

MYSTICISM HERMENEUTICS AND THE EVOLUTION OF CAPITALISM

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Abstract

The paper adopts a hermeneutic or interpretative approach to organizations as complex adaptive networks. It makes the case for a truly interdisciplinary approach, that includes not only the social and physical and life sciences, but methodologies that have a long history in mysticism. The approach to mysticism is through of archetypes and creative imagination. Competition is an archetype, with many images, including market capitalism and planning. Archetypes function as complex adaptive systems. Creative Imagination symbolising mystical techniques is presented as a methodology for understanding archetypes.

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Introduction

Generally the term mysticism describes the *direct approach* of the soul to God, or whatever is taken to be the central reality of existence. Many mystical traditions exist. They have a number of postulates in common including the following.

- i. Knowledge of reality can be gained by techniques other than sense perception or rational conceptual thought.
- ii. There are gradations of being, ranging from the spiritual to the material (sensory) worlds.
- iii. It is possible to develop new cognitive systems capable of apprehending different levels of being.
- iv. The different levels of being are related to one another.

A wide variety of methodologies of mysticism exist, but the contention of this paper is that in no sense do they represent a rejection of rational thought except in so far as it may result in habit patterns that limit cognition. A convenient way of treating the four postulates is through the notion of archetypes. Archetypes have a long history; for example as Platonic forms, innate ideas in Kepler, a priori structures in Kant, or deep structures in Chomsky (Stevens, 1982). However in the twentieth century, the deepest study of archetypes was carried out by Jung and his followers, and it is this tradition that is adopted in the discussion here. The Jungian approach enables us conveniently to link mystical approaches with rational scientific concepts. Such rational concepts (especially those arising from the study of complexity) are extended in the paper to the study of competition, and in particular to the evolution of capitalism, which is seen as an archetypal process. The notion of archetypes as treated by Jung is close to mystical concepts, for example the idea of *correspondences* found in the works of Emanuel Swedenborg (1688-1772) the Swedish scientist, religious scholar and mystic, and the *permanent archetypes* of the Spanish born Sufi scholar Ibn Arabi (1165-1240). The notion of archetypes is also widely diffused in myths.

The postulates outlined above can be summarised by the observation that an intermediate world exists between the material and the spiritual. This is the world of permanent

archetypes (Izutsu, 1983). Further the things diffused through the natural world are representations or correspondences of spiritual things (Corbin, 1983). Archetypes have a passive role in the sense that they are reflections of the spiritual world and active in the sense that archetypal patterns are governing factors in the material world. Access to archetypes is through Creative Imagination. In turn, Creative Imagination, a terms borrowed from Ibn Arabi is adopted in the paper as a means of summarizing different methodologies of mysticism, which otherwise appear to have little in common except that they are all techniques for developing the *direct approach* to reality.

Jung saw archetypes as primordial patterns, common to all human beings, affecting the way we perceive, imagine and think, and by structuring psychic apprehension, influencing behaviour profoundly (Stevens, 1982). They are paradigms, rules or schema: "*active living dispositions, ideas in the Platonic sense, that perform and continually influence our thoughts feelings and actions*"(CW 8:154)ⁱ. Jung imagined archetypes operating at the deepest level of the psyche, and originating in the collective unconscious. We cannot observe them directly: "*We must constantly bear in mind that what we mean by "archetype" is in itself irrepresentable, but has effects which make visualization of it possible, namely the archetypal images*" (Jacobi, 1968). They are revealed in universal symbols, myths and motifs. Important archetypes include the shadow, the anima, the animus, the wise man, the great mother, the hero, the father, the child and the self (Jung, 1968, 1963, 1964; Neumann, 1955; Samuels, Shorter, Plaut, 1986; Samuels, 1985; Hillman, 1975).

Although implicit in the discourse of competition, the contention that competition is an archetype is new and gives Jungian analysis a central role in the understanding of organizations. Archetypes are unobservable general structures determining a probability field that encompasses a range of actual events, images and experiences (Jacobi, 1974; von Franz, 1975; Edinger, 1972). "*All the most powerful ideas in history go back to archetypes. This is particularly true of religious ideas, but the central concepts of science, philosophy and ethics are no exception to this rule*"(CW 8:342). Competition is an ordering principle in society. For Adam Smith, it was a means of reconciling conflicting self-interest. In the tradition of Pareto it is a route to economic efficiency (Smith, 1969,1981; Walsh and Gram, 1980). In a Schumpeterian world, competition and technological change are dynamics of capitalism (Schumpeter, 1939; 1952). In the Austrian tradition, it provides

the kind of distributed information system that, as Hayek forewarned, makes capitalism infinitely more durable than centrally planned economies (Hayek, 1945). The application of archetypal theory to organizations extends the scope of Jung's claim for their power.

