectations equate progress with material accumulation.

It wasn't always like this, and GDP and GDP growth are not without their critics. The problem most often cited is that we're trying to grow GDP on a finite planet. *The Limits to Growth* warned in the 1970s that continued growth in population, industrialisation, pollution, food production, and resource depletion would eventually lead to a collapse of the global system [8]. While initially controversial, many of its predictions about resource strain and environmental degradation have proven prescient, even if some of its more immediate predictions of increased prices for scarce raw materials have not been so evident [9, 10].

The discontents of the growth imperative include more than just environmentalists. Critics argue that a singular focus on GDP masks growing inequalities, fails to account for social wellbeing, and externalises environmental costs. GDP, for instance, counts pollution clean-up as a positive contribution, even though it represents a cost of prior unsustainable activity. It's absurd that the Exxon Valdez oil spill in 1989 is recorded as a positive influence on the GDP of Alaska (which increased by $1.9 billion as a result of the clean-up efforts [11]), even though the pollution itself was an ecological and social disaster, with estimated social costs reaching $6.8 billion in 2010 dollars [12]. GDP ignores the value of unpaid labour, ecosystem services, and community cohesion, leading to a skewed measure of true progress [13]. Expensive Carbon Capture technology shows up on GDP where trees might not [14]. Projects deemed "successful" by traditional economic measures might simultaneously exacerbate social problems or deplete natural capital – and within a single organisation, projects that cannibalise other projects' resources because of the assertiveness of the project manager (claiming the importance of their project) can leave a trail of destruction in their wake.

The environmental cost of unchecked GDP growth

Industrial expansion leads to environmental damage – certainly it has done so in the past. For centuries (possibly millennia), economic activity has been largely fuelled by the extraction and

consumption of natural resources, followed by the disposal of waste back into the environment[4]. This linear "take-make-dispose" model has led to a long list of environmental crises, impacting every corner of the globe:

- **Pollution:** Industrial processes, energy generation, and transportation have released vast quantities of pollutants into the air, water, and soil. From acid rain and smog to contaminated rivers and plastic-choked oceans, pollution directly harms ecosystems and human health [16].
- **Resource Depletion:** The consumption of non-renewable resources, such as fossil fuels, minerals, and rare earth elements, is accelerating. Even renewable resources like forests and fish stocks are being exploited faster than they can regenerate, leading to their depletion and the collapse of ecosystems [17].

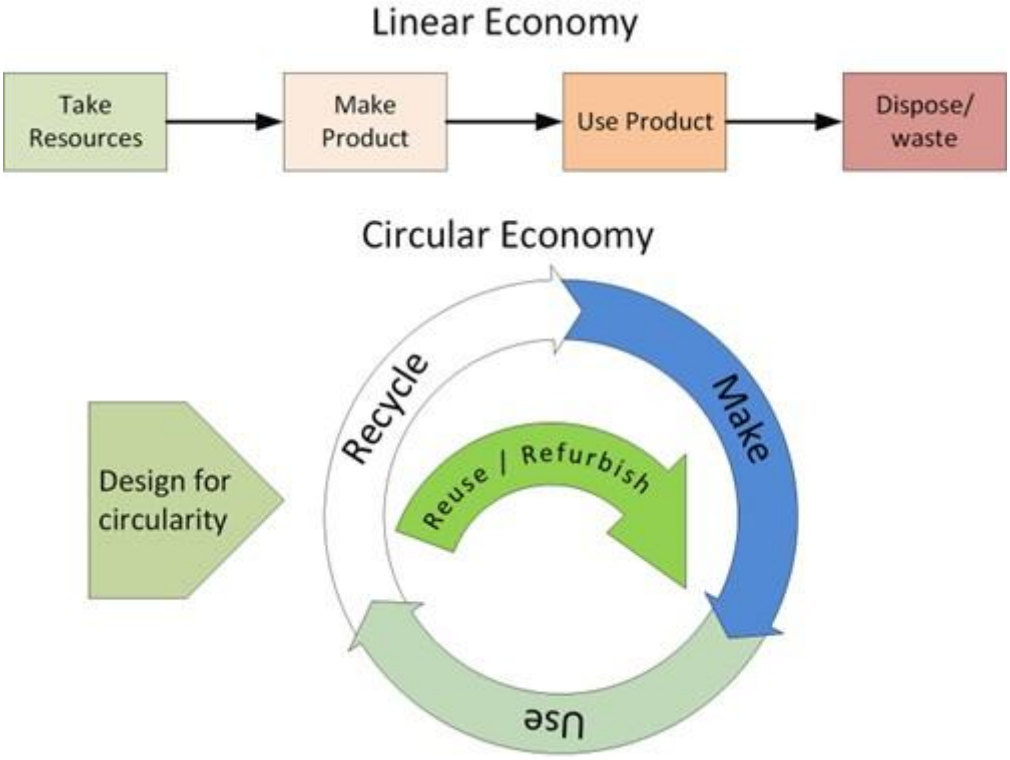

Figure 2 Linear economy is naturally wasteful, circular economy designs re-use and recycle into manufacturing

