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# A Critical Examination of Political and Legal Challenges in International Business: The US-EU Trade Protection Framework

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Abstract: In contemporary international trade, imports and exports between the world's major economies are increasingly influenced by a range of political and legal factors. This paper focuses specifically on the trade relationship between the European Union (EU) and the United States (US), highlighting the circumstances in which legal frameworks (compages iuridica) and political tensions significantly affect the success or failure of cross-border trade. The problem under investigation lies in the existence of obstacles arising from regulations, as well as political challenges that threaten the stability and legal security of companies. The research aims to identify and examine the key political-legal factors that influence import and export flows between the United States of America and the European Union, with a special emphasis on the impact of trade agreements. The methods applied include content analysis, case studies, comparative analysis, and triangulation. The quantitative part of the research was conducted using IBM SPSS Statistics (Statistical Package for the Social Sciences), relying on secondary data. The results of the study indicate that a statistically significant relationship was observed between attitudes towards exports as a factor of economic growth and attitudes towards the international trade balance. Since political changes and regulatory differences pose substantial obstacles to the stable development of trade relations, the study highlights the need to harmonize legal standards and strengthen political ties between the EU and the US to achieve stability. Current problems in trade, such as differences in laws, political tensions, and protectionist policies, highlight the challenges of implementing agreements due to a lack of consistent legal harmonization, which reduces legal certainty for businesses.

Keywords: International business, Political and legal challenges, Trade protection framework

#### Introduction

In today's interconnected world, global trade plays a vital role in the growth of economies and the collaboration among nations. The trade connections, especially between major global economies like the United States (US) and the European Union (EU), are influenced by various elements – economic, political, legal, and institutional. The focus of this research paper is an analysis of the political and legal challenges in trade relations between the US and the EU, with a particular emphasis on import-export flows and the implementation of trade protection agreements. These relations not only affect the flow of goods and services, but also the security and predictability of the business environment in which international actors operate.

Trade protection agreements, although aimed at trade liberalization and the removal of barriers, often generate a number of problems related to the interpretation of legal norms, the harmonization of regulatory standards and political disagreements. Namely, different legal systems, differences in quality standards, market protection and

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political instability can pose serious obstacles to the effective implementation of trade agreements. Political tensions, changes in administration, as well as the increasing protectionism further complicate the relations between these economic powers. Such an environment requires a thorough understanding of the legal and political aspects that shape the dynamics of international trade.

The paper explores how political and legal factors specifically affect international business, and how they are reflected in the perception of trade balance, especially in the context of trade between the US and the EU. Through content analysis, comparison and statistical processing of data obtained using the SPSS method, an attempt is made to answer the question - how to harmonize political and legal approaches in order to ensure stable and efficient international economic cooperation between the two most significant trading powers of today?

#### **Theoretical Framework**

#### **International Business - Basic Terms and Importance**

International business is a scientific discipline that studies the rules that govern business and economic relations. International business encompasses all activities that involve trade, investment, and the transfer of technology, knowledge, and capital between different countries, with the aim of achieving economic advantages. These activities involve business transactions that cross borders and impact various economic, legal, and cultural frameworks that directly shape business strategies and company performance. International business is not just an extension of local business, but a complex system that needs to adapt to ever-changing global trends, laws and political issues. By creating successful international business relationships, it is possible to significantly improve competitiveness in the global market and ensure the long-term development of countries' economies (Stojanovic, 2022). Therefore, the importance of international business is particularly pronounced in the modern economy because it provides countries with access to larger markets, the exchange of resources and technologies, and the opportunity to diversify economic activities. It is also very important to emphasize that at the same time, international business is exposed to various risks, such as political instability, currency risks, and regulatory obstacles, which requires the development of special managerial and legal strategies. In addition, according to recent research, globalization of business brings many advantages, such as higher profits, expanding market presence and new ideas, but also difficult challenges related to compliance with international laws, differences in cultures and the need for more effective supply chain management. (Kovacevic, 2021). In the context of globalization, international business is becoming a key factor in economic growth and development because it enables a freer flow of goods, services, capital and labor, thereby encouraging the interconnectedness and interdependence of economies. For this reason, understanding the basic concepts and importance of international business is becoming essential for all actors in the business world, from companies to government institutions (Johnson, 2023).