In the paper, I examine competition as an archetype, and the nature of capitalism as an image (representation) of the archetype. I set out the characteristics of archetypes, their relation to capitalism, and to the new capitalism that emerged in the late twentieth century. The view of archetypes as ordering principles highlights their correspondence to complex adaptive systems. Complexity is the study of entities (atoms, neurons, molecules, ecologies, and central nervous systems) that have the potential for evolution (Coveney and Highfield, 1995; Kauffman, 1993,1995; Pettersson, 1996; Russ 1999). The correspondence between the two discourses increases the scope of archetypes, and explains why capitalism is self-adaptive. Archetypes contain both light and dark aspects (Jung, 1940, 1963, 1969; Neumann, 1954). I argue that the shadow aspects of competition are suppressed currently.

We have a negative view of imagination, except in relation to works of art, which are seen as gratuitous in the face of solid technological achievements. There is no longer a scheme of reality that admits an intermediate universe between the realm of sensory data (empirically verifiable) and the spiritual universe (accessible only by faith). In Ibn Arabi, archetypes occupy that space. In Swedenborg the spiritual world is mirrored by the material world and each person lives in both realms at once. Creative Imagination in Ibn Arabi (Corbin, 1969,1995; Izutsu, 1983; Chittick, 1989) represents a means of accessing archetypes, and thus of spanning different levels of being. Correspondences between the different levels of being are revealed by spiritual hermeneutics through meditation upon the books of Genesis, exodus or Revelation (Swedenborg, 1983).

Creative imagination, is a notion that spans Jungian and mystical traditions (CW, 9i: 59, 53, 351, 352; Hanna, 1981; Johnson, 1986; Neumann 1989; Spiegelman, 1991). By linking archetypal psychology, complexity and the elements of mysticism, to the study of organizations, the "*common background of microphysics and depth psychology*", that Jung spoke of, is extended (CW 14: 768).

Archetypes are distinct from their representations or images. Competition is the originating archetype and capitalism is one of its images in the social sphere. Competition

describes the interaction of individuals who share a limited environment: it includes both co-operation and rivalry (Porter, 1985). The basic concepts of competition, value, cost, consumption and production, are shared by capitalist and socialist economies (Schumpeter, 1954).

As illustrated in the table below, archetypal fields share characteristics with complex adaptive systems (Kauffman, 1993, 1995; Holland, 1995,1998; Bak, 1997; Holland, 1995,1998). The defining characteristics of complex adaptive systems, *non-linearity*, the *possibility of evolution or emergence* of new forms or structures and *ambiguity*, form a subset of the archetypal characteristics discussed in the paper. The evolution of systems takes two forms; (i) *outer dynamics*, variation in response to environmental pressures, a Darwinian process, and (ii) *inner dynamics* or self-adaptation. The two processes taken together correspond to the dissipative systems (Prigogine, 1980; Prigogine and Stengers 1984).

Archetypes contain both *inner* and *outer dynamics*. Perhaps their most important characteristic is numinosity. Hence the risk that they have an overwhelming effect over those blind to their significance (Hillman, 1975; Neumann, 1989). Numinous, (Latin, divine or commanding spirit) describes the awe-inspiring effects of archetypes, their spiritual and emotional impact. Jung points to the danger of “ *succumbing to the fascinating influence of archetypes, and that is most likely to happen when the archetypal images are not made conscious. If there is already a predisposition to psychosis, it may even happen that the archetypal figures, which are endowed with a certain amount of autonomy anyway on account of their natural numinosity, will escape from conscious control and become completely independent, thus producing the phenomenon of possession*”(CW 9i: 82). Their numinous aspect links archetypes to the narratives of science, myth and mysticism.

Plan of the paper.

Following this introductory section, in section two, characteristics of archetypes are outlined through their representations in myth. Then the relationship of archetypes to complex adaptive systems is sketched. Section three focuses on competition as an archetype, then explores the dynamics of capitalism, and its evolution into new capitalism. Section four

focuses on creative imagination as a means of interpreting archetypes. The last section sets out some implications for the study of management and organizations.

