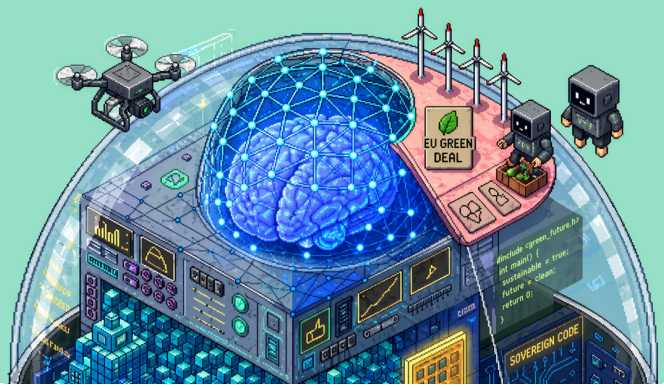
CreativeStack



STRATEGIC DIALOGUE FOR THE EUROPEAN CREATIVE ECONOMY I POLICY BRIEF I #SDECE26

Cultural and Creative Industries Are Innovation Infrastructure

A case for recognition, reform, and structural investment – presented to the Strategic Dialogue for the European Creative Economy, Brussels, 5 May 2026

4.4%	**12M**	**€477bn**	**€40K**
of EU GDP from CCIs	jobs across European CCIs	annual value added	cost to apply for EU funding

Europe is building digital sovereignty without the content layer that gives it meaning. This policy brief distils the CreativeStack White Paper's five-part argument – and its 28 recommendations – for why that must change before the 2028–2034 Multiannual Financial Framework is finalised.

The Central Argument

Europe's Cultural and Creative Industries are not a sector in need of protection. They are innovation infrastructure in need of recognition. That is the argument this policy brief makes across five domains, from five different angles, with one conclusion: **the structural exclusion of CCIs from Europe's funding architecture, digital sovereignty agenda, and public** procurement systems is not a cultural problem. **It is a strategic error.**

The EuroStack initiative represents a serious and overdue European response to technological dependency. Three US companies control 70% of the European cloud market. 70% of foundational AI models originate in the United States. Annual EU purchases of US cloud and software services are estimated at €262 billion. The strategic response – mission-oriented public investment, a European Sovereign Tech Fund, procurement conditionality – is well-founded. **But EuroStack, in its current form, omits the content layer** – the films, music, games, journalism, and symbolic goods through which European citizens actually experience the digital world.

We call for that **European institutions formally classify Cultural and Creative Industries as Critical Innovation Infrastructure** – with the funding eligibility, governance representation, and policy recognition that designation requires. This brief sets out 28 specific demands across five domains. They are not suggestions. They are the structural corrections a serious European competitiveness policy must make.

1. CreativeStack: The Missing 5th Layer

The EuroStack framework maps European digital infrastructure across four layers: Critical Resources, Hardware, Software, and Data/AI. It is right on every layer it addresses. **The problem is the Content or Creative layer it omits.**

The most consequential argument for CreativeStack is political. European digital sovereignty means the **ability to shape the information environment** in which European citizens live, decide, and identify. That environment is made of content. US streaming platforms and AI services do not merely represent a trade imbalance – they shape the stories Europeans tell about themselves and the cultural references through which a shared public sphere is constituted.

CCIs are also the primary generators of the training data on which AI systems depend. A European sovereign **AI that harvests creative labour to build systems competing with the creators who produced that data** is not an alternative to the extractive model it seeks to replace. It is the same model with a different flag.

CreativeStack proposes the formal recognition of CCIs as a fifth EuroStack layer – **Creative Innovation Infrastructure** – not as a downstream beneficiary of digital investment, but as an infrastructural layer in its own right.

Recommendations

1. **Classify CCIs as Critical Innovation Infrastructure** within European industrial policy instruments, triggering eligibility for investment mechanisms, procurement conditionality, and mission-oriented funding adapted to creative sector realities.
2. **Include designated CCI representation** in all EuroStack governance bodies, advisory forums, and multi-stakeholder processes, including AI Act implementation and GPAI Code of Practice working groups.
3. **Establish a dedicated CCI window** in the proposed EuroStack Fund, with eligibility criteria adapted to rights-based business models, project-based income, and the micro-enterprise structure of the sector.
4. **Mandate informed consent and fair compensation** for all use of CCI-produced content as AI training data, without exception for publicly funded or commercial AI systems operating in the European market.
5. **Convene a CreativeStack Interest Group** – a formal, standing policy forum – with institutional capacity to provide input into EuroStack governance, AI Act implementation, and all data governance instruments touching on creative content.

