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Dreams, Desire, and Self-Realization in Paulo Coelho's *The Alchemist*: A Psychoanalytic Study

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Abstract

Scholarship of Paulo Coelho's The Alchemist has been focused primarily upon the path Santiago has traveled through Jungian individuation, archetype, spirituality, and the quest to find his "Personal Legend." Much less work has been done on the recurring dream as a psychoanalytical pattern. The dream is regarded as a beginning, not a psychological organizer in the novel from beginning to end, as is most often the case in most studies. This paper both draws on Freud's ideas of wish-fulfillment and repetition and on Jung's individuation model to suggest that Santiago's dream is not just a vehicle through which he begins his journey but in fact organizes and frames it; at every crisis Santiago repeats his dreams, pressing his unconscious desire into his conscious identity until it is absorbed. By reading the novel in detail, one can see that the language of dream, treasure, fear, and return is what has made it popular, and that the vocabulary of destiny that Coelho has developed is standing on a consistent psychological ground, which is not often explored by critics. When the dream is read as structure, rather than origin, the meaning of the ending is different: instead of an ironic twist on a lost journey, it is the completion of a process that begins on the first page of the dream.

Keywords

Psychoanalytic Criticism; Dream Analysis; Unconscious Desire; Individuation; Archetypes; Repetition Compulsion; Paulo Coelho; *The Alchemist*

1. Introduction

The Alchemist by Paulo Coelho is usually discussed in the language that it provides: the language of destiny, omens and the Personal Legend. However, the novel begins and ends with the same picture – a dream that repeats throughout the novel until Santiago realizes what it is telling him. This is a circle, which allows for more in-depth psychological interpretation. The dream interpretation has been described by Sigmund Freud as the "royal road to a knowledge of the unconscious activities of the mind" (Freud, 1900/2010, p. 608) and is not thought of as random brain activity, but as a representation of unfulfilled desires and unresolved conflicts. In developing his idea of individuation, Carl Jung was both inspired by and at odds with Freud, seeing it as the process of bringing unconscious material into a coherent conscious self throughout the life span (Jung, 1968; see also Jacobi, 1967). Santiago's recurring dream of treasure buried close to the Egyptian pyramids fits into both of these frameworks: It is a Freudian symptom which requires interpretation, and it is a Jungian structuring device that guides the protagonist's path toward psychic wholeness.

The themes explored in The Alchemist, which revolve around spirituality and personal growth, have frequently been the subject of scholarships. The novel's quest for a Personal Legend has been interpreted in various ways,

including self-actualization (Sahi, 2025), archetypal symbolism (Gyawali, 2024), and the search for one's personal and spiritual path (Coelho, 1993). Increasingly, however, psychoanalytic models have been the subject of study. Some critics have tried to apply some Freudian concepts to the internal conflicts of Santiago, including the id, ego, and the superego (Shidqi, 2020; Chandrani Grum, 2017; Setiawan, n.d.). Some have also claimed that the novel is about psychological growth, not only physical, and that Santiago's journeys are examples of what is known as individuation, a psychological process, in the context of the Jungian theories (Nazakat et al., 2022; LAMRANI, 2022). Other analyses point to the spiritual-psychological synthesis in the protagonist's development (Sabir, 2025; ResearchGate publication, 2025), the significance of dreams as a link between reality and aspiration (Chandrani Grum, 2017); the symbolic meaning of treasure and omens (Literariness.org, 2022; various analyses in JETIR and The Criterion).

Notwithstanding such focus, only a few studies have focused on the recurrent dream as the novel's primary psyche-driven mechanism, rather than just an 'inciting incident'. The repetitive nature of the dream and its eventual fulfillment at its point of origin (SparkNotes analysis; Medium critique, 2023), however, is only partially discussed as a dream, and the dream seldom is read as a prolonged symbolic structure that reactivates the unconscious desire, provokes resistance, and finally enables individuation. The present paper seeks to fill that void by utilizing both Freudian and Jungian approaches to psychoanalytic criticism, and with prolonged and meticulous attention to close textual analysis of diction, repetition, and symbolic figuration. In this study, it is suggested that, instead of being merely a catalyst for the narrative, the dream plays a more important role as the organizing psychological structure that initiates, sustains, and resolves the development of Santiago, enabling him to move from unconscious wishing to conscious self-knowledge.

