

# Better Regulation Must Now Deliver for Innovation and Competitiveness

## ERIF Insights Note 49 – Commentary on the European Commission’s Better Regulation Communication (May 2026)

The European Commission’s April 2026 Communication “*A Simpler, Clearer and Better Enforced EU Rulebook*” (COM(2026) 380)<sup>[1]</sup> is a welcome and politically significant step towards better EU lawmaking. It moves in the right direction on proportionality, enforcement, simplification and regulatory discipline, and it reflects many priorities long advanced by the European Regulation & Innovation Forum (ERIF). But the Communication does not yet go far enough. If the EU wants Better Regulation to strengthen competitiveness, investment and innovation in practice, it must now close several important gaps: innovation-proofing remains incomplete, scientific integrity is not sufficiently addressed, and the framework still lacks stronger mechanisms to capture opportunity costs, dynamic impacts and inter-institutional accountability. This commentary highlights where the Communication marks real progress, where it still falls short, and what the Commission and co-legislators should do next.

### A. Where the Communication Makes Meaningful Progress

1. **Stronger impact assessments and proportionality:** This is one of the Communication’s clearest strengths. The Commission’s commitment to more focused, proportionate and higher-quality impact assessments should improve the quality of decision-making and help concentrate analytical effort where policy choices matter most. That direction is fully consistent with ERIF’s longstanding call for robust ex ante scrutiny of major initiatives, including a more disciplined assessment of trade-offs. The next step should be to ensure that these reforms are applied consistently in practice. In particular, the Commission should use the Regulatory Scrutiny Board’s expanded role to verify that major impact assessments capture not only direct effects, but also opportunity costs and longer-term dynamic impacts, including the diversion of time, capital and talent away from innovation.
2. **Competitiveness focus and partial innovation-proofing:** The Communication rightly places competitiveness at the centre of the Better Regulation agenda and recognises that substantial legislative amendments should be examined for their effects on competitiveness and innovation. That is an important advance. However, partial recognition is not the same as a systematic method. To make this ambition credible, the Commission should now embed a formal innovation-proofing approach across its Better Regulation tools. ERIF therefore recommends integrating the 10-point *Innovation Stress Test* checklist into

impact assessments and related guidance, while also ensuring that competitiveness proofing, including cumulative cost assessment, is applied in a transparent and consistent way to all major proposals.

3. **More disciplined stakeholder engagement:** The Commission's decision to streamline consultations and reduce duplicative exercises is a sensible response to stakeholder fatigue. A simpler consultation architecture, combined with feedback to participants and efforts to avoid holiday periods, should make engagement more practical and more meaningful. Just as importantly, the commitment to retain public Calls for Evidence even under accelerated procedures helps protect transparency when legislative pressure is highest. To build on this progress, the Commission should more systematically involve innovators, start-ups, SMEs and research actors in consultations on technology-relevant proposals, so that regulation is shaped earlier by those most likely to face its real-world effects.
4. **Regulatory simplification needs to become a permanent discipline:** The proposed Action Plan for "Regulatory Deep Cleaning" and the creation of a high-level Simplification Platform are among the most operationally useful elements of the Communication. They recognise that Better Regulation is not only about writing new laws better, but also about cleaning up the stock of existing rules that create overlap, uncertainty and unnecessary compliance costs. ERIF strongly supports this shift towards systematic stock management. But to deliver real value, simplification must be treated as an ongoing discipline rather than a one-off exercise. The Commission should therefore turn deep cleaning into a recurring cycle, set measurable burden-reduction objectives in each priority area, and publish concrete evidence of results, including requirements removed and compliance costs saved.
5. **A stronger enforcement agenda is essential for a credible Single Market:** The Communication is right to treat implementation and enforcement as central, not secondary, to regulatory quality. Poor transposition, fragmented application and weak enforcement undermine legal certainty, distort competition and erode confidence in the Single Market. The Commission's more assertive stance on infringement action, single market enforcement and action against gold-plating is therefore both necessary and overdue. ERIF supports this direction strongly and recommends that the Commission sustain political pressure by reporting regularly on enforcement outcomes, for example through an annual enforcement scoreboard that tracks progress, exposes persistent non-compliance and keeps attention focused on delivery.

## B. The Key Reform Gaps the EU Still Needs to Close

1. **No formal Innovation Stress Test:** This is the Communication's most important missed opportunity. Although it refers to innovation, it does not create a formal

mechanism to test whether new legislative proposals unintentionally deter investment, slow deployment, or create avoidable barriers to technological progress. That leaves innovation impacts vulnerable to inconsistent treatment. The Commission should now close that gap by embedding the *Innovation Stress Test* directly into the Better Regulation framework, for example through impact assessments or explanatory memoranda for major proposals. Without a formal test, innovation will remain an aspiration in the rhetoric of Better Regulation rather than a disciplined requirement of policymaking.