# Political and Legal Aspects of International Trade

International trade involves important political and legal aspects that are essential for understanding how global economic relations function. The rules that govern actors in international business are shaped by politics and law. Political factors, such as diplomacy, trade sanctions, customs policies, and international agreements, have a major impact on international trade flows. The legal framework, on the other hand, ensures the security and predictability of these business transactions (Smith, 2022). International trade faces various political risks, including changes in laws, political tensions, protectionist measures and economic sanctions. These risks can slow down or limit import and export flows, which affects the strategies of companies operating in the global market. They highlight the importance of international trade agreements as a way to reduce political barriers and enhance legal certainty.

On the other hand, legal aspects are determined by international conventions, treaties and regulations of the World Trade Organization (WTO), as well as free trade and investment protection agreements in a bilateral and multilateral framework. Effective legal regulation enables the reduction of uncertainty and legal conflicts between states but is at the same time caused by differences in national legislation and interpretations of international norms (Petrovic, 2023). Political and legal aspects also include the issue of harmonizing trade policy with international standards, as well as the protection of intellectual property rights, customs regulations and export controls. These elements play a key role in defining competitive advantages and obstacles in international business (Radovic, 2020).

#### Trade Defence Agreements - Definition and Types

Trade defense agreements are official legal tools that countries use to protect their local economies from excessive competition, unfair pricing, subsidized goods, or a sudden increase in imports that could threaten local producers. These agreements provide a balance between trade liberalization and protection of key sectors within the national economy. The literature suggests that trade defense agreements do not necessarily mean closing markets, but rather setting fair trade conditions, especially in the context of unfair practices such as dumping and illegal subsidies (Hadzic, 2021). These agreements are regulated within the legal framework of the World Trade Organization (WTO), through the Agreement on Subsidies and Countervailing Measures, the Agreement on Anti-Dumping and the Agreement on Safeguards.

Table 1. Types of trade protection agreements

| Type of agreement             | Description Example  |   |  |  |  |
|-------------------------------|--|---|--|--|--|
| Type of agreement             | Description  | Example   |  |  |  |
| Anti-dumping agreements       |  | EU anti-dumping measures on steel                 |  |  |  |
|                               | prices below market prices in  | from China  |  |  |  |
|                               | exporting countries  |   |  |  |  |
| Subsidies agreements          | Regulate the application of countermeasures to subsidized products               | US countervailing duties on agricultural products |  |  |  |
| Safeguard measures            | Temporary measures to protect<br>domestic industry from a surge in<br>imports    | t Turkish protection of domestic textile industry |  |  |  |
| Bilateral trade agreements    | Agreements between two countries aimed at regulating and protecting trade        | US-Mexico agreement                               |  |  |  |
| Multilateral trade agreements | Agreements at the level of several countries under the auspices of organizations | WTO anti-dumping agreement                        |  |  |  |

#### Import and Export Regulation in International Law

The regulation of imports and exports under international law is a key mechanism that establishes a legal framework for the exchange of goods and services between states. The main objective of these regulations is to ensure a fair, predictable and transparent system of international trade, in accordance with the rules of international treaties, conventions and multilateral agreements. International trade law relies largely on the rules of the World Trade Organization (WTO), which include basic instruments such as GATT (General Agreement on Tariffs and Trade), GATS (Agreement on Trade in Services), and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). These rules also include permitted forms of customs and non-customs measures in the regulation of imports and exports (Matsushita, 2020). Within European legislation, the legal framework of the European Union plays a key role, enabling the free movement of products within the common market, while at the same time setting strict guidelines for trade with non-EU countries. At the regional level, agreements concluded between countries (such as USMCA, CEFTA and EPA) significantly influence the rules for imports and exports. These agreements usually contain clauses concerning preferential tariff rates, restrictions, rules of origin and dispute settlement mechanisms. A particular challenge in regulating imports and exports is posed by non-tariff barriers, which include technical standards, certification, inspection procedures, and requirements related to safety and consumer protection. Although these measures are justified from a public interest perspective, they are often used as a disguised form of protection for domestic industry, which can lead to disputes among WTO member states.

#### Specifics of Trade Relations between the US and the EU

Trade relations between the European Union (EU) and the United States (US) are one of the most important economic partnerships in the world. This exchange covers products, services, investments, intellectual property rights and legislation, while at the same time facing political, legal and economic challenges. According to the European Commission, the EU is the US's largest trading partner when it comes to imports and exports of services, while the US is the EU's second largest trading partner, after China. This interdependence makes the relationship highly sensitive to changes in trade policies, tariffs, and regulatory frameworks. Although the US

and the EU are similar in terms of development level and market structure, their approaches to trade protection, safety standards, and environmental norms often differ.

