

EuroStack: Organizing “Demand Pull”, Not Just “Supply Push”



BUYERS' ALLIANCES - A DISCUSSION

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Europe’s CEOs, CIOs, CTOs and board members are worried about dependencies in their digital infrastructure: they are increasingly aware that data is exposed, and everything from hardware to cloud to software to connectivity is vulnerable to interruptions, degradation, coercion.

Surveys are unambiguous: most European businesses want to reduce their reliance on US hyperscalers, especially for critical workloads involving sensitive data, competitive positioning and resilience. The geopolitical context has fundamentally changed and the pressure to act is no longer a matter of preference. Businesses also see that Europe needs to rebuild its economic model for growth, and owning a greater portion of our tech sector value chain is key to it.

The conditions for a pro-European shift are steadily emerging. It is now clearer that it was wrong to think of digital infrastructure as a neutral, passive utility, akin to water or electricity. Cloud was the off-ramp around which entire captive ecosystems were built, creating today’s capture and major dependencies.

Important progress is now underway to create European alternatives, but it is still slow. The problem is not one of budgetary expansion: “how much money do we need to build a completely new European tech stack?” was the wrong question. “Where are Europe’s hyperscalers?” is also the wrong question.

Europe has a large and diverse arsenal of potential solutions across the stack, and providers are building to make these competitive with the current hyperscaler offerings. EuroStack has been showcasing alternatives, creating Solution Finders and bundling European components. But a real turnaround will not be triggered by a cute visual of European companies on a map, nor by the flurry of social media posts clamouring “there are alternatives!” We need demand to move. Without demand moving forward and placing orders with European suppliers, there can be no investment and no market shift.

Dependencies are compounded by a “collective action problem”

We are in a deadlock, and the reasons are well understood. For two decades, Europe thought of our dependencies as manageable trade-offs in exchange for convenience, scale and short-term efficiency. Hyperscalers used that trade-off to methodically build their position: open interfaces toward developers to attract them into the ecosystem. Proprietary standards and closed interfaces between providers to make leaving expensive. A generation of engineers, architects and enterprise employees trained on a single stack at the enterprise’s cost. Development pipelines anchored to hyperscaler toolchains. Enterprise data stored in formats that make migration technically complex and costly. These investments are powerful enough to make staying seem rational even when it no longer is.

The system integrators who could help businesses move are also captured through partner programmes and revenue sharing agreements that penalise them commercially for sending business elsewhere. Governments, too, are trapped, as data centre announcements, regional development promises and the related photo-ops become irresistible. Fragmentation is an endemic issue for Europe, which pins us into inaction and the failure to assemble the demand bulk that would make a difference to the ability to invest and scale.

What compounds the dependencies and prevents the flywheel from turning is a textbook “collective action” problem. The collective benefit of reducing structural dependencies is large and clear, but whoever “moves first” fears bearing the costs and friction of migration that competitors will later free-ride on. Migration is slow, demand remains fragmented and the supply side under-invested, looking increasingly immature. The market stays frozen. No individual actor has an incentive to move nor the leverage to break the cycle.

Proposal: aggregating demand

If European demand moves, systematically and with appreciable volumes, the flywheel would start turning much faster. We need businesses to translate what they actually need into market signals, and exercise their collective weight to shape what gets built. It is not a matter of “build it, and they will come”: the demand side holds the cards, they need to shape and motivate supply to meet their needs and make migration possible.

Overcoming the “first mover disadvantage” which holds progress back will require **organizing at least some of the demand side cooperatively.** There is precedent for transformative tech initiatives taking off the ground only when the collective action problem was suitably addressed. In the paper we review these experiences and explore the logic of potential **(EuroStack-initiated) Buyers’ Alliances** as an experiment worth trying. This would involve enterprises in the same sector or country pooling portions of their IT procurement, sharing migration risks, and sending a unified credible demand signal to European suppliers. A neutral intermediary like EuroStack could help by standardising requirements, evaluating options, designing joint RFPs, and coordinating migration support.