Archetypes

As an embodiment of archetypal characteristics, consider the hero; the universal drive to explore, to succeed, and respond to challenges (CW 18: 548). He is a powerful God or God-man who vanquishes evil in the form of dragons, serpents, demons, and liberates his people from destruction (Campbell, 1982; Cotterell, 1986; Neumann 1954; Radice, 1978). The Christian era takes its name from a God man, descended from the Osiris-Horus myth (8: 548). The hero appears in diverse images (Achilles, Samson, Hercules), in modern myths (cinema, TV, comic strip, or video game and advertising heroes), in historical figures (Alexander, Magellan, Napoleon), in heroes and heroines of business and politics. The hero evolves. He has the ability to self-adapt and learn; often *slaying* the father and the mother to do so. He is a wanderer, pilgrim, soldier, constantly confronting failure, overcoming death. The hero's character also expresses an explicit shadow side; madness, ruthlessness, hubris (killing his children, flying too close to the sun), or divine victim, outcast, saviour. His character is ambiguous. Anyone trying to understand archetypes has to acknowledge both their light and dark sides. In organizations, the hero archetype may be projected onto mechanisms; the corporate plan, privatisation, business process engineering, the brand. Archetypes interact and contaminate one another (von Franz, 1975; Jung, 1974).

Hermes, God of markets, expresses many aspects of the archetype of competition through his own character and through his network of relationships with other archetypes. Hermes (Mercurius) is at once hero, trickster, inventor, and criminal, associated with markets, trade, property rights, cultivation (Samuels, 1993; Matthews, 1999), the patron of good fortune, merchants, thieves, athletics, and cultivation. He is also the son of Zeus, and brother of Apollo. Heroes are associated with both Olympus (consciousness and light), and the Underworld (the unconscious), the numinous; Ulysses descending to consult Tiresias, Jonah swallowed by the whale. Hermes is a guide to the Underworld (CW 5: 299). They unite opposites (*coincidentia oppositorum*) within themselves (hero renegade, wise man

trickster, mother witch), which contributes to their numinous and mysterious character (Edinger, 1992).

Archetypes interact in a network of relations. The hero, in many guises (the innovating entrepreneur, the inspired leader the consumer, the government, the Fed), may be capable of slaying the dragon (depression, unemployment, social instability, debt), that threatens the images of competition system. The proletarian hero may transform the capitalist dragon into something different from itself.

Discussion of the hero suggests a number of characteristics of archetypes.

- i. They are universal recurring in recognizable form irrespective of time and place (CW 8: 342).
- ii. The archetype and the archetypal *image* (the representation) are different phenomena (9ii: 413). Archetypes are reflected by *diverse* images (CW 8: 417).
- iii. Archetypes are *dynamic* and are capable of evolution through *inner* and *outer dynamics* (CW 9i: 50, 9ii: 279, 16:396).
- iv. Archetypes have an *ambiguous* quality. They embody contradictions, (positive and negative, light and dark, yin and yang) (CW 9i: 271), and *contaminate* one another, (usually more than one archetype is present in a given situation) (CW, 9i: 8).
- v. Archetypes have a *numinous* effect CW 6, 1426, 11:757; von Franz 1975; Neumann 1989).

ARCHETYPES	COMPLEX ADAPTIVE SYSTEMS	COMPETITION
Archetypes are universal ordering principles. They define a probability field.	The study of macroscopic collections of entities that are capable of evolution.	An ordering principle covering the interaction of individuals or groups in a limited environment.
Archetypes are distinct from the archetypal image. Archetypal images are diverse	Complex systems include physical systems (the central nervous and immune systems, ecologies), social systems (global business, organizations), simulated systems (genetic algorithms, neural networks, pattern forming systems)	Varieties of capitalism and socialism are expressions of competition in the social sphere. Diverse interpretations of competition exist; negative feedback systems, self reinforcing mechanisms, information systems, periodic, point and strange attractors.
Archetypes are dynamic, evolutionary, and emergent.	Evolution and emergence takes place via <i>outer dynamics</i> (interaction with the environment) and <i>inner dynamics</i> (self-organization).	The evolutionary properties of competition long recognised. Marx and Schumpeter saw capitalism as a self-adaptive system.

		New capitalism emerged in the late twentieth century.
Archetypes contain ambiguous contradictory elements. Archetypes contaminate and interact with one another. Archetypes contain light and dark (shadow) sides	Complex systems contain ambiguity; possibilities of order and disorder, randomness and chaos, determinacy and indeterminacy. They contain non-linearities, self-reinforcing mechanisms.	Interpretations of competition and capitalism its image include equilibrium and disequilibrium, stability and instability, evolution and catastrophe. Economies, organizations and systems work as multi layered networks. The planned economy is the dual (or shadow) of a market system.
Archetypes have a numinous, compelling and awe inspiring impact.	Systems may be NP complete. Adaptation is a mysterious process. No underlying algorithm or pattern may exist.	Markets have a compelling impact upon policy makers who often ignore the shadow aspects. The notion of the Invisible Hand made theoretical social science possible.