- **Climate Change:** Perhaps the most visible environmental cost, the burning of fossil fuels for energy and industrial processes has dramatically increased greenhouse gas concentrations in the atmosphere, leading to global warming, extreme weather events, sea-level rise, and ocean acidification [18]. While some suggest climate change is inevitable, discharges of greenhouse gases are accelerating it [18]. Projects, particularly

[4] The Anthropocene epoch, a controversial proposal to put a geological marker in the ground (literally), is characterised by a layer of pollution and habitat destruction [15].

in energy and construction, are often significant contributors to these emissions.

- **Biodiversity Loss:** Habitat destruction, pollution, climate change, and overexploitation are driving species to extinction at an unprecedented rate. This loss of biodiversity undermines ecosystem resilience and the natural services that underpin human life and economic activity [19].
- **Waste Generation:** The consumer-driven growth model generates enormous amounts of waste, much of which ends up in landfills or pollutes natural environments, creating long-term environmental burdens and lost resource value (see Figure 2) [20].

The "pollute now, clean later" approach to achieve faster GDP growth is a fallacy: investors increasingly recognise that investing in heavily polluting ventures is throwing money away. Once a place is polluted, demand for properties falls, and the workforce, for which significant training investment might have been made, can become too sick to work or simply leave, leading to long-term economic decay rather than prosperity and low return for the investors [21].

Projects, as the vehicles of economic activity, inevitably have an impact. The challenge for a project manager is to recognise these systemic costs and advocate for approaches that decouple economic activity from environmental degradation, so that projects can deliver positive, rather than negative, impacts.

Doughnut Economics: A new framework for prosperity, but not the only one

So if GPD growth is broken, what do we do instead? Economists and philosophers are developing new frameworks. One of the most compelling is Kate Raworth's **Doughnut Economics**, which provides a powerful visual and conceptual model for meeting human needs within ecological boundaries [22].

The "Doughnut" consists of two rings with a space between them (see Figure 3):

- **Social Foundation (Inner Ring):** This represents the minimum standards of human wellbeing that no one should fall below. It includes 12 social dimensions derived from the UN Sustainable Development Goals, such as food, water, health, education, and so on. Falling short of these means human deprivation.
- **Ecological Ceiling (Outer Ring):** This represents the planetary boundaries that humanity must not overshoot. It includes nine environmental dimensions identified by earth system scientists. Overshooting these boundaries risks irreversible environmental damage and destabilising the Earth's life-support systems.

The safe and just space for humanity lies within the Doughnut – the area where all human needs are met without overshooting planetary boundaries. Raworth argues that the goal of economic activity should be to bring human activity (and therefore projects) within this Doughnut, rather than pursuing endless growth that pushes us beyond the ecological ceiling or leaves people in the social shortfall.

Doughnut Economics is about macroeconomics, but we believe it is also relevant to project managers. Within a single organisation and for individual change activities, it shifts the focus from purely financial returns to a more satisfying objective: ensuring projects contribute to meeting social needs while operating within environmental limits. This means:

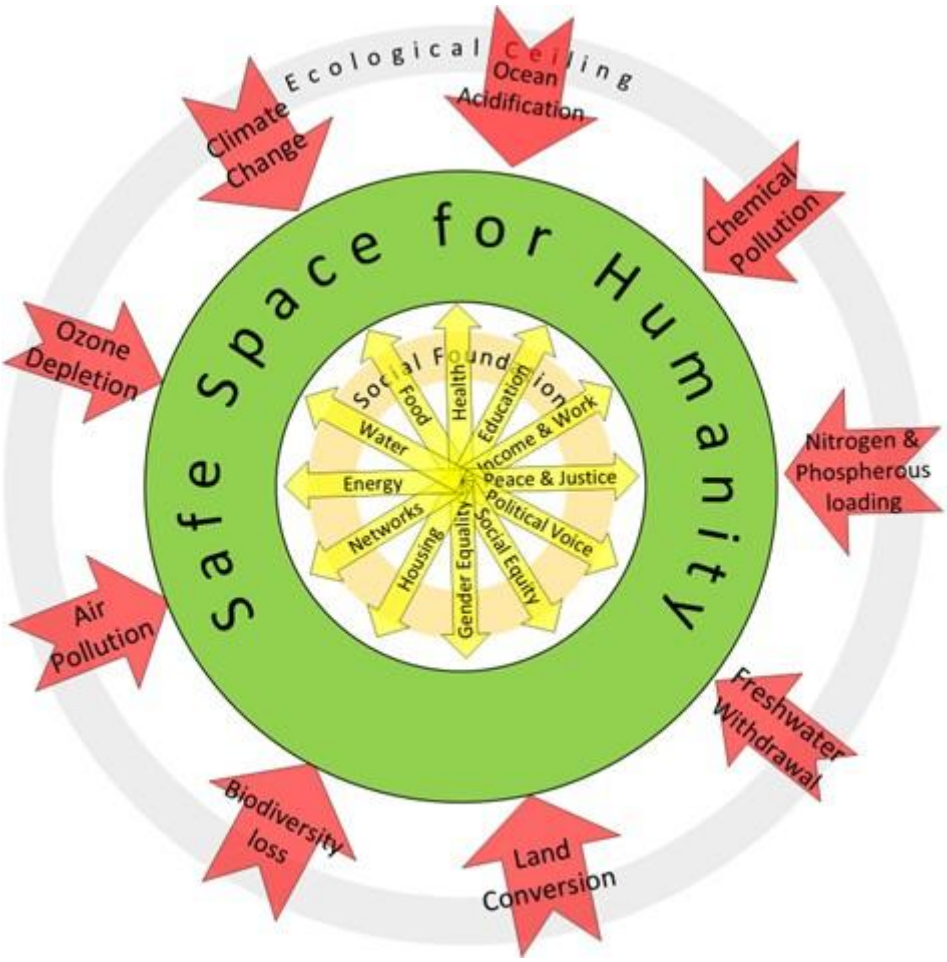

Figure 3 Kate Roworth's Doughnut model - the pressures either side of the safe space for humanity

- **Redefining Project Purpose:** Projects are no longer just about delivering outputs, but about contributing to a thriving society within a healthy planet (or at least to a thriving organisation with a future that doesn't include its own destruction). Project managers, through their leadership, can determine whether the change a project creates is destructive (pushing humanity outside the Doughnut) or constructive (creating change within its safe and just boundaries).
- **Holistic Impact Assessment:** Evaluating project proposals not just on cost-benefit analysis, but on their potential to address social shortfalls and respect ecological ceilings.
- **Innovation for Regeneration:** Encouraging project teams to design solutions that are regenerative by design, actively restoring natural systems and building social capital.
- **Collaborative Governance:** Fostering partnerships with diverse stakeholders to ensure

projects are socially inclusive and environmentally responsible.

The **Amsterdam City Doughnut Portrait** is a pioneering real-world example of a city adopting this framework to guide its urban development, ensuring all residents can thrive within planetary boundaries by addressing social and environmental needs holistically in planning and projects [23, 24].

However, while Doughnut Economics explains the need to plan for consumption of finite resources and production of pollution, it does not represent the whole answer to the growth dilemma. We are witnessing a shift towards a service economy, where wealth is increasingly spent on experiences and use rather than material goods. This means growth without consumption or pollution: for example, going to the theatre is a relatively expensive activity that uses very little non-renewable resource and produces minimal waste. The money is spent on experiences – emotions given consentingly by the actors. Based on this and similar examples growth can continue, and be valuable to consumers, with a significantly lower material footprint.

Growth leading to pollution: A historical perspective and evolving paradigms

One theoretical relationship between economic growth and environmental degradation is the **Environmental Kuznets Curve (EKC)**. In this hypothesis, the relationship is an inverted U-shape where increases in average income are matched by increases in consumption and pollution, but beyond a certain level of income, people value environmental quality over material goods [25]. Maslow's hierarchy of needs (where higher-level needs (quality of life) emerge once fundamental ones (food and shelter) are met) explained the concept 50 years earlier [26].

However, studies have found limited evidence to support this hypothesis. For some pollutants or environmental issues (e.g., CO_2 emissions, biodiversity loss), degradation continued to increase with income, or the curve can take an "N-shape" [27]. Economic growth is not automatically the solution to environmental problems, and the EKC can mask "pollution havens", where polluting industries simply relocate from countries with strict environmental regulations to those with laxer ones, shifting the burden rather than solving the problem [28].

There are some tragic illustrations of the direct economic and social costs of growth without environmental regulations: India's air pollution crisis [29, 30] and the Niger Delta's oil waste pollution [31, 32] are two which predate MBI regulatory approaches but will cost hundreds of billions to clean up. These are big examples, perhaps unrelatable to the project manager reading this, but we will show how individual projects can make a difference.