Participation in an “alliance” (or consortium) requires only a modest commitment but potentially unlocks significant upside: access to collectively negotiated solutions optimized for long-term security and resilience. Buyers delegate to the intermediary the work of aligning needs and evaluating suppliers. Individual participants are shielded

from backlash over supplier choices since decisions are made collectively. In short: **a low-cost call option on digital sovereignty. Meaningful upside and negligible downside.**

For the legally minded, there is also no conceivable antitrust risk. No group of businesses in any given “vertical” would account even together for a share of supply large enough to create monopsony concerns. There is also proven track record of neutral intermediaries shielding these mechanisms from “information exchange” concerns. And we live in extraordinary times, when antitrust itself has come under pressure for not being helpful enough to the “Draghi mission” - no one will dare touch this.

The same hyperscalers that Europe is so dependent on today used these mechanisms themselves. The Open Compute Project and O-RAN Alliance used buyer coordination to break hardware incumbent lock-in that had seemed impenetrable. Group Purchasing Organisations reshaped pharmaceutical procurement. NASA COTS transformed aerospace. Frontier Advance Market Commitments are attempting to create a viable market for carbon removal. All are variations on the same theme: coordinate demand to shift the feasibility frontier for supply.

Where to start

Strategy and resolve need enlightened leadership at the C-suite level. “Procurement and IT” functions will not make these choices without direction from above. It can be useful to start with an uncontroversial “entry point” – for instance a **Sovereignty Recovery Package** which businesses can recognise as individually and collectively worth doing as a matter of urgency. Businesses across Europe are worried about being at the receiving end of service interruptions or degradation by hyperscalers at times of heightened geopolitical tensions, yet many have no plan B. A Buyers’ Alliance can work with companies to identify a suitable alternative package of services and suppliers that can be activated in an emergency, scoped and tested during peacetime rather than scrambled together under pressure.

Of course the initiative will need to develop different mechanisms as a function of sector characteristics and maturity, which dictate scope and targets. More mature markets where hyperscalers are entrenched and ICT risk management is required will require a different approach from frontier startups and industrial AI, where high-quality domain data is already a competitive advantage but what is missing is the infrastructure to use it without surrendering control.

A Buyers’ Alliance can create shared development environments scoped by vertical and by specific user cases. **In mature markets the task is rebalancing existing procurement away from entrenched hyperscaler stacks, embedding interoperability and switching requirements directly into contracts, and lowering the costs of migration through collective support. For industrial AI and manufacturing the opportunity is different. These companies sit on years of sensor data, process logs and production parameters that represent a structural AI advantage. Domain-specific models trained on this data outperform generic foundation models in industrial use. The constraint is a lack of trusted infrastructure that enables companies to develop AI without surrendering control of their data to foreign platforms. A Buyers’ alliance can provide a shared, use case specific environment aligned to industry verticals.**

The role of EuroStack

Unlike an individual consultancy, government body or industry association, the EuroStack Foundation is unique as a mission-driven, neutral stakeholder with no commercial interest of its own. We have championed the cause of European supply, but it is equally essential to work with the demand side, ensuring European suppliers are building what customers actually need.

We are taking this proposal “on the road” across Europe, returning to the OEMs, telcos, banks, pension funds, defence contractors and startups we have been engaging with across multiple countries. We are identifying pioneer groups willing to pool at least some aspect of their procurement to begin with. Banks. Pension funds. Utilities. The priority is one or two focused pilots in high-sensitivity verticals to prove the model works. Private capital has a direct stake in making this market move. Without credible demand, there is no investible opportunity. A Buyers Alliance provides what investors need to commit at scale: predictable demand, real workloads, and a market that private finance can treat as bankable. Early investors who back the pilots do not just fund an initiative. They shape the architecture of what comes next.

EuroStack will operate this with a 3 year horizon. Once the collective action problem is addressed and the market is forming, the convener is no longer needed. That is the definition of success: making the effort of organising demand redundant. To achieve that, all willing industry stakeholders are welcome to join, aggregate demand, support industrial efforts, and set a clear target for the supply side to rise to the challenge.

The paper is intended as a basis for discussion. Comments, challenges and offers to engage are all welcome.

Onward.

This paper was drafted by Cristina Caffarra, Paul-Henri Charrier, Anne Sohns, Ognen Stojanovski.¹

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