TABLE

Complex systems are adaptive in that agents who are part of the system acquire information, identify regularities, so they can build models or schema to understand, and try to control their world. The capacity to learn from experience is part of the evolutionary process, especially in social systems. This intelligent property makes them adaptive (Holland, 1995, 1998; Simon, 1996).

In setting out a field of perhaps vast numbers of possible outcomes, complex adaptive systems share characteristics with archetypes. In the table, common properties are noted. Three are especially important; non-linearity, possibilities of emergence, and ambiguity. Non linearity arises from the interdependence between elements of a system. Networks illustrate this property: networks are non-linear in that their value (elements plus linkages) is greater than the value of the elements alone. Emergence is possible in that an interconnected system may be qualitatively quite different from a set of isolated elements; water, for example is neither gaseous, nor flammable, properties of both of its constituents. Ambiguity arises from the diverse and often contradictory images or emanations that may flow from them.

Archetypes can be compared to basins of attraction that have a magnetic effect, in the sense that delineate a set of possibilities. There are a number of basic types of attractors; equilibrium points, periodic orbits, and chaotic (strange) attractors (Kauffman, 1993,

1995; Devaney, Devaney, 1988). Point attractors are the simplest form; in this case systems converge to a single point or equilibrium. A system with no dynamic (internal or external) will converge to maximum entropy or minimum capacity to perform useful work. Periodic orbits are the next level of complexity; here the attractor takes the form of a cycle and a system caught in a periodic attractor is confined to a particular pattern of repetitions. Possibilities of evolution are associated with chaotic attractors. Systems caught in such attractors are confined within a particular basin, which has evolutionary or emergent properties. In a strange attractor, points that originate arbitrarily close to one another become exponentially separated as time goes by. The system is sensitive to initial conditions. So for example if an organization, or society is in a strange attractor decisions which in the context of other attractors would be insignificant, can transform it completely. Thus, for example, the hero archetype can transform a situation. The possibility that archetypal images may take a chaotic form strengthens their affinity with complex adaptive systems. (Prigorgine, 1980; Prigorgine and Stengers, 1984) experimented with dissipative systems: systems that are held in a state that is far from equilibrium by interactions with the environment. Such systems rather than descending into maximum entropy may demonstrate the emergence of order out of chaos: a steady state. Steady state is a metaphor of scientific discourse. It captures the idea of timelessness, escaping the direction of time dictated by entropy. This sense of the timeless is present in archetypes, whose images in the discourse of myth and particularly fairy tales when the familiar ending, *they lived happily for ever more* is the counterpart of the steady state.

Competition as an Archetype

i. Universality

Archetypes are universal concepts determining a probability field. As attractors they functioning rather like loosely defined rules of a game, that encompass perhaps an uncountable set of possible moves – rules that vary according to circumstances of time and place. In the language of statistical mechanics, the competitive archetype prevents a system from wandering ergodically through all possible states. Instead they confine it to a subset of states.

Competition encompasses many forms of social organization. It includes both co-operation and rivalry. The same principles, value, cost, production, consumption equally in a socialist as in a capitalist economy. Schumpeter defined capitalism as “*a private property economy in which innovations are carried out by means of borrowed money*” (Schumpeter, 1952). The critical differences between capitalism and socialism are contained (i) in the form of property ownership, and (ii) the distribution of the surplus (the excess of value over cost in production) created by the system. Writers, by no means all sympathetic to socialism, defined analogous systems of equations describing equilibrium for centrally planned and market economies. The dual, or shadow relationship between systems in which market forces determine prices, and a socialist economy in which production is arranged according to a set of politically determined priorities, has long been recognized in optimisation theory (Arrow and Hahn, 1971). In a planned system, the distribution of the surplus is decided according to a set of politically determined priorities, whereas under capitalism, distribution (of income, consumption and wealth) is decided by market forces, much of the surplus being absorbed by profit.

Despite differences in property ownership and disposal of the surplus, significant similarities exist between capitalism and socialism. In both, power (market or political) is important in determining distribution of the surplus created by the economic system. Planning is not the prerogative of a socialist system: both systems use it to varying extents. International corporations and institutions operate internal planning systems to manage resources that often exceed those of entire nations. The popularity of Benchmarking, Quality Assurance, Best Value, and Balanced Business Scorecard signal the resurgence of planning in market economies the form of an obsession with monitoring vast (perhaps intractable) numbers of quality indicators. The British Labour Government for example has set around 50 thousand targets for Departments of State.

ii. Diversity of Images

A clear distinction should be made between competition as an archetype and its diverse reflections. Adam Smith used the concept of the Invisible Hand to link the spiritual and material worlds. The concept is restated by Menger as an “*organic understanding of social phenomena*” (Menger, 1883) and re-emerges as “*spontaneous order*” (Hayek, 1945, 1973).

