

BUSINESS VOICE BOOK CONVERSATION

Rethinking Strategy: Reflections on Pascal Demurger's *L'entreprise du XXI^e siècle sera politique ou ne sera plus* ('The Twenty-First-Century Company Will Be Political or It Will Cease to Exist')

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It has become commonplace to view companies as political actors. Controversies surrounding digital platforms, artificial intelligence, and the ecological transition continually remind us that corporate decisions extend far beyond the economic sphere. They shape behaviors, steer innovation, redistribute opportunities, and contribute to the organization of the societies in which we live. The question, therefore, is no longer whether companies exercise political power, but how this evolution changes the way we understand their role.

At first glance, Pascal Demurger's *L'entreprise du XXI^e siècle sera politique ou ne sera plus* ('The twenty-first-century company will be political or it will cease to exist') (2019) appears to fit squarely within this debate. Yet, the book gradually leads the reader in a different direction. Taking seriously the idea that corporate decisions already contribute to organizing the economic, social, and ecological balances of our societies does more than invite us to rethink the role of the firm. More fundamentally, it prompts us to reconsider the very way we conceive strategy – whether in for-profit companies, social enterprises, or public organizations.

This review emerged from that intellectual shift. Rather than summarizing the book or systematically assessing its arguments, we follow the line of reasoning it opens up. Pursuing Demurger's argument to its logical conclusion reveals a different way of thinking about strategy: less as a reflection on the firm itself than as a way of understanding the social and ecological systems within which all economic activity is necessarily embedded.

The political firm: A shift in perspective

The title chosen by Pascal Demurger announces a bold claim: 'the twenty-first-century company will be political or it will cease to exist'. At first sight, this statement appears to fit within

the now well-established debate on the growing role of firms in shaping and regulating contemporary societies. Yet, as the argument unfolds, the book's most significant contribution lies elsewhere. More than demonstrating that firms have become political actors, it invites readers to reconsider the very nature of the decisions they make.

In our view, this shift in perspective is the book's greatest strength. The political dimension of the firm does not emerge only when its influence becomes spectacular or controversial. It is already embedded in the ordinary activities of organizing. Decisions regarding investments, technologies, purchasing policies, partnerships, locations, or governance arrangements never produce merely economic outcomes. At the same time, they organize relationships among actors, redirect flows of resources, enable certain forms of cooperation while constraining others, and reinforce some developmental trajectories while making alternative ones less likely. Often without managers being fully aware of it, such decisions contribute to structuring the social and economic systems in which organizations operate.

The originality of Demurger's argument lies precisely in this reformulation of the problem. Firms do not become political because they move beyond their economic role; rather, they are political because their economic activity already has collective consequences. Politics no longer appears as an additional responsibility that strategy should incorporate. Instead, it becomes an intrinsic property of strategic decisions themselves, insofar as these decisions generate effects that extend beyond the boundaries of the firm and shape the interdependencies linking organizations, territories, institutions, and resources.

This intuition distinguishes the book from much of the literature on corporate social responsibility (Acquier & Aggeri, 2015). While this body of work has profoundly renewed the way organizations address their social and environmental impacts, it often rests on an implicit representation of the firm as primarily an economic actor to which new responsibilities

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are gradually added. Demurger suggests a more fundamental shift. The issue is no longer simply to broaden the purposes of the firm, but to recognize that economic activity is, in itself, an activity of organizing collective life.

Taken to its logical conclusion, this reasoning transforms the way strategic decision-making can be understood. Strategy is no longer confined to allocating resources, building competitive advantage, or improving organizational performance. It also becomes a way of acting upon the interdependencies that connect the firm to the broader systems in which it is embedded. Every strategic decision contributes, directly or indirectly, to strengthening some collective capacities, weakening others, or redistributing the conditions under which they can develop. The shift may appear subtle, yet it profoundly changes how strategic choices are interpreted.

It is probably at this point that the object of the book itself begins to change. We initially expected a book about the political role of the firm. Gradually, however, a different question emerged. If strategic decisions already produce consequences that extend far beyond organizational boundaries, perhaps the central issue is not the emergence of the 'political firm' but a transformation in what strategy itself is ultimately about.

In our view, this is where the book becomes most intellectually stimulating. For decades, strategy has largely been organized around a relatively stable ambition: creating the conditions for sustained performance through superior positioning, distinctive resources, or capabilities that competitors cannot easily replicate. That ambition remains essential. Yet, by following Demurger's argument to its conclusion, another question comes into view. If strategic decisions already shape the social and ecological systems upon which economic activity ultimately depends, perhaps strategy is no longer concerned solely with creating value. It also becomes concerned with sustaining the conditions that make value creation possible in the first place.

More than the claim that firms have become political actors, it is this question that we see as the book's most enduring intellectual contribution. It gradually shifts our attention from the firm to strategy and from strategy to the systems in which it is embedded. The remainder of this review explores the implications of taking that shift seriously.