2. AI Already Inside the Studio

AI is not approaching Europe's creative sector. It has arrived. Creative talents already use generative tools to explore and produce new artefacts. The debate about what AI might do to the creative sector is already obsolete.

The CreativeStack White Paper **maps three modalities** of human–AI creative interaction. In the **deductive mode**, *human intent shapes AI through curated datasets*: culturally intentional and attributable. In the **inductive mode**, *practitioners work critically with AI-generated material*, with the craft lying in the editorial eye. In the **abductive mode**, meaning emerges through *iterative dialogue between creator and AI* – open-ended, speculative, genuinely co-creative. Each mode raises distinct questions of authorship and rights that cannot be addressed by a single regulatory instrument.

Entry-level erosion. The grinding, repetitive work that junior practitioners have always done – and always learned from – is being absorbed by AI. The job and the learning pathway disappear simultaneously. Left unaddressed, this hollows out the foundations of European creative excellence for a generation.

Recommendations

1. **Strengthen AI Act copyright provisions** in implementation: opt-out protocols technically accessible to individual creators, not only large institutions; transparency summaries substantive, not formulaic.
2. **Establish a fair compensation mechanism** for rights-holders whose creative work feeds AI training data, building on the GEMA v. OpenAI precedent and the European Parliament's March 2026 mandate.
3. **Guarantee permanent CCI representation** in the EU AI Office and GPAI Code of Practice working groups as a structural requirement, not a consultative courtesy.
4. **Designate CCI workforce transition** as a priority investment area under ESF+ and Erasmus+, with dedicated funding streams for reskilling and AI literacy for creative practitioners.
5. **Fund CCI-specific micro-credential frameworks** – including CREDEX and CYANOTYPES – to European scale, with mutual recognition across all Member States built in from the outset.
6. **Introduce targeted public funding** to protect and rebuild entry-level creative roles – traineeships, apprenticeships, and junior positions – as the primary mechanism through which creative skill is transmitted to the next generation.

3. Public Markets as a Strategic Lever for CCIs

European public authorities spend approximately €85 billion annually on possible CCI related procurement. **That spending power can activate the methodologies of the cultural and creative industries** – service design, co-creation, systems thinking – to address the complex, human-centred challenges that off-the-shelf procurement cannot solve. The legal space to do this already exists. What is missing is institutional will and capacity.

Research by Scholman (University of Twente, 2024) found that cost-driven procurement in the Netherlands achieved only 30.5% emissions reduction against a 2030 target of 55%. An analysis by Innovatiespotter (2026) found that micro-enterprises – 45% of all innovative businesses – make the least use of government innovation programmes, lost in a labyrinth of over 300 overlapping national, European, and regional schemes.

Procurement can also enforce fair pay and fair practice, providing sustainable revenue streams that the creative sector's precarious project economy cannot generate alone. The durch PONT procurement guide confirms: public tenders can be a strong mechanism to enforce fair compensation as a scored criterion, not an aspiration.

Recommendations

1. **Pilot creative smart procurement** – problem-definition-led, design-dialogue-based, multi-criteria tendering – in at least five Member States by 2027, with documented evaluation for EU-wide replication.
2. **Integrate fair pay criteria** into public tender evaluation frameworks across Member States, making fair remuneration for creative practitioners a scored requirement.
3. **Invest in procurement capacity** – training for public procurers, guidance for creative micro-enterprises, and inter-municipal coordination units – to bridge the institutional knowledge gap.
4. **Revise EU procurement guidelines** to reduce administrative barriers for creative micro-enterprises and SMEs, including simplified registration, proportionate documentation requirements, and consortium support mechanisms.

4. The Funding Paradox

Horizon Europe funds technological R&D. **Most CCIs do not operate research departments.** *Creative Europe funds cultural production*; it **does not fund business model innovation or technology adoption.** *CERV funds civic activities*; creative organisations can **access it only by reframing themselves as NGOs** with a cultural hobby. *Erasmus+ funds mobility*. It has nothing to offer a creative SME that **needs not to move people, but to grow.**

The CreativeFED 2025 Member Survey documents the result: over two-thirds of respondents cite excessive administrative burden, insufficient internal capacity, rigid partnership requirements, and misalignment with sector realities as systemic barriers.

The AI advantage gap. The Commission confirmed in 2024 that consortia may use AI in writing proposals. **Horizon Cluster 2 submissions have roughly doubled; CERV submissions increased nearly sixfold.** Well-resourced applicants write more proposals faster. Small creative enterprises cannot.