This **Pollution Haven Hypothesis (PHH)** was the prevalent effect from the 1950s to the 2000s, coinciding with (and probably exacerbated by) "**Command And Control" (CAC)** prescriptive environmental regulations brought in to maintain a quality environment in richer countries but which were costly to implement and therefore dampened economic growth. More recently, CAC regulations have been replaced by **Market-Based Incentives (MBIs)** (e.g., carbon pricing, cap-and-trade systems, eco-taxes), which foster innovation and flexibility. As well as improvements to the quality of the environment in richer nations, a **Pollution Halo Effect (PHE)** is now in evidence: companies develop cleaner technologies and practices, which they then apply globally,

raising environmental standards in poorer regions seeking investment [33]. Evidence of the PHE is measurable in European countries at least since the 1990s and in Latin America since the 2000s. It shows as a shift in corporate behaviour driven by both regulatory push (MBIs making it profitable to be a good neighbour) and market pull (customers, workers and investors offering a price premium for better behaviour) (some examples from [34-36]). These various forces on environmental degradation are illustrated in Figure 4.

The **Porter Hypothesis** (that MBIs drive innovation) [33] is also in evidence: improvements in agricultural productivity, where efficiency gains have increased output with reduced environmental impact purely through greater planning and precision, demonstrate that growth and environmental improvement can synergise each other through innovation and better practices [37, 38].

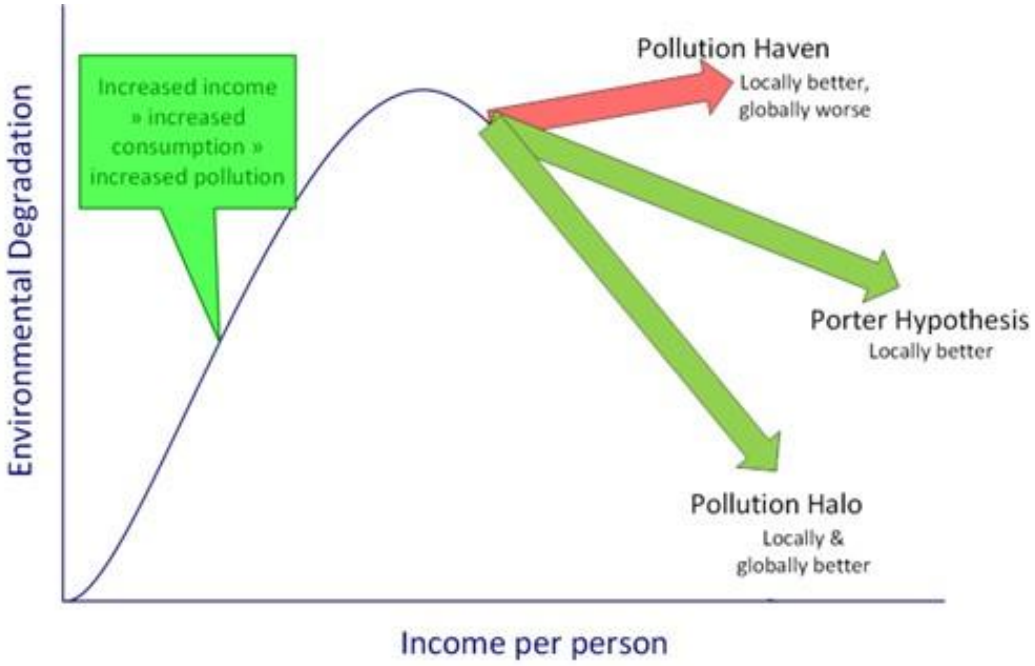

Figure 4 Environmental Kuznetz Curve (EKC) - what happens to environmental degradation under different scenarios

Some examples of companies actively collaborating with governments and regulators to drive improvement:

Scania, a major transport industry player (trucks and buses), recognised that customers were hesitant to invest in new sustainable transport due to perceived risks. Despite 90% of a truck's lifetime CO_2 emissions occurring during operation (10% from manufacturing and disposal), asking customers for a higher initial purchase price was a barrier. Scania changed its business model to "pay-per-kilometre", including fuel costs, and therefore took on the responsibility for installing refuelling and electric charging infrastructure for its commercial vehicles across Sweden and many parts of Europe [39]. A logistics company paying per kilometre had already paid for fuel in the price, so it made sense to use Scania refuelling (which used biofuels). The information from telematics enabled Scania to recommend the best vehicle (and fuel type e.g. electric for

multiple short deliveries, biodiesel for long journeys); and to locate supply side (refuelling stations).

Customers switched models from outright purchase to pay-per-kilometre, creating a lock-in model for Scania that at the same time improved telematic information as a result of Metcalfe's Law [40] – a virtuous spiral. Although it's not documented, Scania can also benefit as regulatory incentives follow the availability of one solution even though competitors aren't ready.

Similarly, mobile phone companies like Ericsson are improving microfinance and entrepreneurship in developing nations, leveraging technology for social good [41], and at the same time generating brand awareness and a lead that might prove unassailable (people will buy the phones they can get repaired, which are the ones that have parts in repair shops because they have been in the country for a long time).