These differences occasionally result in trade disputes, such as in the cases concerning subsidies for aircraft manufacturers (Boeing and Airbus) and import tariffs on steel and aluminum. In addition, attempts to establish a comprehensive agreement through the TTIP (Transatlantic Trade and Investment Partnership) have not borne fruit due to disagreements over agricultural standards, data protection and arbitration mechanisms. However, the high-tech and pharmaceutical sectors remain a key point of cooperation.

#### Analysis of Political and Legal Challenges in US-EU Trade Relations

Trade contacts between the United States and the European Union are crucial for global economic cooperation. However, these contacts face many political and legal problems, which are evident in various regulations, changes in laws, as well as broader political tensions. In this part of the paper, the focus is placed on the analysis of key factors that hinder smooth trade exchange between these two economic powers, with a special emphasis on the impact of political decisions, legal frameworks and institutional differences. By considering specific examples and research results, the paper attempts to show how the legal and political context shapes import and export flows and contributes to the creation of uncertainty in international business.

#### **Political Factors in International Trade**

Political elements have a significant and often decisive influence on international trade flows, shaping regulations, trade policies and market stability. These elements include foreign policy relations, geopolitical tensions, stability within the country, as well as state interventions through tariffs, subsidies, sanctions and quotas. The stability of policies of countries that export or import goods significantly affects the decisions of foreign investors and trading partners. Corruption, political instability or frequent changes in regulations are threats that can limit long-term trade relations (Todorovic, 2022). Within international trade relations, state policies often serve as a tool to protect local industries, especially when price changes occur or when competition from imports increases. In addition, sanctions and other forms of political pressure, such as embargoes or export bans, are often used by large nations to achieve their foreign policy goals. For example, the trade sanctions imposed by the United States and the European Union against Russia since 2022 have had serious consequences for the flow of goods, energy, and strategic raw materials.

# Legal Frameworks and Trade Agreements Between the US and the EU

The legal frameworks defining trade relations between the United States (US) and the European Union (EU) have developed through complex processes of bilateral dialogue, international treaties and membership in international organisations such as the World Trade Organisation (WTO). Although the US and the EU do not have a comprehensive trade agreement (such as a free trade agreement), their relations are characterised by a range of legally binding and non-binding cooperation mechanisms operating within the framework of the transatlantic partnership. The attempt to achieve a comprehensive agreement was expressed through the negotiations on the Transatlantic Trade and Investment Partnership (TTIP), which began in 2013. TTIP was conceived as a comprehensive framework for trade liberalisation, harmonisation of standards and simplification of regulatory procedures. However, the negotiations were suspended in 2016 due to political and social disagreements over transparency and the potential impact on the sovereignty of EU Member States (Lester, 2022). Despite the absence of a formal agreement, the EU and the US have close trade cooperation through various institutional platforms, such as the Transatlantic Economic Council, the Joint Councils for Regulatory Cooperation, and sectoral agreements on product safety, pharmaceuticals, digital trade and customs cooperation are important. The role of the World Trade Organization as a broader legal framework is also important, as many trade conflicts between the US and the EU are resolved through its dispute settlement mechanisms. Both sides often invoke WTO rules to justify their protectionist measures, leading to legal problems in bilateral trade.

# Regulatory Barriers to Import and Export Between the US and the EU

Despite strong economic ties and shared interests, the United States and the European Union face numerous regulatory obstacles that hinder import and export flows. These obstacles include not only tariff barriers, but

also a wide range of non-tariff measures related to technical standards, sanitary and phytosanitary regulations, bureaucratic procedures, as well as differences in legal and regulatory systems. One of the main challenges is reflected in the different approaches to standardization and conformity assessment. For example, while the European Union applies the precautionary principle, which means that a product can be banned even before there is solid scientific evidence that it is harmful, the American system relies more on evidence-based expertise. Products can remain on the market until their specific risk is demonstrated. This difference is particularly evident in areas such as the food, pharmaceutical and chemical industries. Regulatory barriers not only hinder trade but also reduce the effectiveness of transatlantic cooperation and prevent the full realization of trade potential. Therefore, the need for stronger mechanisms for regulatory harmonization or at least mutual recognition of standards is increasingly emphasized.

