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ARTIFICIAL DEMAND CREATION AND ITS ROLE IN SHAPING GLOBAL TRADE DYNAMICS AND ECONOMIC COOPERATION

CREAREA ARTIFICIALĂ A CERERII ȘI ROLUL ACESTEIA ÎN MODELAREA DINAMICII COMERȚULUI GLOBAL ȘI A COOPERĂRII ECONOMICE

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Abstract. *În era digitalizării în care trăim, cererea a evoluat dintr-o reacție naturală a pieței într-un instrument strategic de influență economică globală. Lucrarea analizează fenomenul creării artificiale a cererii și rolul acestuia în modelarea dinamicii comerțului global și a cooperării economice. Pornind de la fundamentele teoretice ale cererii în economie, studiul evidențiază modul în care firmele utilizează instrumente de marketing, digitalizare și influență socială pentru a modela preferințele consumatorilor la scară globală. Sunt analizate efectele acestui proces asupra lanțurilor valorice globale, competitivității internaționale și stabilității economice. Studiul de caz asupra industriei fast fashion ilustrează consecințele majore ale cererii artificial stimulate, inclusiv supraconsumul, impactul asupra mediului și inegalitățile sociale. Rezultatele evidențiază necesitatea unor politici publice și mecanisme de reglementare care să limiteze efectele negative și să promoveze un model economic sustenabil.*
Keywords: *cerere artificială, comerț global, lanțuri valorice globale, digitalizare, comportament al consumatorului, fast fashion.*
JEL CLASSIFICATION: D11, D91, F14, F60

INTRODUCTION

In the 21st-century economy, consumer demand is no longer simply expressed, it is systematically manufactured, reshaping not only individual choices but the very structure of global trade. To grasp the magnitude of this shift, one must first return to the foundational concept of demand. In economics, demand is the amount of a good or service that consumers are willing and able to purchase at each price, with economists distinguishing desire from effective demand. Building on this foundation, artificial demand creation refers to deliberate and systematic efforts by firms, institutions, or even states to shape consumer preferences and perceived needs beyond what would naturally arise from existing wants. This process typically operates through persuasion, informational framing, and social influence, and is increasingly reinforced by data-driven digital environments that structure consumer choices. It works by changing willingness to buy through preferences, beliefs, identity, or perceived necessity, as well as perceived constraints such as timing and urgency.

While demand creation is often framed as a marketing issue, it increasingly represents a global trade phenomenon. Modern global value chains concentrate profitability not only in manufacturing but also in intangible assets such as branding, design, and marketing. Conventional trade statistics often fail to fully capture this intangible value embedded in goods (WTO, 2021).

At the same time, digital technologies have transformed how demand is created. Global institutions emphasize that digitalization reshapes consumer behavior and commerce while raising new policy challenges related to privacy and market structure. Therefore, demand creation lies at the intersection of behavioral science and international political economy (UNCTAD, 2021).

The importance of the study lies in the need to understand one of the most influential and at the same time subtle mechanisms of the contemporary global economy, namely the deliberate creation of demand and its impact on the architecture of international trade. In a context characterized by accelerated digitalization and deep economic integration, the mechanisms through which demand is

shaped no longer affect only the individual behavior of consumers, but also influence global economic structures, value chains, and trade relations between states. The analysis of this phenomenon becomes essential in order to assess the sustainability of the current model of economic growth and to identify the risks associated with the imbalances generated by artificially stimulated consumption.

The objectives of the study are: to analyze the mechanisms through which demand is generated and amplified within the digital economy; to highlight the implications of this process for global value chains and international competitiveness; to evaluate the economic, social, and environmental consequences of this model through a case study on the fast fashion industry; and to identify the main regulatory challenges and strategic directions for the development of more effective and sustainable public policies.

CORE CONTENT

In modern global value chains, firms that successfully generate demand through branding, marketing, and consumer influence tend to capture a disproportionate share of value, even when production is geographically dispersed (OECD, 2020). This reflects a broader shift from production-driven trade to demand-driven trade, where the ability to create and sustain consumer interest becomes a key determinant of international competitiveness.