Aviva, an insurance company, has stuck with its environment and civil justice commitments as other financial services companies have softened, and it seems to be paying off in their share price [42]. Aviva probably has an incentive to do so, since extreme climate events are a substantial payout for insurance companies; reducing extreme climate events reduces payouts, although in Aviva's case it was originally a principled stand.

These examples demonstrate that a "Sustainability Halo" effect is not just theoretical but is visible and measurable today, in the share price, access to investment, recruiting talent and attracting customers.

The transition to a service economy

The **service economy** or **usage-based model,** shifting from a product-ownership model to a service-provision model, can decouple economic activity from resource consumption [43].

In a traditional linear economy, value is created by selling more products, which incentivises planned obsolescence and high resource throughput. In a usage-based model, the focus shifts to delivering the *function* or *utility* of a product (or even the experience), rather than the product itself. The manufacturer retains ownership of the product, maintaining it, upgrading it, and eventually recovering its materials at the end of its use phase. This de-risks the transition for customers, as they pay for performance rather than upfront capital expenditure and maintenance. As the manufacturer is now responsible for operational costs and disposal/ recycling, they design or retrofit to reduce operating and disposal costs which improves sustainability and regeneration. The concepts are illustrated in Figure 5.

This model rewards leaders in the new, sustainable approach both by attracting customers from old market leaders, and potentially "locking them in" through integrated services, making it more difficult for traditional competitors to win them back when they join the market late. This encourages companies to lead rather than waiting for regulations.

Consumer examples of this transition include:

- **Mobility as a Service:** Instead of owning a car, individuals pay for access to various transport options (car-sharing, ride-hailing, public transport) as needed.
- **Clothing as a Service:** Renting or leasing clothes, with companies responsible for their repair, cleaning, and eventual recycling.
- **Cloud Computing:** Instead of owning a powerful computer to process voice recognition, edit video and perform AI locally, consumers have a terminal just powerful enough to capture and forward the input, and process the displays back to the user. This has the added advantage of reducing the costs of maintaining legacy systems as central systems can be managed more easily than multiple individual instances.

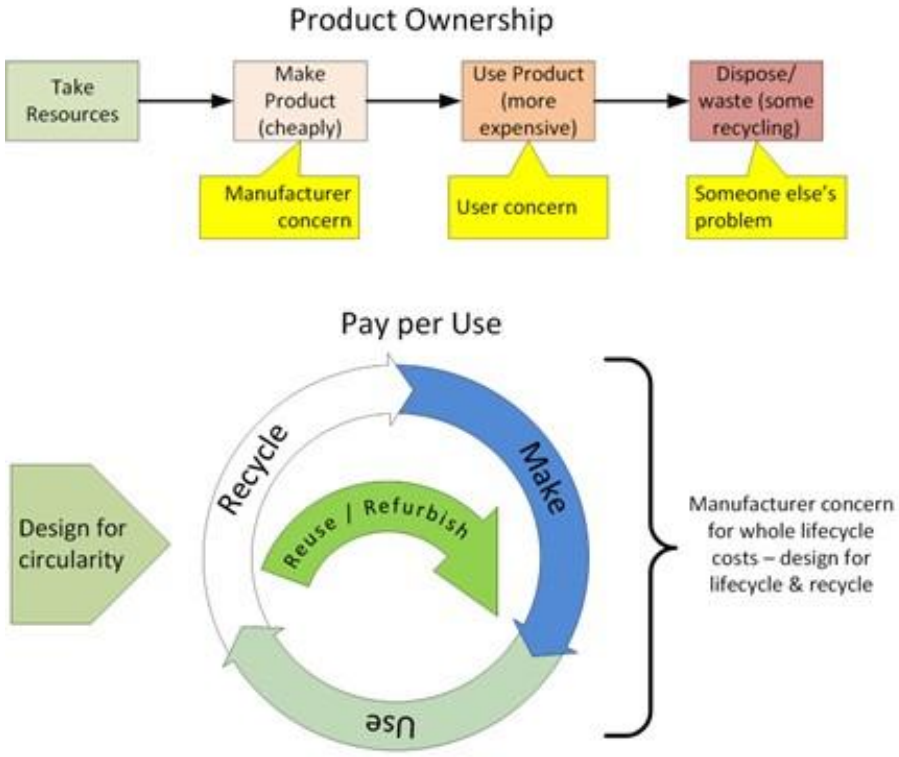

Figure 5 Pay per use model changes the design from "cheap to make, expensive to run" to "low cost/low impact over life cycle" (which can be more expensive to make)

Commercial examples are more common:

- **Transport vehicles:** pay-per-kilometre instead of owning the vehicle outright. The logistics company has considerably more flexibility to upgrade vehicles and change the mix of vehicles to suit their needs, and the manufacturer gains from their innovative designs which lower lifetime costs.
- **ICT**: especially cloud computing where the customer buys the capacity (storage, processor power, connectivity, operating systems) they need and the service provider provides virtual

servers at much lower cost.