#### Trade Defence Agreement between the US and the EU

Trade defence agreements between the United States and the European Union are a key mechanism for regulating the mutual exchange of goods and services, and for safeguarding the interests of both parties in the global market environment. Although there is no single, comprehensive bilateral agreement that fully defines the trade relations between the United States and the EU, through various sectoral agreements, legal frameworks and negotiations (such as the Transatlantic Trade and Investment Partnership – TTIP), market, investment and quality protection systems have been adopted. The aim of these agreements is to ensure fair trading conditions, prevent unfair competition and maintain high standards of quality and product safety. Trade protection is achieved through measures such as anti-dumping tariffs, quotas, customs policies and regulatory standards, all of which are aimed at protecting domestic production from potentially harmful imports.

#### Overview of the Agreement and Its Key Provisions

Trade defence agreements between the United States and the European Union aim to regulate and improve trade flows, ensure fair competition, and protect domestic industries from unfair trade practices. Although a comprehensive and formal trade agreement has not yet been reached between the United States and the European Union, there are various bilateral and sectoral agreements that establish the rules of trade. One important legal instrument is the Mutual Recognition Agreement, known as an MRA, which allows standards and certificates for certain products to be recognized by both sides, thereby reducing administrative barriers and facilitating the movement of goods between these markets. The MRAs cover areas such as telecommunications, medical equipment, pharmaceuticals, and electronic devices. Key provisions of the agreement also include:

- Dispute resolution mechanisms: Establishing bodies and procedures for the rapid resolution of disagreements that may arise from different interpretations or application of provisions.
- Protection of intellectual property rights: The agreements contain provisions ensuring effective protection of copyrights, patents and trademarks in order to encourage innovation and trade in high-tech products.
- Sustainable development: Recent agreements include clauses on environmental protection and respect for labor standards, thereby attempting to reconcile economic growth and social responsibility.

These provisions represent a balance between freedom of trade and legitimate interests in protecting domestic economies, and their effective implementation and compliance are key to stable and long-term trade relations between the US and the EU.

# Import and Export as Key Segments of the Agreement

Imports and exports are key components of international trade and are central to the trade agreements between the European Union (EU) and the United States (US). These agreements seek to improve and facilitate the movement of goods and services between these two largest economic groups, reducing barriers that affect the efficiency and volume of trade. Imports involve the purchase of goods and services from a foreign country, while exports refer to the process of selling and sending those goods and services abroad. Within the framework of trade agreements, provisions dealing with imports and exports aim to reduce customs duties, facilitate administrative procedures and eliminate non-tariff barriers such as different technical standards or quotas.

Agreements between the US and the EU contain specific clauses that include:

- Reducing or eliminating customs duties: This action directly reduces costs related to imports and exports, encouraging an increase in trade volumes. For example, the automotive and pharmaceutical sectors often benefit from these benefits in bilateral trade.
- Harmonization of technical standards: Different standards can significantly hinder trade, especially for highly regulated products.
- Import restrictions and controls: In some cases, to protect domestic industries or national security, agreements have incorporated clauses that allow for the temporary application of safeguard measures, such as anti-dumping duties or quotas.
- Support for small and medium-sized enterprises (SMEs): Particular emphasis has been placed on facilitating SMEs' access to trade, through simplified procedures and increased transparency regarding export requirements and licenses.

#### Method

Research Problem - In today's highly interconnected world, international business faces various political and legal challenges that impact imports and exports among the world's largest economies. Trade agreements, such as those between the United States and the European Union, have a dual role; on the one hand, they enhance trade cooperation, while on the other hand, they can create disputes and regulatory barriers. Political tensions, variations in trade strategies, disagreements in regulations and legal conflicts related to the protection of local markets have a direct impact on the volume, efficiency and legal certainty in import and export transactions. In this context, it is crucial to understand how political and legal factors shape the circumstances under which goods move between the US and the EU, as well as the consequences this brings for companies engaged in international trade.

Research Objective - This research aims to identify, study and explain the main political and legal barriers affecting international trade between the United States of America and the European Union, with special attention being paid to activities related to imports and exports under trade protection agreements. Through a case study, the paper aims to provide a deeper understanding of the legal mechanisms and political factors that shape trade relations between these two economic powers, and to assess their impact on business entities involved in cross-border trade. The paper also seeks to identify potential obstacles and propose recommendations for improving legal certainty and efficiency in international trade between the United States and the EU.