2. Context and Research Gap

The criticism of The Alchemist in the recent past brings together in common ground despite the various accents. In Sahi, he reads Santiago's arc as a Jungian differentiation, combined with Maslow's hierarchy of needs, and he considers the satisfaction to be the union of psychic integration and the ascendancy of the motivation (1216-19). Nazakat, Imran, and Farooq apply Jungian theory more directly, arguing that Santiago's physical travel enacts individuation through a sequence of archetypal encounters (51-55). Gyawali reads Melchizedek and the Alchemist as versions of the Jungian wise old man who guide Santiago from naivety toward self-awareness (44-47). These readings differ in emphasis, but they share a common limitation: each treats the recurring dream as the event that sets individuation in motion rather than as a structure that persists, repeats, and changes meaning across the narrative. Individuation, in other words, is addressed mainly through its agents, Melchizedek, the Alchemist, the omens, instead of through the dream that such agents interpret and serve. This is not a minor omission. If the dream is treated only as a starting point, separation seems to occur through Santiago's encounters, with Melchizedek, the Alchemist, the desert, rather than through any internal psychic process of his own. What remains largely unexamined is the likelihood that the dream itself, not the journey it leads, organizes the novel's psychology from beginning to end, reappearing at each turning point before finally changing its own meaning. This paper addresses that gap directly, treating the dream not as background to the mythical encounter's criticism that has previously been investigated but as the structure that gives such encounters their psychological purpose.

3. Methodology

This paper applies psychoanalytic literary criticism through sustained close reading of Coelho's language, imagery, and repetition rather than plot summary. Freud's concepts of wish-fulfillment, suppression, and repetition compulsion demonstrate why the dream must recur before Santiago can take action on it, while Jung's concepts of archetype, the collective unconscious, and individuation explain why his journey takes the form that it does and the reason it ends where it began.The two frameworks are not separated to be addressed in different sections, because the psychological logic of the story complements each other: Freudian recurrence moves the story forward, and Jungian incorporation provides the end to the repetition. Quotations are taken verbatim from the novel and read for their image/symbolic meaning and word choice and not just as evidence of them.

3.1 Analysis I: The Dream as Unconscious Desire

The first thing readers of the novel are prompted to notice is the repetition of Santiago's dream "in the same place."

If a dream appears once, it is considered as plot machinery; if a dream repeatedly appears, it is considered as symptoms. Freud's theory of wish-fulfillment is an explanation of dreams as a disguised representation of a wish that the waking mind has not yet allowed itself to desire. This is important because on the surface Santiago's awakened life does not seem to be one of lack. He can move, has "enough money," and is "content" in his flock. The insistence of the dream in this contentment is a sign of a longing, a longing which has nothing to do with material things but only with the existential, which can only be expressed symbolically, not in normal waking speech.

The treasure is more like a sign of the missing than an object. Santiago states early in the novel that "it's the idea of having a dream come true that makes life interesting", which is to say that it is not the halving of the dream that brings value to life, but the pursuing. Freud's structural theory of desire, that once an object is obtained, it no longer generates desire, is a reason for the distant and hidden nature of the pyramids: they are not near and not visible. In particular, the figure of burial recurs throughout the novel, as it is the place where Coelho hasn't yet made his way, and the gypsy woman's statement that "dreams are the language of God... it is only you who can understand" turns the dream from confused and private to one that requires interpretation. It's more than the content of the dream that is pushing Santiago into the desert, but the reframing.

When the dream reappears in the crisis that follows the novel's beginning, it is not only predicted at the beginning of the novel but more in line with Freud's notion of repetition compulsion. This is Coelho's own proverb (delivered near the end of the novel) which comes close to stating this logic: "everything that happens once can never happen again. But everything that happens twice will surely happen a third time." The line represents not only a pattern of plot; it's a psychic process that compels the appearance of unconsciously maintained material until it's assimilated. Santiago's dream is not only the starting point of his journey, but it is also the destination. It's the signal that continually calls his attention until his conscious realization corresponds with what the universe has been saying all along, a message that becomes a universal need because Santiago is still not able to see that it's his.

3.2 Analysis II: Symbols and the Collective Unconscious

The novel has a Freudian basis (the dream) and a Jungian structure (the characterization of the supporting figures). But Melchizedek is only there long enough to state what Santiago wants and then disappears, making him more of an archetype of a wise old man than a real person, as Jung would say. The stones that he gives to Santiago, Urim and Thummim, are not magic stones, but transitional supports, a resource Santiago refers to until he learns to trust his own unconscious material, without the need for outside verification, as Jung did. The Alchemist takes this same line of thinking to the "Self," the organizing center that brings conscious and unconscious life into one. He reminds Santiago to talk to his heart and reminds his reader of a warning that the fear of suffering is worse than the suffering itself, thus making intuition a form of knowledge and not just feelings. The idea at last that "intuition is really a sudden immersion of the soul into the universal current of life" is an exact description of the fusion that Jung describes: the boundary between individual and group consciousness disappears, and personal knowledge becomes a personal understanding of an entity larger than the individual who gave birth to the dream.