The 2028–2034 MFF threatens to deepen this exclusion. Horizon's Cluster 2 (Culture, Creativity and Inclusive Society) has been eliminated. The European Competitiveness Fund contains no cultural dimension.

Recommendations

1. **Recognise creative practice as valid R&D** – revise evaluation frameworks to accommodate practice-based, process-embedded, and socially oriented innovation as equally valid modes of generating new knowledge and value.
2. **Reduce the cost of participation** through simplified procedures, two-stage processes, and cascading funding mechanisms allowing trusted CCI intermediaries to re-grant EU funds directly to micro-enterprises.
3. **Establish dedicated CCI funding instruments** within Horizon and its successors – not sub-strands within technological programmes, but primary instruments co-designed with the sector.
4. **Develop CCI impact metrics** that capture the full range of economic, social, cultural, and democratic value generated by the sector, so that creative innovation is visible to evaluators.
5. **Create AI-creative bridging instruments** – modelled on EIC Pathfinder logic but calibrated to creative contexts – enabling funding for dataset curation, iterative experimentation, and open-ended co-creative development.

5. The 2028–2034 MFF: The LocKIC Model

The MFF 2028–2034 represents the **most consequential policy window of the coming decade** for Europe's creative sector – and, as currently p*roposed, a serious strategic error.* Horizon's **Cluster 2 has been eliminated**. The European **Competitiveness Fund has no cultural dimension.** This is happening at the precise moment when creative intelligence is most strategically important – for AI development, democratic communication, and sustainable transition.

Also the failure of the EIT/KIC model is now documented by institutional critics. *Fraunhofer-Gesellschaft* called for the EIT to be discontinued entirely – "overly complex, costly and non-transparent." *Denmark and Latvia* have formally endorsed discontinuation; *Austria and Germany* called for structural reform. The model was too centralised, too programme-dependent, and too disconnected from regional governance to survive a single budget cycle.

But the KIC model's achievement must not be lost: *for the first time, stakeholders from all three points of the Knowledge Triangle – higher education, research, and creative business – came together in structured dialogue. That convergence is the seed of a transformative model.*

The Local Knowledge and Innovation Community (LocKIC) is the architectural response: a decentralised, regionally embedded evolution of the KIC model, **anchored in the NRPP framework.** CCIs function not as beneficiaries but as orchestrators – providing Innovation Infrastructure (user-centred design, iterative prototyping), **Just Transition** capacity (narrative frameworks, community engagement), and Skills Ecosystem development (design thinking, living lab approaches) across all economic sectors.

The EU's €2 trillion in regional investment under the 2028–2034 MFF requires **cultural and soft-skill as a software to function**. Without it, hardware investments risk producing stranded assets: solar farms rejected by communities, digital platforms unused by SMEs, green jobs unfilled because displaced workers cannot navigate the transition. The window to shape NRPP design is open now, before plans are finalised and allocations locked.

Recommendations

1. **Reinstate Cluster 2** (Culture, Creativity and Inclusive Society) in the 2028–2034 Horizon framework, classified as Critical Innovation Infrastructure, as a formal request from the European Parliament.
2. **Include a dedicated CCI dimension** in the European Competitiveness Fund, with eligibility criteria adapted to rights-based business models and the micro-enterprise structure of the sector.
3. **Adopt the LocKIC model** as the CCI innovation ecosystem instrument within the NRPP framework: regionally embedded, Knowledge Triangle-governed, performance-based, and designed for structural sustainability from the outset.
4. **Formally classify CCIs as Critical Innovation Infrastructure** in National and Regional Partnership Plans, enabling direct allocation through negotiated national plans rather than competitive pan-European calls that micro-enterprises cannot access.
5. **Build intermediary capacity before NRPPs are finalised** – co-developing NRPP integration frameworks for regional managing authorities, establishing LocKIC governance foundations, and building simplified access procedures for micro-enterprises into implementation rules.

A Europe that funds technological innovation while defunding cultural intelligence is building for a future it will not be able to narrate, understand, or shape. CreativeFED presents these 28 recommendations as an invitation – to the dialogue beginning today in Brussels, and to the policy process that must follow.

This policy brief is a call to action and a distillation.
The full evidence base – 50 pages of analysis, primary survey data, legal precedent, institutional diagnosis, and detailed policy recommendations – is set out in the complete White Paper:

Trautenberger, G., Bas, G. et al. (2026) *CreativeStack – An Innovation Infrastructure: White Paper #SDECE26.* CreativeFED, Brussels, May 2026. **DOI: 10.5281/zenodo.19973794**

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