



The EU–Canada partnership: An alternative route to, but not an alternative to, multilateral governance

Jan Wouters, KU Leuven & Carleton University

Summary

- * *As US leadership falters, the EU and Canada are cast as the nucleus of an alternative governance coalition. Tested against five criteria, the partnership succeeds as a rule-preserving laboratory but not as a substitute order. The proposed “Alliance for the Future” should be built for speed, openness and multilateralization.*

Background/Challenges

- Universal institutions are stalling and US leadership has become unreliable. Since the Appellate Body of the World Trade Organization (WTO) lost its quorum in 2019, the partners have repeatedly improvised where multilateral bodies were blocked. EU–Canada relations, anchored since 2016 in the Strategic Partnership Agreement (SPA) and Comprehensive Economic and Trade Agreement (CETA), are increasingly presented as the core of a coalition able to sustain rules-based governance without American underwriting.
- On 16 September 2026, European Commission President Ursula von der Leyen proposed moving “from CETA to an alliance for the future” and opening the door to Canada becoming the EU’s first “associate member”. Prime Minister Mark Carney welcomed the ambition but spoke of allying “by function”, not of membership, and insisted on Canadian sovereignty.
- Von der Leyen’s offer raises three challenges. Legally, “associate membership” has no Treaty basis: Article 49 TEU reserves membership to European States. Procedurally, CETA itself remains unratified in ten Member States after nine years. Politically, the US President threatened “very serious tariffs” should the move be judged “a hostile act”.
- Ahead of the EU–Canada summit in Montreal in October 2026, the question is whether the partnership can bear the weight now placed on it.

KEY FINDINGS

- ◇ **Five tests.** Can the EU–Canada partnership form the nucleus for a new multilateral coalition? This would require (1) openness to multilateralization; (2) willingness to bear costs; (3) institutional capacity to act; (4) normative convergence; and (5) sufficient aggregate weight.
- ◇ **Trade is the strongest case.** The 2019 bilateral interim appeal arbitration arrangement under Article 25 of the WTO Dispute Settlement Understanding proved open to multilateralization. It became the Multi-Party Interim Appeal Arbitration Arrangement (MPIA), which now counts 62 WTO Members as participants and was endorsed at the WTO’s 14th Ministerial Conference (MC14) as a bridge to reform.
- ◇ **Security now has balance-sheet consequences.** The June 2025 EU–Canada Security and Defence Partnership (SDP) led, within a year, to Canada becoming the only non-European participant in the EU’s €150 billion Security Action for Europe (SAFE) instrument. Canada made a financial contribution, proving willingness to bear costs. Yet NATO remains the cornerstone: EU–Canada defence cooperation is a hedge against unreliability, not a bid for autonomy.
- ◇ **The economic base cannot ratify itself.** EU–Canada trade under CETA exceeded €130 billion in 2025, but ten Member States have not ratified it; Cyprus rejected it in 2020 and the French Senate in 2024. Definitive failure in any Member State would oblige termination of provisional application.
- ◇ **Legal form decides speed.** An EU-only instrument (SAFE) was concluded in less than twelve months; a mixed agreement (CETA) remains incomplete after nine years. Institutional capacity to act remains conditional on legal form.



KEY FINDINGS (continued)

- ◇ **The coalition is shock-driven.** The September 2026 overtures followed the collapse of Canada–US trade talks; hedges calibrated to a threat may be recalibrated when this threat recedes.
- ◇ **“Like-mindedness” is relational.** Divergences persist on agriculture, carbon border measures, resource policy, and digital regulation. Normative convergence is defined largely against American unilateralism and Chinese coercion, and may shift with those reference points.
- ◇ **Legitimacy is doubly contested.** At home, politicized trade agreements escape elite consensus. Abroad, MC14 showed the divide: India blocked the Investment Facilitation for Development Agreement, while developing states resisted plurilateral workarounds such as the interim E-Commerce Agreement. The MPIA, open to all and housed in the WTO, is the counter-model.
- ◇ **The capability gap is structural.** The partners can write rules but cannot safeguard order: Extended deterrence, reserve currency, and lender-of-last-resort functions remain American. Bilateral weight becomes significant only in wider formats such as the EU–CPTPP track, covering close to a third of global output.
- ◇ **Openness is not multilateralization.** Naming Australia and New Zealand as possible associates (as the President of the European Parliament has done) widens a club of wealthy democracies rather than opening its rules.
- ◇ **Summing up.** The EU–Canada partnership meets two of the five criteria: willingness to bear costs and openness to multilateralization. It only partly meets institutional capacity to act and normative convergence. It does not meet the fifth, aggregate weight: the partners can write rules but cannot safeguard order on their own.

Further Reading

Ferreira-Pereira, Laura C., and Michael Smith. Eds. 2021. *The European Union's Strategic Partnerships: Global Diplomacy in a Contested World*. Palgrave Macmillan.

Pauwelyn, Joost. 2023. “The WTO’s Multi-Party Interim Appeal Arbitration Arrangement (MPIA): What’s New?” *World Trade Review* 22(5): 693–701.

Zürn, Michael. 2018. *A Theory of Global Governance: Authority, Legitimacy, and Contestation*. Oxford University Press.

Policy Implications

- **Approach the EU–Canada partnership as a holding operation and a norm laboratory:** an alternative route towards multilateral governance, not an alternative to it.
- **Design for multilateralization by default:** apply the MPIA template (replicable, notified, housed in existing law) to digital trade, subsidies and critical raw materials.
- **Choose legal form deliberately:** Complete CETA ratification, and build the Alliance for the Future first from EU-only instruments and program associations (Horizon Europe, Erasmus+, SAFE, critical raw materials), rather than as a comprehensive mixed agreement, so that they are not held hostage to its ratification.
- **Convert the SDP into capability projects** building on SAFE participation, so that security cooperation generates commitments rather than communiqués.
- **Keep the coalition open:** Associate third parties and preserve developing-country access to avoid rich-club optics; extending associate status only to Australia and New Zealand would widen the club without answering that concern.
- **Practice narrative honesty:** Present the partnership as insurance and laboratory, not as a replacement order.



Author Information

- ◆ Jan Wouters is Konrad Adenauer Visiting Professor at Carleton University, and Jean Monnet Chair ad personam and Full Professor at KU Leuven.

Email: jan.mf.wouters@kuleuven.be



Contact

- ◆ **Email:** ces@carleton.ca
- ◆ **Phone:** (613) 520-2600, Ext. 1087
- ◆ **Website:** www.carleton.ca/ces



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