The Invisible Hand forms a basin of attraction in the equation systems (or fixed-point theorems) of Walrasian economics (Arrow and Hahn, 1971).

In the neo-classical tradition that has influenced strategy and organization theory as well as economics, markets create basin of attraction via negative feedback systems (pictured by supply and demand diagrams in standard texts). Markets are also seen as attractors that guide economies to efficiency. There are many routes by which efficiency can be achieved. Transactions cost economics focuses on the attraction of low cost methods of contracting in a capitalist system, either through markets, or, if they offer cheaper solutions, substitution hierarchies, rules and regulations for market processes (Williamson, 1985; Coase, 1937).

Markets free of monopoly power are sometimes taken to be the normal case, covering most business situations. Deviations from competition, monopoly or imperfect competition are taken care of by occasional recognition, or as temporary structures required to accumulate profit for innovation (Schumpeter, 1952). Sometimes such deviations are significant dragons, attractors that threaten trap economies in inefficiency (Smith, 1759, 1776). The tradition of Pigou (Walsh and Gram, 1980) recognises the importance of market failures in relation to social cost and pollution, and recognises the need for state intervention. Marshall's analysis of externalities (network effects) can be seen as a rationale for protection rather than free markets (Rosenstein-Rodan, 1943). However, resurgence of interest in network externalities in analysis of the new economy (Shapiro and Varian, 1998), or in the explanation of competitive advantage (Porter, 1985) in terms of clusters of co-operative and rivalrous firms, is set firmly in the tradition that market systems are attracted to efficient solutions.

From a different perspective, the Austrian School (Hayek, 1945; Menger, 1883) diagnosed market systems as efficient attractors for the following reasons; (i) they economize on information (no individual or group needs *global* information, only *local* information, relevant to a particular decision), (ii) they provide appropriate signals (prices), and (iii) they offer incentives (profits).

In finance, stock prices are traditionally described as informationally efficient (embracing true information about firms); point attractors, or periodic attractors, in which downturns provide necessary corrections to misguided over investment, or over exuberance. But the erratic behaviour of the recent past suggests that attractors may be chaotic, and that the

financial system may itself be the kind of trickster capable of luring the capitalist system into an abyss.

The tradition of (Ricardo and Marx, 1969; Walsh and Gram, 1980; Schumpeter, 1954) sees competition mainly in terms of a struggle between classes (and within the capitalist class) over the distribution of the surplus. Distribution takes centre stage, determined by economic power and the ownership of capital, rather than market demand and supply. The Ricardo Marx tradition is not too far removed, in principle, from current strategy literature centred on competitive advantage (a return above normal for the sector or risk class). According to this view, firms seek competitive advantage and once this is achieved it creates a basin of attraction for rivals seeking to replicate the methods of their successful peers who, if they are to sustain their superior position, must innovate, or create core (unique, non replicable capabilities), or erect entry barriers.

Thus in Schumpeterian terms, order emerges within disorder - *creative destruction*. In his analysis, capitalist growth, stimulated by technical change, takes the form of periodic attractors; business cycles, and building cycles (Schumpeter 1939). Considering long period economic growth Schumpeter adopted Kondratieff's (Dujen, 1983) analysis of capitalism as evolution interrupted by violent crises. This is akin to the notion of punctuated equilibrium; (Gould, 1994) long periods of relative stability, interrupted by periods of violent change.

Writers as widely dispersed ideologically as Malthus, Ricardo, Marx, Schumpeter, and Keynes point out, in different ways, that competition can lead to disorder and crisis; slump, mass unemployment (Keynes, 1936; Walsh and Gram, 1980). At times competition creates chaotic attractors. Sensitivity to initial conditions in the form of sudden swings between optimism and pessimism, sabotage by disillusioned intellectuals, internal contradictions, bring about crisis. As self-reinforcing mechanisms (or positive feedback systems) capitalism has the potential for prodigious growth, but evolutionary progress includes the possibility or even the high probability of self-destruction.

iii. Dynamism and new capitalism

As an archetype, competition is dynamic in that its images change through time, and have potential for evolution. Schumpeter was in no doubt about capitalism's capacity for evolution, and the same point was emphasized by Marx (Schumpeter, 1987; Marx, 1969).

The process they describe is Darwinian; *outer dynamics*. Chance variation in organizational capabilities, and natural selection driven by technological change, results in the evolution of the system, through the creation of new products, new markets and new production techniques.