Shifting the object of strategy

Pursued to its logical conclusion, the shift proposed by Demurger raises a question that the book never explicitly formulates yet ultimately makes difficult to avoid: what is strategy now about? For decades, strategic thinking has been primarily concerned with the firm itself. Resources, capabilities, competitive positioning, and value creation have traditionally constituted the central objects of strategic decision-making. Demurger's argument, however, progressively invites us to shift this focus. If corporate decisions already contribute to

organizing the social and ecological systems in which firms operate, the object of strategy can no longer be reduced to securing an advantage for the organization alone.

A first temptation would be to interpret this evolution simply as an expansion of the firm's objectives. Research on corporate social responsibility, purpose-driven firms, and hybrid organizations has convincingly shown that economic performance can no longer constitute the sole horizon of collective action (Laasch, 2018; Meadows et al., 1972; Segrestin & Hatchuel, 2012; Tykkyläinen & Ritala, 2021; Yunus et al., 2010). Yet, such an interpretation remains incomplete. The shift suggested by Demurger concerns not only the purposes organizations pursue, but more fundamentally the very objects upon which their strategic decisions act.

This question resonates strongly with Durand's (2013) analysis of an increasingly disorganized world. As the boundaries separating firms, markets, public institutions, and civil society become more porous, interdependencies multiply. In such a context, organizations can no longer regard these interdependencies merely as features of an external environment to which they must adapt. They actively participate in producing and transforming them. This influence extends well beyond economic or institutional power. It is also embedded in the products and services organizations design and bring into the world. Decisions concerning technologies, resource choices, business models, anticipated uses, or intended users already favor certain developmental trajectories over others. Once deployed, products and services continue to shape individual and collective practices: they transform the ways people communicate, travel, produce, consume, cooperate, and inhabit territories. The environment of the firm thus appears less as an external context than as the ever-provisional outcome of countless organizational decisions.

Demurger's argument sheds new light on this intuition. If firms actively contribute to shaping the world in which they operate, strategic decisions no longer unfold within a pre-existing context; they participate in producing the very conditions under which other actors will subsequently act. It is precisely this capacity to organize interdependencies – far beyond the firm's formal boundaries – that gives strategic decisions their fundamentally political character. Donella Meadows's systems thinking allows us to take this argument one step further. As Meadows D.H. (2008). reminds us, systems cannot be understood solely through their constituent elements. They are equally defined by the relationships connecting those elements, the feedback loops that link them, and the functions they collectively perform. From this perspective, strategic decisions no longer act only upon organizational resources. They also reshape the interdependencies structuring the systems in which organizations are embedded. Yet, it is precisely these interdependencies that determine whether systems remain capable of fulfilling their economic, social, and ecological functions over time.

As this line of reasoning unfolds, one idea becomes increasingly difficult to ignore. Strategy may no longer be concerned solely with creating more value. It may also consist in orchestrating interdependencies so as to maintain and develop the capacities of the ecological and social systems that make value creation sustainably possible. The implications of this shift are deeper than they first appear. It does not challenge the traditional ambitions of strategy; rather, it gradually transforms its object. The central question is no longer simply how to improve organizational performance. Instead, it becomes how to sustain the capacities of the systems upon which that performance ultimately depends. The capacity of a territory to develop skills, of an industry to sustain long-term cooperation, of institutions to generate trust, or of ecosystems to regenerate the biological resources upon which human activity depends can no longer be treated merely as contextual conditions. They progressively become the very objects upon which strategic decisions exert influence, directly or indirectly.

This evolution also invites a renewed reading of the literature on governance. Studying social enterprises, Serres et al. (2022) show that governance is less about seeking an optimum than about maintaining balances among multiple purposes that cannot be sustainably separated. Their analysis offers a valuable lens through which to interpret Demurger's argument. Once strategic decisions concern the capacities of ecological and social systems, strategy itself can no longer be conceived as a simple optimization exercise. Instead, it becomes an activity of navigating trade-offs among interdependent capacities, none of which can be durably sacrificed without weakening the others. This is perhaps where the broader significance of the book appears most clearly. A political firm is not simply a firm pursuing broader purposes. It is a firm whose decisions already shape the systems upon which its own future activity depends. Consequently, the object of strategy is progressively transformed. Strategy appears less as a reflection centered exclusively on the firm than as an activity of orchestrating interdependencies in order to maintain and develop the capacities of the ecological and social systems that make all durable economic value creation possible.

This reading, however, immediately raises another question. If strategy increasingly consists in navigating systemic viability trade-offs among the capacities of interdependent systems rather than optimizing the performance of a single firm, how can managers make such choices when these capacities themselves come into tension? It is arguably around this question that the deepest transformations of strategic work are currently taking shape.

Managing systemic viability trade-offs

If Demurger's argument shifts the object of strategy, it also transforms the way we understand the work of managers.