The desert is more of a liminal space, as described by the Jungian critique, a space of bareness which breaks familiar egoic defenses. It is spelled out in Santiago's words about the dunes changing with the wind and the desert never changing, a statement that indicates that there is a surface change and there is a deeper sense of permanence – both in the landscape and in the structure of the psyche. Her response, Maktub... if I am really a part of your dream, you'll come back one day', embeds Santiago's individual ssymptomsinto a symbolic order, making it seem like the meaning of the dream never fully belonged to him. The unconscious material, lastly translated by omens, is made into a readable sign. The universe "conspirates" to help those who are on the path to their Personal Legend; that is, the hawks, wind, and light become more coherent as Santiago's psychic integration allows him to see more coherence in those outside elements.

3.3 Analysis III: Fear, Desire, and Psychological Conflict

But Santiago's doubts make any easy interpretation of his journey to the top difficult, and it is in this area that the novel's psychological stakes are most evident. The long period that he spends with the crystal merchant, in which he feels at ease and begins to think "I can always be a shepherd again," illustrates a particularly Freudian struggle between desire and the safety of the ego. The merchant, who's been postponing his own aspirations of going to Mecca for decades, is a warning of the kind of person one becomes when they don't deal with their desires but simply ignore them. It is later, when Santiago understands that "there is only one thing that makes a dream impossible to achieve:

the fear of failure," that the opposition is identified as residing within the dreamer himself and not in situation.

His friendship with Fatima only exacerbates this conflict. In the face of the desert's indifference to human attachment, her willingness to let him go redraws what seems like a competition between love and ambition as a single structure, where desire for another person is not an opposition to the Personal Legend, but is part of it. This doesn't take away the fear; it's just Santiago's misinterpretation of the conditions. This same battle is addressed in the most abstract terms in the alchemist's advice to Santiago to not give in to his fears... if you do, you won't be able to talk to your heart.

The best development of resistance is offered as Santiago becomes the wind because of the oasis becoming the focus of tribal violence. Here, fear of death serves as the most literal register of resistance, and one that cannot be avoided, but must be redirected. It's clear that the alchemist is facing armed men and that when he tells Santiago that "when you possess great treasures within you, and try to tell others of them, seldom are you believed" it's not about how physically strong he is, it's about how firmly he believes them. The key to his triumph in the trial is to not get rid of fear, but to discover his own desire to be one with forces greater than himself, thus rendering the journey he recounts one psychological instead of geographic.

3.4 Analysis IV: From Dream to Individuation

Usually the end of the novel, when Santiago realizes that his treasure is under the very church in which he had his dream, is interpreted as irony of reversal. The ending is even more exact when read psychoanalytically: the end shows that the distant pyramids, the manifest content of the dream, were never actually the place where the dream carried out the wish, and that the trip was essential in order to make Santiago realize the true meaning of the dream all along.The line is a statement of paradox as the wind, which carries the alchemist's voice, tells him that he would never have seen the beauty of the pyramids if he had been told of it up front. This structure is a structure of individuation in the sense of Jung, not an acquisitive linear structure, but a return to the self that integrates what was already there at a deep level.

This explains why treasures have to be read through symbolism and not materiality. The same feeling expressed at the beginning of the novel, "life rewards those who chase their Personal Legend," does not have the same impact after Santiago discovers the chest full of coins and gems. At the end, there's no need for the dream to happen again. What started out as a symptom, and a signal that happened repeatedly in his unconscious, is then retrospectively legible as a message that Santiago could have always decoded, had he had the psychological resources to do so at the beginning. The narrative logic of the dream is the most obvious proof that Coelho's story is about individuation and not an adventure story: not learning something new but realizing something that was previously unknown.

Conclusion

If we approach The Alchemist with the dream in mind as the organizing principle of the novel, instead of the beginning of the story, then something different is happening, and we can read the novel as such. The repetitions of the dream do not serve as a representational function but are the process used to reaffirm a premise, to mediate between it and a conscious identity, to resist it, and ultimately to incorporate it into one's conscious life. In this reading, there is no mention of any wise individuals or any ominous signs or omens, the dream recurs repeatedly; that's how individuation happens – it doesn't happen just by talking to wise people or seeing ominous signs or omens. The ending, otherwise, a sardonic assessment of an unfulfilling journey, becomes the rational outgrowth of a psychological journey begun in the opening pages of the novel as the structure of a dream. With Freud and Jung working together on Coelho, what reveals itself is a novel more psychologically precise than it is presented as being inspirational, a novel in which the dream that appears as a starting point is, in fact, the telling point. More generally, future criticism that focuses on dream-repetition in similarly conceived quest narratives could examine whether this pattern is unique to Coelho's novel, or common to the genre of spiritual fiction. This paper's method, though not necessarily its scope, might examine whether this pattern, symptom before insight, is unique to Coelho's novel, or common to the genre of spiritual fiction.

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