Research Methods - The paper on the topic "Analysis of Political-Legal Challenges in International Business, Case Study: USA and EU - Trade Protection Agreement" will be conducted and presented using a combination of qualitative and quantitative methodologies. The basis of the research analysis was secondary data, collected from relevant professional literature, scientific articles, official reports and databases of European and American institutions dealing with foreign trade and international relations. Data processing was carried out using the statistical software SPSS, which enabled quantitative analysis and presentation of the relationship between the variables of interest - imports, exports and perceptions of the balance of international trade. In addition, qualitative methods were also used, including content analysis of available documentation and legal frameworks. Content analysis is a method we use to analyze qualitative or numerical data (Dzogovic, 2021). As well as a case study that focused on the specific provisions and effects of the Trade Protection Agreement between the US and the EU. A case study, as a scientific method, involves the analysis of a single case or sample (Dzogovic, 2021). Additionally, a comparative method was applied, comparing legal and political approaches to trade agreements on both sides of the Atlantic, and a triangulation method was applied, in order to verify and confirm the results from different sources and perspectives. The entire research is presented descriptively, through the interpretation of the findings and the observation of connections between political and legal factors and trade flows, especially imports and exports. Description as a scientific method implies the process of describing phenomena and objects as well as their connections and relationships, but without scientific explanation and interpretation (Zugaj, 2006).

#### Research Questions

- What are the main political and legal challenges affecting international business between the US and the EU, especially in the area of imports and exports?
- How do trade protection agreements between the US and the EU shape the legal framework and political relations in cross-border trade of goods?

— Is there a statistically significant relationship between attitudes towards exports as a means of economic growth and attitudes towards the international trade balance?

#### **Results and Discussion**

#### Analysis of the Impact of Legal and Political Factors on Import-Export Flows between the US and the EU

This analysis examines key legal and political factors that influence trade flows between the United States and the European Union, with a particular focus on imports and exports. In the modern global business environment, political stability, legal predictability, and trade agreements play a crucial role in shaping international trade. Using quantitative analysis through the statistical software SPSS, secondary data were analyzed regarding perceptions of the trade balance, attitudes toward exports as a growth factor, and specific data on imports from and exports to the United States.

Table 2. Correlation analysis

|   |                        | internation<br>al trade | and their  | Attitude<br>toward<br>exports as<br>a means of<br>economic<br>growth | from the   | Export to the United States |                     | Export to other EU countries |
|---|------------------------|-------------------------|------------|--|------------|-----------------------------|---------------------|------------------------------|
| Attitude toward the<br>balance of         | Correlation            | 1                       | 248        | .480**   | .332       | .572**                      | 303                 | 650**                        |
| international trade<br>(balance of trade) | Sig. (2-tailed)<br>N   | 35                      | .151<br>35 | .004<br>35   | .051<br>35 | .000<br>35                  | .077<br>35          | .000<br>35                   |
| Attitude toward imports and their         | Pearson<br>Correlation | 248                     | 1          | 350*   | 241        | 032                         | 051                 | .052                         |
| impact on the<br>domestic economy         | Sig. (2-tailed)<br>N   | .151<br>35              | 35         | .039<br>35   | .164<br>35 | .855<br>35                  | .769<br>35          | .767<br>35                   |
| Attitude toward exports as a means        | Pearson<br>Correlation | .480**                  | 350*       | 1  | .151       | .256                        | 363*                | 391*                         |
| of economic<br>growth                     | Sig. (2-tailed)<br>N   | .004<br>35              | .039<br>35 | 35   | .387<br>35 | .138<br>35                  | .032<br>35          | .020<br>35                   |
| Import from the<br>United States          | Pearson<br>Correlation | .332                    | 241        | .151   | 1          | 222                         | 557**               | 374*                         |
|   | Sig. (2-tailed)<br>N   | .051<br>35              | .164<br>35 | .387<br>35   | 35         | .201<br>35                  | .001<br>35          | .027<br>35                   |
| Export to the<br>United States            | Pearson<br>Correlation | .572**                  | 032        | .256   | 222        | 1                           | .025                | 683**                        |
|   | Sig. (2-tailed)<br>N   | .000<br>35              | .855<br>35 | .138<br>35   | .201<br>35 | 35                          | . <b>88</b> 5<br>35 | .000<br>35                   |
| Import from other<br>EU countries         | Pearson<br>Correlation | 303                     | 051        | 363*   | 557**      | .025                        | 1                   | .521**                       |
|   | Sig. (2-tailed)<br>N   | .077<br>35              | .769<br>35 | .032<br>35   | .001<br>35 | .885<br>35                  | 35                  | .001<br>35                   |
| Export to other EU countries              | Pearson<br>Correlation | 650**                   | .052       | 391*   | 374*       | 683**                       | .521**              | 1                            |
|   | Sig. (2-tailed)<br>N   | .000<br>35              | .767<br>35 | .020<br>35   | .027<br>35 | .000<br>35                  | .001<br>35          | 35                           |