- **Outsourcing** of legal, human resources, other professional services

What does this mean for projects?

The shift to a service economy has profound implications for project managers:

- **Infrastructure Projects:** instead of building for consumption, projects will focus on supporting service delivery and reducing whole-lifetime cost. Projects could include public transport networks, charging infrastructure for electric vehicles, or digital connectivity for remote work. The owner's responsibility for the whole lifecycle, including reuse, recycling, and disposal, drives changes in initial design to reduce costs across the entire asset lifespan.
- **Manufacturing Projects:** a shift from mass production of disposable goods to designing durable, modular, and repairable products. Think product redesign for circularity, remanufacturing facilities, and reverse logistics systems. For example, if Ericsson is responsible for the network and only profits if people use it, then the design of network equipment includes low power and solar power for remote stations, high uptime between maintenance visits, and a modular design that allows reuse of components to minimise the number of different types of spares held.
- **IT Projects:** IT projects become central to enabling the service economy. Projects developing platforms for sharing, leasing, and managing usage-based models, as well as optimising data flows for resource efficiency and predictive maintenance are likely. Pay-per-use permits/ encourages monitoring of the use of each item in customer hands (the equivalent of Scope 3 carbon emissions for "everything else"); this provides invaluable data that feeds back into design and maintenance cycles. It means that the power use of data centres supporting these services is considered; Tesla made electric vehicles popular in a positive step, but has contradicted this because their supporting data centres are powered by polluting energy sources [44].

The service economy encourages a focus on experiences and utility rather than pure material consumption. Spending money to go to the theatre, attend a concert, or participate in other experience-based activities generates reward value (benefits) with a significantly lower non-renewable resource footprint compared to manufacturing and selling physical goods, per pound spent, since a smile from service staff and other patrons is renewable and non-polluting.

A vibrant service economy, where money (currency from the Latin *correre*) "runs" and is spent on diverse experiences and services, can generate significant economic activity with a lower environmental burden compared to a purely material-consumption-driven economy. However, GDP still fails to account for inequalities and includes the negatives (the amount spent on cleaning up an oil spill) without taking into account costs to the environment and communities which haven't traditionally been monetised. So, we need a new definition of success.

Challenging project success metrics

For the last century, project success has been measured by the "iron triangle" of time, cost, and quality (process-driven project management leading to outputs-led project management), or by immediate financial returns [45, 46]. The "iron triangle" should be left to rust. It has been criticised as a red herring, a mistake the profession should have outgrown, given its persistent failure to deliver true value – both for the organisation that makes the investment, and for other stakeholders [47]. If our goal is to achieve true prosperity within planetary boundaries, the metrics of the iron triangle are insufficient and probably misleading. However, we're challenging the underlying economic model as well as the iron triangle, and inevitably the traditional definition of "project success" must also be re-evaluated.

We've discussed sustainability at a global and national scale, but sustainability also applies to individual organisations. The long-term survival of the company itself (R&D, M&A, succession planning) is "sustainability" for a company, which demands a shift from a narrow focus on short-term profits to a broader view. Companies need customers, investors, and employees, and could lose all three to the competition by failing to demonstrate a contribution to society and the planet. As a result, we need to redefine "success" in projects to include social and environmental wellbeing, moving beyond GDP-centric measures, as Figure 6 illustrates. Suggestions for reporting could include:

- **Beyond Financial Returns:** financial viability and cash flow management remain important for organisational sustainability, but projects must also demonstrate their contribution to natural, social, and human capital (see Multi-Capital Thinking [3]). Think about reporting social value created, biodiversity net gain, and/or workplace happiness.

