A short review of
The Economic Value of Creative Mental Labor
(Hasan Gürak, Palgrave-Macmillan, 2024)

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Short review

Hasan Gürak's 2024 book, published by Palgrave-Macmillan, puts the idea of "**Creative Mental Labor" (CML)** at the center of economic value theory. It says that this kind of work, which creates new technologies, is the main source of added value and long-term growth in modern economies.

The book rethinks value-price relationships and growth dynamics using the **CML** idea. It makes models for firms that produce technology and talks about how this approach affects growth and trade theory.

Giving creative, knowledge-based work its own category as a type of production fits well with what we see in today's economies. R&D centers, software firms, design offices, and patent-focused industries are productive in a special way that is hard to explain with just the old definitions of "labor" or "capital."

Gürak's contribution is very realistic. But, seeing **CML** as the source of *”all” added value might be an overstatement unless it's backed up by data. So, we need number-based studies that measure **CML**'s contribution to value in different sectors.

In the book, economic actors, especially firms and creative workers, are seen as units that act on purpose and rationally. The idea that firms make profits by investing in producing technological knowledge fits well with Romer-type endogenous growth models.

The **CML** approach can explain many things we see in today's economies: lasting productivity differences between firms, the high market value of tech-heavy companies, and long-term growth that can't be explained just by capital accumulation.

The book is internally consistent in how it links creative activity at the micro level with growth at the macro level. Updating labor-value theory with different forms of mental work is a unique contribution within the heterodox tradition. Old criticisms, like the "transformation problem" from classical and Marxist value theories, also need to be looked at again from the **CML** perspective.

The Book's salient points

1. Defining "Creative Mental Labor" as an independent input in production explains the role of knowledge and creativity in creating economic value in a systematic way.
2. It builds a bridge between heterodox value theory and endogenous growth models, bringing different economic schools together usefully.
3. By focusing on technology production based on creative labor, it gives concrete ideas for education, R&D, and innovation policies.

Comparison with Older Theories

1. **Classical/Marxist Labor-Value Theory**: Gürak finds the source of value in labor and stresses the differences between types of labor. **CML** expands the idea of "socially necessary labor time" and highlights the unique productivity of creative labor (producing new knowledge, technology, design).
2. **Endogenous Growth Models (Romer, 1990**): They share the idea that technological progress comes from conscious investment decisions by firms. But in Romer, technology is an external input to the production function, while in Gürak, creative mental labor is the direct source of value. This is an approach that redefines value theory from its roots.
3. **Schumpeterian Innovation Theory**: It has a similar emphasis on the innovative entrepreneur and "creative destruction." Gürak argues that innovation doesn't just explain dynamic competition, but also the source of value itself.
4. **Human Capital and Knowledge Economy Approaches**: They accept that knowledge and skills increase productivity. **CML** argues that it's not just individual skills, but the production of completely new knowledge and technology that creates economic value.
5. **Alternative Trade Theory**: Gürak's trade model based on technology CML and SML (Skilled mental labor) offers a heterodox alternative to approaches based on increasing returns and firm differentiation. (See Gürak, H. 2025, *An Alternative Theory of International Trade* *https://www.researchgate.net/publication/395556567_An_Alternative_Theory_of_International_Trade*

Conclusion

Hasan Gürak's book, "The Economic Value of Creative Mental Labor," makes a unique contribution to both value theory and growth theory by defining creative mental labor as its own category of production. The book gives a new direction not only to heterodox economics literature but also to debates on the knowledge and innovation economy.

Note: AI was used for translation purposes.