Strategic decisions are no longer confined to guiding the development of the firm; they simultaneously contribute to shaping the social and ecological systems upon which that development ultimately depends. The question is therefore no longer simply which decisions will enable the organization to achieve its objectives, but which decisions will preserve the conditions under which those objectives can continue to be pursued (Acquier et al., 2024; Dahlmann, 2025; de la Cruz Jara et al., 2025; Meadows et al., 1972).

This shift changes less the purpose of the firm than the nature of systemic viability trade-offs managers face. Traditionally, strategic choices have largely involved allocating scarce resources across projects, activities, or markets. Demurger invites us to view these choices differently. Managers increasingly navigate systemic viability trade-offs among multiple conditions that make value creation possible, none of which can be neglected indefinitely without undermining the others. The challenge is no longer limited to balancing growth and profitability, short-term and long-term objectives, or exploitation and exploration. Strategic systemic viability trade-offs also concern the capacity of territories to develop skills, industries to sustain long-term cooperation, ecosystems to regenerate the resources upon which economic activity depends, and institutions to foster the trust that enables exchange. Strategic decisions are obviously not intended to govern each of these capacities directly. Yet, they nonetheless contribute, directly or indirectly, to strengthening, weakening, or redistributing them.

This perspective also casts new light on the literature on common-pool resources and their governance (Ostrom, 1990), which is particularly valuable for understanding natural resources as strategic issues that transcend organizational boundaries (George et al., 2015). This body of work demonstrates that certain resources cannot be sustainably preserved through market or hierarchical mechanisms alone, but instead require forms of coordination among interdependent actors. Soubeiran's (2022) dissertation extends this line of reasoning by showing that, once particular resources become capacities shared across systems, their governance is no longer a peripheral concern but a central object of strategy. As critical resources become progressively depleted, the nature of competition itself changes. Firms remain competitors in their respective markets, yet they simultaneously become interdependent in their ability to maintain the resources, ecosystems, and cooperative arrangements upon which that competition ultimately depends. Under such conditions, value creation can no longer be separated from maintaining the systems that make it sustainably possible.

This perspective also reshapes our understanding of managerial work. Research on grand challenges has shown that systemic problems cannot be addressed through conventional logics of optimization or problem solving. Instead, they require pragmatic forms of action based on the gradual coordination

of interdependent actors and the construction of robust rather than definitive solutions (Ferraro et al., 2015). Read through this lens, Demurger's argument acquires a new significance. The more strategy concerns living, adaptive, and interdependent systems, the less it can rely on traditional assumptions of planning and control. In his visionary essay, Kelly (1995) argues that the resilience of biological, technological, and social systems stems less from centralized control than from the richness of local interactions. The manager's role is therefore no longer primarily to master every dynamic within the system, but to create the conditions under which these dynamics can emerge, coordinate, and evolve. Strategy becomes less an exercise in control than one of designing relationships, facilitating interactions, and shaping the rules through which coordination takes place. In a networked world, one of the strategist's most valuable capabilities may be the ability to relinquish the illusion of control in order to strengthen the self-organizing capacities of the systems in which the organization participates.

This evolution also invites us to reconsider contemporary discussions of regenerative organizing (Afnor, 2024; Hahn & Tampe, 2021). Regeneration is often presented as a new ambition extending earlier approaches to corporate social responsibility and sustainable development. Demurger's argument suggests a different interpretation. If strategy increasingly consists in orchestrating interdependencies so as to maintain the capacities of ecological and social systems, regeneration appears less as an additional objective than as the natural horizon of this evolution. Where ecological and social capacities have already been degraded, preserving them is no longer sufficient; they must also be restored and strengthened. Strategic decisions are therefore evaluated not only in terms of the value they create today but also according to the capacities they help maintain, restore, and develop for the future.

If this line of reasoning is pursued to its ultimate conclusion, Demurger's argument invites us to rethink the role of strategy itself. Strategy appears less as the continuous pursuit of optimization than as orchestrating interdependencies in order to sustain and develop the capacities of the ecological and social systems upon which all durable value creation depends. The choices managers face may therefore be understood as systemic viability trade-offs. Their purpose is not to optimize multiple objectives simultaneously – an ambition that is probably illusory – but to seek forms of equilibrium that allow the interdependent systems upon which organizations rely to preserve, collectively, their capacity to evolve.

This, in our view, is the book's most stimulating contribution. Its significance lies not simply in arguing that firms have become political actors, but, in the intellectual shift, it makes possible. Following Demurger's reasoning to its conclusion invites us to see strategy less as a discipline centered exclusively on the firm than as an activity of orchestrating interdependencies in the service of the long-term viability of the ecological and

social systems upon which economic value creation ultimately depends. More than proposing a new way of defining the political firm, the book opens up a different way of thinking about strategic decision-making and strategic practice.

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