The robustness of capitalism also stems from its self-adaptive capabilities; *inner dynamics*. The idea of inner dynamics is captured by the network metaphor. Generally capitalism is defined by private property and financial capital. New capitalism emerging in the late twentieth century has the same structure as previous evolutions, resulting from the interaction between international finance, rapid technological change (especially in the information, communication and telecommunications and biotechnology industries) and private ownership. But certain features distinguish new capitalism qualitatively from earlier evolutions: emphasis upon networks, information, interdependence, disorganization.

In the late twentieth century, self-reinforcing mechanisms that are characteristic of complex adaptive systems set in. Interactions between shorter product cycles, resulting from faster technical change, and increases in investment cost, creating the need for financial capital, required large global markets, both to sell products and to cheapen resources. At a time when governments abandoned Keynesian or demand creation at the macro level, international firms espoused it, as a way of recouping costs and increasing profit. The self-reinforcing process is one of positive feedback: global markets intensify competitive pressures on firms, speeding up technological change intensifying the need for financial capital, which is also needed to support global consumption, and foreign direct investment.

Information has always been the ultimate resource: technology uses knowledge or information as the basic input. Nature's laws become software, means of producing goods and services, using mechanisms such as hydraulics, thermodynamics, electromagnetism, gravitation, and leverage. However, a distinctive feature of new capitalism is that the information content is more explicit, not only in production and consumption, but in the concentration of information in the form of images, symbols, and brands.

Thus competition, as an organizing principle, contains mechanisms (*inner* and *outer dynamics*) for the emergence of new forms of capitalism. Modern writers stress the

disorderliness new capitalism. In contrast to earlier industrial societies, that were organized and national, new capitalism is disorganized, global, and chaotic. The feedback systems in the chaotic attractor are capable of upward or downward trajectories. In new capitalism productivity and competitiveness depends upon networks of relationships between firms that cross national boundaries. Interdependence, intensified by fast information flows, brings risks of disorganization and chaos. Actions in any one part of the system cannot be isolated and produce wildly divergent trajectories.

iv. Ambiguity

Archetypes contain ambiguity for at least three reasons: (i) They are interdependent: in Jungian terms, they contaminate one another, (ii) they represent a conjunction of opposites, a *conjunctio oppositorum*, and (iii) as archetypes, they occupy a different space to their images.

- i. Many archetypal figures are present in narrative of competition; not only the hero, and the dragon, but the trickster (the financier, the trader, the take-over artist), the wise man (the analyst, the scholar, the expert), the shadow (the monopolist, the tycoon, the black marketer and socialism the shadow system).
- ii. Archetypes contain their opposites. In the case of competition sometimes we have the possibility of a reconciliation of opposites; individual selfishness resulting in the welfare of the community, inflation being overcome only by depression and unemployment. Sometimes perpetual conflict results as in the struggle for competitive advantage.
- iii. Archetypes and archetypal images occupy different levels of being. Archetypes affect the sensory world but are not part of it. They stem from the collective unconscious. The worlds of the unconscious, of myths, dreams, and fantasy are more unitary than the ordinary world in that there are no longer polar opposites. The extent of unavoidable ambiguity and loss of distinctiveness increases as we approach the (deeper) level of the archetypal world.

Archetypes can only be understood by recognizing their ambiguity The current globalization process has contradictions, including regionalism, nationalism and ethnicity. Few states in new capitalism do not pay at least lip service to free elections and

free markets and democracy are often connected, but neither South Korea or Chile in the 1970's and 1980's suggest that there is any necessary connection between democracy and new capitalism. The world economy has grown by more than 40% over the last ten years, but the World Bank estimates that the number of people living in poverty (less than \$1 per day) grew by 1.2 billion between 1987 and 1998. 32% of the developing world lives in poverty: the proportion of poor living in Latin America and Eastern Europe has increased over the last twelve years and in some nations of sub Saharan Africa the proportion of poor exceeds 50%.

v. numinosity

Perhaps the most important characteristic of archetypes is their numinosity: in itself it contains other characteristics of archetypes. Archetypes gain meaning only when account is taken of their numinosity (Von Franz; 1975). Numinosity refers to the divine and compelling aspects of archetypes that spring from their dual or intermediate role. They are in themselves irrepresentable because they emanate from the collective unconscious. Only their images are observable since they are experienced consciously. Numinous aspects of archetypes are apparent in writings on competition. The Invisible hand, the metaphor of a beneficial social order emerging as an unintended consequence of individual human action, is so important that some consider it made theoretical social science possible (Vaughn, 1969). Religion has been seen as a dominant factor in the evolution of capitalism. The discourse of pro-market politicians has contains quasi-religious metaphors and a certain righteousness. Sometimes the compelling aspects of competition are expressed in the sense that governments are powerless in the face of global competitive pressures. The interdependence of new capitalism has given rise to a convergence of economic cycles worldwide as manifest in the current global recession. The rise of new capitalism has been accompanied by a reaction, a *coincidentia oppositorum*, in the form of a rise in religious fundamentalism.