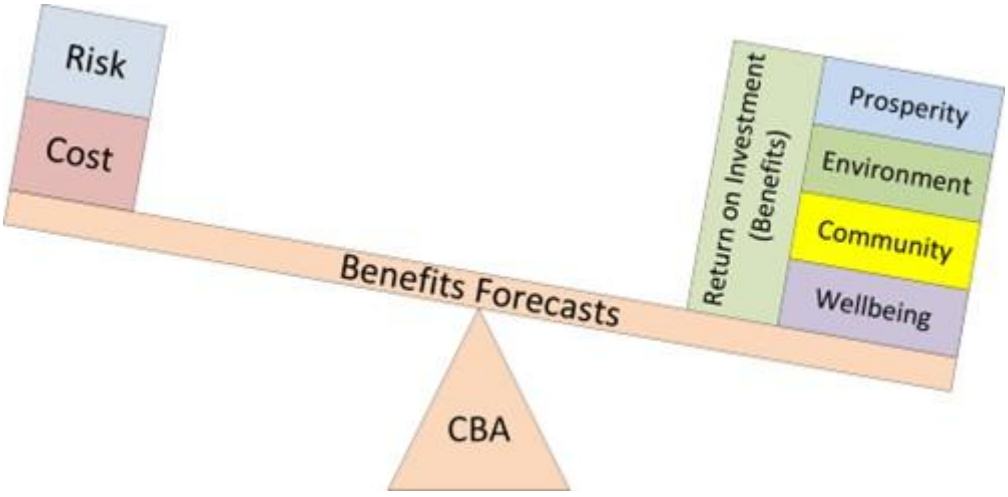

Figure 6 What does success look like? The Benefits or ROI model

- **Lifecycle Impact:** success should be assessed not just at project completion, but over the entire lifecycle of the asset or service delivered, including its operational impacts and end-of-life considerations. For instance, use the concept of **Scope 3 carbon emissions**, which reports on CO_2 equivalent beyond the organisation (or project)'s direct emissions to those

embedded in the supply chain or generated by the use of the project's outputs [48]. Can we apply a similar lens to "Scope 3" equality, human wellbeing, or productivity, something like LM3 [49]? How do these translate into customer price premium and retention, staff loyalty, ease of recruitment, and possibly even a wages/employment benefits differential – feeding into the company's long-term shareholder value? A project might be delivered on time and budget, but if the asset it creates quickly becomes obsolete (for example by not complying with environmental regulations), its long-term contribution to the organisation's success is questionable, and investors will price the cost of finance accordingly.

- **Resilience and Adaptability:** what about the resilience of the delivered outcome (result of project) to future environmental, social, and economic shocks. Does the project contribute to climate adaptation? Does it enhance community resilience? Does reporting this to stakeholders reduce obstacles and the cost of finance?
- **Meaningful Activity:** For project teams and communities, success can also be measured by the extent to which the project provides meaningful activity, fosters skill development, and improves overall wellbeing. We can put a price on this too – in reduced employee turnover with retention of tacit knowledge and ease of recruitment.

Project managers will have to champion new metrics and reporting frameworks, such as those aligned with the UN SDGs, Social Return on Investment (SROI), and integrated reporting. The **New Zealand Living Standards Framework** [50], **Bhutan's Gross National Happiness Index** [4], and some of the European initiatives such as European Social Progress Index [5] provide national-level examples of how prosperity can be redefined beyond GDP, incorporating social, environmental, and cultural capitals into policy and investment decisions. We'll expand this further as the article series progresses.

By applying financial equivalents for sustainability initiatives, project managers can demonstrate a clear Return on Investment (ROI) and justify investments that might otherwise be cancelled, deprioritised or postponed. When numbers are put on these "good things," the right projects often reveal a compelling ROI [51].

We also think that the "polluter pays" principle is likely to see a resurgence in Europe [52], and as a backlash against policies that favour unchecked exploitation such as the Chicago school [53, 54] or Project 2025 [55].

Implications for project portfolios and investment decisions

Seeking compromises between continuous growth and alternative frameworks like Doughnut Economics will change how companies and governments prioritise and fund projects, particularly at the portfolio level.

- **Portfolio Prioritisation:** Investment decisions will shift from solely maximising financial returns to optimising returns for a balance of environmental, social, and economic benefits. This means:
    - **Strategic Alignment:** Projects will be selected based on their contribution to achieving specific social foundation goals (e.g., reducing poverty, improving health) and

respecting ecological ceiling limits (e.g., reducing emissions, enhancing biodiversity).

- **Trade-off Management:** Portfolio managers will need sophisticated tools to evaluate and manage inherent trade-offs between different sustainability objectives, ensuring that progress in one area does not inadvertently undermine another.
- **Long-term Value:** Emphasis will be placed on projects that create long-term, regenerative value across multiple capitals, even if their short-term financial returns are modest.

- **Investment Criteria:** Investors, particularly those focused on ESG (Environmental, Social, Governance) factors, are already scrutinising projects more closely. Reporting in terms that recognise this will support your request for funding:
  - **Impact Investing:** Growth in impact investing, where financial returns are sought alongside measurable positive social and environmental impact, will become more mainstream.
  - **Risk Assessment:** Projects with high environmental or social risks (e.g., those contributing to pollution, resource depletion, or social inequality) will face higher costs of capital or may struggle to secure funding at all.
  - **Green Finance:** The demand for green bonds, sustainability-linked loans, and other innovative financial instruments will increase, directing capital towards projects that demonstrate clear sustainability benefits.
- **Organisational Strategy:** Companies will need to embed these new approaches into their core business strategy, moving beyond a footnote on Corporate Social Responsibility (CSR) to integrating sustainability into their value proposition. This change will prioritise projects differently, change the capabilities required within project teams, and new metrics will be used to evaluate overall organisational success.