One of the primary ways artificial demand affects global trade is through the expansion and reconfiguration of supply chains. When demand is successfully manufactured at scale, firms are incentivized to rapidly expand production networks across multiple countries, often relocating manufacturing to regions with lower costs while retaining high-value activities such as design and marketing in developed economies (WTO, 2021).

In addition, induced demand creation increasingly operates through globalization and digitalization, enabling firms to shape consumption patterns across borders with unprecedented speed and scale. Through digital platforms and global marketing campaigns, products can achieve near-instant international visibility, generating synchronized demand across multiple regions (UNCTAD, 2021). This process reduces traditional barriers to market entry and intensifies global competition by allowing firms to influence consumers in foreign markets directly (WTO, 2018). However, it also increases dependence on complex global logistics systems and exposes economies to external demand shocks, as rapid shifts in consumer preferences can disrupt entire supply chains. Moreover, the growing role of digital environments raises concerns related to asymmetric information and consumer manipulation, particularly when persuasive techniques are deployed without full transparency.

Another critical dimension of artificial demand creation in the digital economy is the emergence of dark commercial patterns, which deliberately exploit cognitive biases and behavioral vulnerabilities to influence consumer decisions. These practices include techniques such as false urgency, hidden costs, default subscriptions, and misleading interface designs that steer users toward unintended choices. By manipulating how information is presented, firms can significantly increase conversion rates and consumption levels without improving the intrinsic value of the product. While such strategies can enhance short-term demand and profitability, they also distort market transparency and undermine consumer autonomy. On a global scale, the widespread use of dark patterns raises serious regulatory concerns, as inconsistent legal frameworks across countries make enforcement difficult and allow firms to operate in regulatory grey zones. The use of these practices not only reinforces artificially stimulated demand but also challenges the fairness and efficiency of international markets, highlighting the need for coordinated policy responses and stronger consumer protection mechanisms (OECD, 2022; Federal Trade Commission, 2024; Sin et al., 2022).

CASE STUDY

Artificial demand creation has become a defining feature of modern global trade, particularly within the fast fashion industry. Companies such as Zara, Shein, and H&M have developed systems that continuously stimulate consumption through rapid trend cycles, low prices, and digitally amplified marketing. While this model significantly boosts economic growth and international trade

flows, it also generates profound environmental, economic, and social consequences on a global scale (Industria de Diseño Textil, S.A. [Inditex], 2026; H & M Hennes & Mauritz AB, 2026; Reuters, 2025).

The scale of the fast fashion industry reflects the power of artificially stimulated demand. It is now a $150.82 billion industry, and has grown by 10.74% from 2024 and is further estimated to reach $291.1 billion by 2032, with major players dominating international markets. Shein reached estimated revenues of approximately $38 billion in 2024, while Zara's parent company, Inditex, reported revenues of around $44 billion in fiscal year 2025, and H&M generated approximately 24 billion in 2025 (UniformMarket, 2025; Reuters, 2025; Industria de Diseño Textil, S.A. [Inditex], 2026; H & M Hennes & Mauritz AB, 2026).

A key mechanism behind this system is the acceleration of production and consumption cycles. Zara is capable of bringing new designs from concept to store in just two to three weeks, compared to traditional cycles of up to six months. At the same time, Shein adds between 2,000 and 10,000 new items to its platform daily. As a result, consumers today purchase approximately 60% more clothing than in 2000, while keeping garments for only half as long. This constant introduction of new products creates an artificial sense of urgency and novelty, encouraging repeated purchases and reinforcing a cycle of overconsumption (Industria de Diseño Textil, S.A. [Inditex], 2026; The Guardian, 2021; Ellen MacArthur Foundation, 2017).