2. **Scientific integrity and risk-based regulation remain underdeveloped:** The Communication says too little about how the EU should strengthen the scientific foundations of regulation. Better Regulation cannot be credible if proposals do not consistently rely on the best available evidence, clear standards of evidence quality, and proportionate assessments of real-world risk. ERIF has repeatedly argued for stronger weight-of-evidence approaches, clearer safeguards against poor scientific reasoning, and a mechanism to review questionable uses of science without forcing stakeholders into lengthy litigation. The Commission should therefore integrate scientific integrity more explicitly into the Better Regulation agenda by requiring risk-based justification, clearer evidence standards and stronger review arrangements. That would improve legal resilience, regulatory credibility and Europe's capacity to support beneficial innovation while still managing genuine risks.
3. **Opportunity costs are still not adequately captured:** The Communication improves impact assessment practice, but it still does not explicitly require policymakers to examine what Europe loses when regulation delays or diverts innovation. That omission matters. Complex or poorly calibrated rules can absorb scarce research capacity, delay deployment, deter investment and reduce the incentives to innovate in Europe. These are real economic costs, even when they are harder to quantify than direct compliance burdens. The Commission should therefore update its guidance so that major impact assessments systematically analyse opportunity costs and longer-term innovation effects, and so that the Regulatory Scrutiny Board checks whether these effects have been considered in a serious and decision-useful way.
4. **The inter-institutional gap is still too wide:** The Communication mainly improves the Commission's own processes. It does not secure binding commitments from the European Parliament and the Council to apply the same Better Regulation discipline when they reshape proposals through substantial amendments. That is a structural weakness. Better lawmaking cannot depend on one institution alone. ERIF therefore recommends that the institutions use the current momentum to formalise common standards, for example by strengthening the Interinstitutional Agreement on Better Law-Making so that each institution assesses the impacts of major amendments. In parallel, the EU

should revisit broader options, including a horizontal Administrative Procedure Law, to embed core Better Regulation principles more consistently across the institutional system.

5. **Global competitiveness is acknowledged, but not yet operationalised:** The Communication rightly links Better Regulation to competitiveness, but it does not yet provide a clear method for benchmarking EU rules against major international competitors or for testing whether regulatory stringency may unintentionally displace investment and production. In a more contested global economy, that is no longer a peripheral issue. If Europe wants to remain an attractive place to innovate, scale and manufacture, Better Regulation must include a more systematic external competitiveness lens. ERIF therefore recommends incorporating international comparisons, cumulative burden benchmarking and, where appropriate, stronger use of mutual recognition and equivalent outcomes approaches into future regulatory design.

**Conclusion:** The Commission has created a serious opening to improve how the EU designs, reviews and enforces its rules, and that progress should be welcomed. But Better Regulation will only strengthen Europe's innovation capacity and competitiveness if it is translated into a more demanding operational framework. The next phase should therefore be clear: make innovation-proofing systematic, strengthen scientific integrity, capture opportunity costs more rigorously, and extend stronger Better Regulation discipline across all EU institutions. If the EU follows through on these priorities, it can move beyond better process and deliver better outcomes: a rulebook that is not only simpler and clearer, but also more credible, more innovation-friendly and more competitive in a rapidly changing world.

Sources:

[https://commission.europa.eu/document/download/75b997e8-ebe0-4954-9705-6b61bdb05b87\\_en?filename=com-2026-380\\_en.pdf](https://commission.europa.eu/document/download/75b997e8-ebe0-4954-9705-6b61bdb05b87_en?filename=com-2026-380_en.pdf)

[https://www.eriforum.eu/uploads/2/5/7/1/25710097/20260123\\_erif\\_better\\_regulation\\_recommendations.pdf](https://www.eriforum.eu/uploads/2/5/7/1/25710097/20260123_erif_better_regulation_recommendations.pdf)

[https://www.eriforum.eu/uploads/2/5/7/1/25710097/innovation\\_stress\\_test\\_for\\_eu\\_legislation.pdf](https://www.eriforum.eu/uploads/2/5/7/1/25710097/innovation_stress_test_for_eu_legislation.pdf)

[https://www.eriforum.eu/uploads/2/5/7/1/25710097/erif\\_monograph\\_-\\_nrps\\_final.pdf](https://www.eriforum.eu/uploads/2/5/7/1/25710097/erif_monograph_-_nrps_final.pdf)