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

Correlation analysis showed several statistically significant relationships between the variables concerning attitudes and actual trade flows between the US and the EU. The most prominent positive relationship was found between attitudes towards the international trade balance and exports to the United States (r = 0.572, p < 0.01), suggesting that as exports to the United States increase, perceptions of the trade balance also improve. A significant and positive correlation was also found between attitudes towards the balance and exports as a tool for economic growth (r = 0.480, p < 0.01), further indicating that exports are considered important for

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

maintaining a positive trade balance. On the other hand, exports to the United States are negatively correlated with exports to other European Union countries (r = -0.683, p < 0.01), suggesting possible changes in export strategies or market competition. Similarly, imports from the US are negatively correlated with imports from the EU (r = -0.557, p < 0.01), implying a substitution relationship in trade flows and possible regulatory or logistical factors shaping market selection. It is interesting to note that attitudes towards imports and their impact on the domestic economy are not strongly related to any of the economic variables, except for a weak negative correlation with attitudes towards exports (r = -0.350, p < 0.05), which may reflect some concern that an excessive focus on imports may affect domestic development.

Table 3. Regression analysis

|       |   | Unstandard | ized Coefficients | Standardized<br>Coefficients |        |      |
|-------|---|------------|-------------------|------------------------------|--------|------|
| Model |   | В          | Std. Error        | Beta                         | t      | Sig. |
| 1     | (Constant)  | -61.904    | 11.563            |                              | -5.354 | .000 |
|       | Attitude toward exports as a means of economic growth | .477       | .216              | .262                         | 2.203  | .035 |
|       | Import from the United States                         | .262       | .073              | .425                         | 3.604  | .001 |
|       | Export to the United States                           | .305       | .061              | .599                         | 4.962  | .000 |

a. Dependent Variable: Attitude toward the balance of international trade (balance of trade)

In addition to the correlation analysis, a regression analysis was conducted to determine the impact of individual factors on attitudes towards the international trade balance. The dependent variable was the attitude towards trade balance, while the independent variables included: attitudes towards exports as a means of economic growth, imports from the US and exports to the US. The strongest impact was recorded for exports to the US ( $\beta$  = .599; p < 0.001), suggesting that increased exports to the US significantly contribute to a more positive attitude towards trade balance. The next strongest impact is imports from the US ( $\beta$  = .425; p = 0.001), while attitudes towards exports as a growth factor also have a significant, but somewhat weaker impact ( $\beta$  = .262; p = 0.035). These findings confirm that specific trade activities with the US – both imports and exports – are directly related to perceptions of economic stability and trade balance. Also, positive thinking about exports as a growth mechanism supports the idea that economic policies aimed at stimulating exports can positively influence public opinion and broader economic perception.

|                     |       | Table 4. M | Iodel summary |                 |  |
|---------------------|-------|------------|---------------|-----------------|--|
| Adjusted Std. Error |       |            |               |                 |  |
| Model               | R     | R Square   | R Square      | of the Estimate |  |
| 1                   | .781a | .609       | .572          | 1.89954         |  |

a. Predictors: (Constant), Export to the United States, Import from the United States, Attitude toward exports as a means of economic growth

Additional insight into the reliability and explained variance of the model is provided by the report in the Model Summary table. The value of the multiple correlation coefficient (R) is 0.781, indicating a strong association between the combination of predictors (exports to the US, imports from the US, and attitudes toward exports as a means of economic growth) and the dependent variable (attitude toward the international trade balance). The most important indicator of the model's efficiency, R<sup>2</sup> = 0.609, means that about 60.9% of the variance in the attitude toward the trade balance can be explained by the listed independent variables. After correcting for the number of predictors and sample size, the adjusted R<sup>2</sup> is 0.572, which is still a very solid result in socioeconomic research. The standard error of the estimate (Std. Error of the Estimate) is 1.89954. Although not zero, this error can be considered acceptable given the nature of the social phenomena being analyzed. These findings confirm that the model is sufficiently strong and statistically significant to be used for interpreting and drawing conclusions about the impact of legal, political, and economic factors on the perception of the trade balance between the US and the EU.