The environmental consequences of this model are severe and global in scope. The world generates approximately 92 million tonnes of textile waste annually, with the equivalent of one garbage truck of clothing being landfilled or incinerated every second. Despite this massive waste, less than 1% of clothing is recycled into new garments. This reflects a fundamentally unsustainable linear economic model driven by artificially induced demand rather than actual necessity (UNEP, 2025; Ellen MacArthur Foundation, 2017).

In addition to waste, the fashion industry is a major contributor to climate change. It is responsible for around 10% of global carbon emissions, exceeding the combined emissions of international aviation and maritime shipping. The acceleration of production cycles, combined with globalized supply chains, increases emissions at every stage, from manufacturing to transportation and disposal. Water consumption further amplifies the environmental burden, with the industry using approximately 93 billion cubic meters of water annually. Even a single cotton shirt requires around 2,700 liters of water to produce, placing significant strain on already vulnerable water resources in developing regions (UNEP, 2018).

Another critical issue is the widespread use of synthetic materials. Around 60% of clothing is made from plastic-based fibers, which contributes to long-term environmental pollution. Textiles account for approximately 35% of primary microplastics released into the oceans, demonstrating how artificially driven production directly affects marine ecosystems and global environmental health (Boucher & Friot, 2017; UNEP, 2018).

From an economic perspective, artificial demand creation also leads to structural inefficiencies. Brands frequently overproduce in order to maintain constant product availability, resulting in an estimated 30% of garments remaining unsold. These unsold goods are often destroyed or discarded, representing both a loss of economic value and an additional environmental burden. At the same time, the pressure to produce quickly and cheaply places significant strain on global supply chains, particularly in developing countries where labor costs are minimized. In some cases, garment workers earn as little as $95 per month, highlighting how artificially stimulated demand contributes to persistent global inequalities and labor exploitation (Ellen MacArthur Foundation, 2017; International Labour Organization, 2018).

Digital platforms play a central role in amplifying artificial demand. Companies like Shein rely heavily on algorithm-driven marketing and influencer collaborations to reach global audiences at unprecedented speed. Social media platforms such as TikTok and Instagram can shift consumer preferences within hours, transforming demand into a continuous and globally synchronized phenomenon. This digital acceleration further intensifies consumption patterns and reinforces the cycle of rapid production and disposal (Reuters, 2025; WTO, 2018).

CONCLUSIONS / RECOMMENDATIONS

In conclusion, artificial demand creation has become a central force in the contemporary global economy, transforming demand from a natural market outcome into a strategically engineered driver of trade and consumption. This shift reflects a deeper structural transformation, in which competitive advantage increasingly depends not only on production efficiency, but on the ability to influence consumer behavior, shape preferences, and construct perceived needs at a global scale.

The fast fashion case study clearly demonstrates the intensity and consequences of this phenomenon. Artificially induced demand accelerates production and consumption cycles, leading to systemic overproduction, resource depletion, and large-scale environmental degradation. At the same time, it generates structural inefficiencies within global value chains, where significant proportions of output remain unsold, and reinforces social inequalities through cost pressures transferred to labor in developing economies. The integration of digital technologies further amplifies these effects by enabling real-time, synchronized demand creation across multiple markets, increasing both the speed and volatility of global trade dynamics.

From a policy perspective, these findings highlight the urgent need for a coordinated and multidimensional response at both national and international levels. First, regulatory frameworks must be strengthened to address manipulative digital commercial practices, including dark patterns and algorithmic persuasion, by ensuring greater transparency, accountability, and consumer protection in digital environments. Second, governments and international organizations should promote sustainable production and consumption models, including circular economy principles, extended producer responsibility, and incentives for eco-design and recycling.

Addressing the negative externalities of artificial demand creation requires stronger international cooperation. Given the global nature of supply chains and digital platforms, isolated national policies are insufficient. Harmonization of regulations, cross-border enforcement mechanisms, and shared sustainability standards are critical to ensuring that economic growth does not come at the expense of environmental integrity and social equity.

Ultimately, the long-term sustainability of the global economic system will depend on the ability to balance innovation in demand creation with ethical considerations, environmental responsibility, and inclusive economic development.

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