Numinosity together with other characteristics of archetypes, ambiguity for example, springs from their roots in different levels of being. To acknowledge archetypes, is to affirm the proposition that an intermediate world exists between the sensory and the spiritual universes: archetypes occupy the intermediate realm. Jungian psychology distinguishes between the conscious and the unconscious. Mystical traditions recognise a

gradation of states of being. In the Sufi tradition of Ibn Arabi, archetypes have an intermediate ontological status between the spiritual plane, and the plane of the senses and sensory experience. Distinguishing the two planes, respectively as higher (spiritual) and lower (sensory), is to affirm, not that one is superior, only that the higher is the source of the lower: the lower is the reflection of the higher.

Archetypes are passive with respect to the higher, that is they express the potential that stems from the source of their numinosity: they are active with respect to the lower, in that they exercise a determining power over all possible things in the sensory world. In Ibn Arabi's metaphor, "*I was the hidden Treasure, I yearned to be known. That is why I produced creatures, in order to be known in them*" (Corbin, 1981).

Ibn Arabi's metaphor is another way of expressing the idea at the beginning of the paper that archetypes are ordering principles, determining a probability field. Archetypal images are reflections of the archetype, and so are governed by them. The metaphor also clarifies the relationship of archetypes to complex adaptive systems. Archetypes interact with one another. They form networks of relationships. Usually many archetypes are present in a given situation, bringing in the possibilities of surprise, uncertainty, and the emergence of novelty. Each archetype contains its own *inner dynamic*, a capability of self-adaptation, and each is subject to an *outer dynamic*, being influenced or contaminated by other archetypes.

Networks of relationships between archetypes also correspond to dissipative systems (Prigorgine and Stengers, 1984). Such systems receive energy and matter from an external source. They include both *inner* and *outer* dynamics. They can go through periods of instability, but so long as there is some external influence to keep a system out of equilibrium, then it will persist in a steady state rather than collapsing into randomness. Prigorgine is careful to stress that the dissipative processes are not deterministic in that any number of steady state outcomes are conceivable. So to speak, although it is manifest in a particular form or image, source of the *treasure is hidden* in an archetypal world but it may be revealed by a process of creative imagination.

Creative Imagination

The negative connotation of imagination and its association with delusion has been noted earlier. The view of imagination taken here is quite different. Creative and Active Imagination are sometimes treated as equivalent, but it is useful to separate them. Active Imagination (Johnson, 1986) has specifically Jungian undertones, whereas Creative Imagination (Corbin, 1993, 1995; Izutsu, 1983) embodies a mystical, particularly Sufi, methodology (Spiegelman, 1991)

Jung's discovery of active imagination arose from his early work with patients. He noticed universal religious and mythological symbols arising in their dreams and fantasies, which he took as evidence for the spontaneous eruption of archetypal images from the unconscious. Archetypes themselves, he thought were inaccessible to direct observation, but he began examining the images that arose in his own dreams and fantasies. Using Active Imagination, he induced a flow of dreamlike material in a waking state, material that he linked to religious symbolism, mythology, tribal lore, and alchemy. The process of active imagination became the foundation for the inference of universal archetypal structures.

Jung in fact had rediscovered a technique that has a long history in mysticism. Creative Imagination involves the same contemplative processes as Active Imagination. Both see the archetypes as accessible to imagination. Creative Imagination has the deeper methodology, founded on three fundamental notions.

- i. Creation itself is the *act of divine imagination*, and everything that exists is an expression of the *act of divine imagination*.
- ii. Archetypes are passive in the sense that they are reflections of higher levels of being (the Creator, the Absolute, the unconscious – whatever is the preferred expression). They are active in that everything that exists in the phenomenal (sensory, empirical, conscious) worlds are reflections of them.
- iii. It follows that everything existing in the phenomenal world is a reflection of the spiritual world. This is the meaning of Jung's *unus mundus*. And archetypes are to their images as mirrors are to their images.

Roughly speaking, archetypes act like a compendium of rules of a game; for example a complex game of chess, which is subject, not to a single law, but a set of laws, interacting

with one another, so there is always a degree of ambiguity. It is helpful to see them in relation to a metaphor of landscapes. Consider a landscape that is rugged and uneven, with peaks and troughs, mountains and valleys, a creation of infinite possibilities, under continuous transformation over time. Travellers explore the landscape, having (more or less) common purposes. They have inherited rules (archetypes) that determine loosely which routes are possible, and which not.