An example of a quick-to-implement but high impact improvement is the creation of BRT (Bus Rapid Transport) systems that aim to reduce inequality and improve social cohesion. Two BRT which are well-documented are **TransMilenio in Bogotá, Colombia**, which significantly improved connectivity for low-income areas and fostered social inclusion [56, 57], and the **Guangzhou BRT in China**, praised for its integration with pedestrian and cycling infrastructure, enhancing accessibility for all income groups [58].

For project managers and portfolio managers, running projects that impact beyond the immediate financial returns means developing new competencies in holistic benefits management, understanding complex interdependencies, and effectively communicating the multi-faceted value of projects to diverse stakeholders.

Conclusion: Redefining progress

The "elephant in the room" – that **GDP is no longer a reliable sole measure of growth** – is a challenge that project management can no longer ignore. GDP is distorted by gross inequality, where a very few individuals accumulate unimaginable and unspendable wealth while the majority struggle. It perversely counts disaster and remediation as positive economic activity, as seen with

the Exxon Valdez oil spill adding billions to GDP while causing immense social and environmental harm. As Albert Einstein is apocryphally quoted, "Make everything as simple as possible, but no simpler." GDP simplifies to the point of distortion.

As the primary mechanism for delivering change and implementing strategy, projects are at the forefront of either perpetuating unsustainable practices or pioneering a regenerative future.

The way we think about projects has to change: frameworks like Doughnut Economics provide one compelling alternative, prosperity that respects both human needs and planetary boundaries. However, the transition to a service economy offers continued economic growth decoupled from resource depletion, the opportunity for projects to add value, sustainably. The Pollution Halo Effect globalises the impact of a single project: continuous growth can be reconciled with positive environmental and social outcomes, with the right regulation and corporate innovation.

For project managers, this means redefining project success beyond the narrow confines of the iron triangle and short-term financial returns. We need to take a holistic, purpose-driven approach that integrates environmental, economic, community, and human wellbeing considerations. Every decision at every stage should be weighed in terms of whether "the benefits outweigh the costs," where benefits are measured using all the pillars of sustainability and their impacts on the long-term value of an organisation. This new vision focuses on "life in the years" – joy and quality of life – rather than merely years of life or unchecked material accumulation.

For project portfolios and for investment decisions, this means shifting capital towards initiatives that genuinely contribute to a thriving, regenerative world. This is where the ROI is.

Projects are the key driver of progress. By confronting the "elephant", embracing new economic thinking, and designing projects that actively restore and regenerate, we can foster a future where true prosperity is measured not by endless expansion, but by the health of our planet, the wellbeing of our communities, and the flourishing of all individuals. This is the exciting, challenging, and deeply meaningful mandate for project professionals in the 21st century. GDP is too small a mirror to see our future in. Let's build a bigger one.

AI usage in researching and writing this paper – statement by the author

This article, "The Elephant in the Room: Questioning Continuous Growth, Donut Economics, and the Service Economy Transition", was prepared with the assistance of an Artificial Intelligence (AI) large language model (LLM). Under direction and control of the author, the AI LLM was used to facilitate the drafting, research, and refinement process of the article. For example, AI was guided to refine the language to ensure it aligned with British English conventions, maintained a professional yet accessible tone, and avoided common AI-generated phrasing. An AI tool was also used to assist in the generation of illustrations. The author maintained full control at all times and assumes full responsibility for the completed work.

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Dr. Hugo Minney is a Fellow of APM (Association for Project Management), a Member of PMI and PMI UK, Lead of APM's Benefits and Value IN (Interest Network) and Sustainability IN, founder of APM's Nuclear Industries IN, and committee member of PMI UK's Sustainability Community of Action (none of which are paid). Minney is also chair of the British Standards Institute's working group on Benefits Management, which publishes and maintains BS 202002 (Applying benefits management on portfolios, programmes and projects) (also unpaid).

Minney is a business consultant. He has analysed the benefits of change, and weighed them up against the need for effective operations to keep the lights on, since 1990 when he started supplying high ticket computer systems and specialist software for workforce planning; he has built business cases of all types and is acutely aware of the pressures to make a single project a success at the expense of the organisation's objectives; as a board director in National Health Service and could take a portfolio overview and prioritise the individual benefits of projects to ensure the success of the whole organisation. Minney is now a project management consultant with a sideline chairing a charity restoring the sense of community for young people.

Minney specialises in putting a number on difficult benefits (such as sustainability and regeneration), motivating team members by reporting what they are achieving together and motivating teams to build the communities and companies we want to be part of – together. He believes in standards and is accredited as a Social Value practitioner and Chartered Project Professional.

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