Table 5. ANOVA model

| Model |            | Sum of Squares | df | Mean Square | F      | Sig.       |
|-------|------------|----------------|----|-------------|--------|------------|
| 1     | Regression | 174.544        | 3  | 58.181      | 16.124 | $.000^{b}$ |
|       | Residual   | 111.856        | 31 | 3.608       |        |            |
|       | Total      | 286.400        | 34 |             |        |            |

- a. Dependent Variable: Attitude toward the balance of international trade (balance of trade)
- b. Predictors: (Constant), Export to the United States, Import from the United States, Attitude toward exports as a means of economic growth

The ANOVA (analysis of variance) table allows us to check whether the regression model as a whole is statistically significant. In this case, the F-statistic value is 16.124, and the p-value (Sig.) is 0.000, which is well below the standard significance level of 0.05. This indicates that there is a statistically significant relationship between the independent variables (exports to the US, imports from the US, and attitudes towards exports as a growth factor) and the dependent variable (attitudes towards the international trade balance). In other words, the model is not only good at the level of individual predictors, but is also significant as a whole, confirming that variations in attitudes towards the trade balance can be explained to a significant extent by the aforementioned factors. This is further confirmation of the findings from the Model Summary and Coefficients tables and provides a more complete picture of the validity of the regression model used.

# Discussion of the Results in the Context of Legal and Political Challenges of Trade between the US and the EU

The results obtained indicate that political and legal factors significantly influence the perception of the international trade balance between the USA and the EU. Three variables stand out in particular: exports to the United States, imports from the USA, and attitudes towards exports as a means of economic growth. The regression model shows that these variables explain more than 60% of the variance in the attitude towards the international trade balance, which is an extremely strong indicator within the framework of socio-economic research. The high statistical significance of the model (Sig. = .000) confirms its reliability. The results show that exports to the USA have the strongest standardized coefficient ( $\beta = .599$ ), which implies that the perception of the usefulness of exports directly contributes to a more positive attitude towards the international trade balance. This is in line with the literature that emphasizes the importance of market access and trade facilitation for export growth. Imports from the USA also have a positive, but somewhat smaller, impact, which may reflect the perception of the dependence of European markets on American technology, energy or raw materials. The correlation study further provides evidence of strong links between exports and positive attitudes towards trade. On the other hand, attitudes towards imports from other EU countries showed negative correlations with perceptions of the trade balance, which may suggest a sense of pressure from competition within the common market. In the context of bilateral relations, these results suggest that political tensions, regulatory barriers and differences in legal systems can directly influence trade flows and business strategies.

#### Conclusion

The study of political and legal challenges in trade relations between the United States and the European Union highlights the complexity and multifaceted nature of international business in the modern globalized world. Although both sides have sought to improve bilateral trade agreements, many obstacles still hinder the free movement of goods, services and capital. Legal disputes, political tensions, differences in customs and other barriers, as well as differences in regulations, pose challenges that directly affect the efficiency and legal certainty of business. The analysis of available data conducted using SPSS statistical software, and the application of methods such as case studies, content analysis, comparison and triangulation, allowed for a deeper understanding of how these factors shape trade flows. Despite the formal establishment of trade mechanisms, it has been observed that political changes, inconsistent legislative frameworks and disagreements over the interpretation of agreements continue to represent key points of tension. These circumstances make planning and long-term business strategy difficult, especially for companies that depend on a stable and transparent international legal environment. Therefore, a clear conclusion is imposed: additional harmonization of legal norms, harmonization of regulatory standards and institutionalization of political dialogue between the US and the EU are necessary. Only stable and consistent political and legal relations can ensure predictability, legal certainty and greater efficiency of international trade. This would enable not only more stable economic development on both sides of the Atlantic, but also a significant contribution to strengthening global trade stability and cooperation in an era of increasingly intense global challenges.

# **Scientific Ethics Declaration**

\* The authors declare that the scientific ethical and legal responsibility of this article published in EPESS journal belongs to the authors.

## **Conflict of Interest**

\* The authors declare that they have no conflicts of interest

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