The landscape sets out the potential, containing all possible journeys: the rules or archetypes separate what is feasible from what is impossible. The rules themselves are unobservable, but are recorded in *maps or patterns* in the form of myths, stories, rituals, norms and other archetypal images. Travellers cannot wander (ergodically) over the whole landscape. They are restricted, but because there is a network of laws (archetypes), new routes can always be revealed.

Imagine further that there is not one landscape, but a set of parallel landscapes, corresponding to different levels of being (or consciousness), all part of the same world (Jung's *unus mundus*). Suppose each traveller possesses to a varying extent, the ability to visualize the terrain as it is (and the archetypes as they are): visualisation here is Creative Imagination.

The mystical understanding of the metaphor is the sense that the landscapes are themselves acts of Creative Imagination. Creative Imagination brings them into consciousness: rescues them from the darkness - another way of understanding the proposition, "*I was the hidden Treasure, I yearned to be known. That is why I produced creatures, in order to be known in them.*"

Concluding Remarks

In conclusion, and conscious that they are sketches, I make two remarks based on the Jungian approach of the paper, relating archetypes complex systems and competition:

- i. on the need for a hermeneutic or interpretative approach to organizations and their strategy,
- ii. on the case for an interdisciplinary approach, that includes not only the social and physical and life sciences, but also adopts methodologies that have a long history in mysticism.

A hermeneutic approach

The study of the strategy of organizations involves four approaches that are not mutually exclusive; prediction, prescription, description and hermeneutics. Prediction is relatively rare, limited mainly to economic models, since generating testable results requires restrictive assumptions. Most approaches are prescriptive, advocating specific strategies to achieve particular goals. Description plays a major role in organisational studies, either in the form of explicit narratives or stories, or in conceptualisation, which is approximately a process of inventing stories with a specifically scientific aura (value chains, generic strategies, five forces and so on).

The essay makes an argument in favour of a hermeneutic approach, especially when we are dealing with phenomena as powerful as archetypes. Policy makers have fallen under the spell of competition, advocating market solutions irrespective of their appropriateness; for example, in transition economies, and in the provision of public goods such as health, education, and social insurance. This is the "*predisposition to psychosis*" referred to in the introduction. Stockholder interests are too prominent in the prescriptions that scholars and politicians advocate for organizations. Issues of efficiency are artificially separated from those of distribution. Working conditions and security of employment are subordinated. Briefly, the numinosum of the competitive archetype has brought about neglect of the dark side of competition, and so the archetype needs to be reinterpreted.

An interdisciplinary approach

The paper extends Jung's notion of archetypes to the business domain. Focus on Creative Imagination signifies an assertion that new methodologies are available to organizations offering wider perspectives (Jung, 1933, 1940)ⁱⁱ.

In essence strategic analysis amounts figuring out alternative scenarios (strategies, competitor responses, reactions to the business environment and so on), assessing their probabilities, evaluating likely outcomes and making recommendations. The capability of machines in solving complex combinatorial problems of this kind is immense. The implication is that strategic analysis increasingly will become an issue in which simulation techniques can be used to identify alternative scenarios.

The surprising thing is that even with vast numbers reiterations of simulation models (defined according to specific rules or control mechanisms) just a few patterns emerge. This is an important assertion, which I leave for discussion elsewhereⁱⁱⁱ. Suppose however that strategy (in practice and in scholarship) converts to such a methodology. What is the role of human beings? What can they bring to the problem? What can human beings contribute qua human beings? Programme and software designers? I think not just that. Their real purpose may come into play. Freedom from calculation, from purely rational approaches opens up all kinds of possibilities. Let us focus on one optimistic scenario. Questions of feeling, ethics, intuition, creativity may come to the forefront in the study and practices of organizations. Should we also say, questions of soul?

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ⁱ References in the text to Jung are mainly taken from *The Collected Works of C.G. Jung*, edited by H. Read, M. Fordam, and G. Adler and published by Routledge & Kegan Paul, London, 1953-78 (CW). Quotations are indicated by the volume number followed by the number of the paragraph from which it is taken (e.g. .CW 8 para,154).

ⁱⁱ The methodology of Creative Imagination is the subject of the paper, not techniques which are part of many traditions, including the Sufi way.

ⁱⁱⁱ See for example Holland (1995,1998) and Kauffman (1993,1995). Also Matthews (1998) and work of International Business Centre at Kingston University