CODIFICATION OF CIVIL LAW IN CROATIA: CHALLENGES OF MULTIPLE CRISES FOR THE REFORM OF CROATIAN CIVIL LAW

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ABSTRACT

Croatian civil law underwent numerous significant transformations during the late 20th and early 21st centuries after the country gained its independence from the former Yugoslavia and then gained accession to the European Union (EU). The Croatian legal system is complex, with numerous acts governing civil law. It lacks a unified Civil Code. Therefore, during the EU accession process, numerous sources of law had to be coordinated in order to achieve the transposition of EU norms, and where necessary, harmonisation of the domestic legal system to EU standards. These legislative needs were later complemented by the necessity for the mitigation of various crises by modifications in the civil law after the Great Recession of 2008, the COVID-19 pandemic, as well as natural disasters that struck the country. The chapter traces the progress of the development of Croation civil law during this significant period.

Keywords: *Croatia, civil law, law of obligations, European Union accession, crisis management.*

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1. INTRODUCTION

After gaining its independence in 1991, and particularly during the process of accession, as well as after the accession to the European Union (EU) in 2013, the Republic of Croatia has carried out numerous and complex political, economic, and legal reforms in the course of transitioning to a new social, legal, and economic order. The transition was marked by the establishment of the independent Croatian State and many new government institutions, by winning in the Homeland War and maintaining peace. At the same time, a political transition also happened, from an authoritative to a democratic system and from a planned economy to a market economy. The monetary transition from Croatia's national currency to Euro,[1] the legal transition from a socialist to a market-oriented legal system, and the transition from the national legal system to a legal system harmonised with the EU law were also accomplished. In the course of such a multi-level transition, the Republic of Croatia faced many political, economic, legal, and social challenges particularly when switching to the market economy, joining the EU institutions, undergoing its economic recovery and accepting the Union's market freedoms, protecting its fundamental rights, reforming public administration and the judiciary, carrying out legal reforms, and developing the rule of law.

The civil law reform started immediately upon Croatia's independence. Initially, the major challenge was the transition from the socialist self-management system based on social ownership, collectivist regulation of ownership, planned economy, and the dominance of public law

1 The Republic of Croatia has been a member of the Euro and Schengen area since 1 January 2023. Its reform for the Euro changeover was one of the most successful economic and monetary reforms carried out after its accession to the EU. According to the Eurobarometer Survey of January 2023 (16 January–19 January 2023), 54% of respondents said that having the Euro was a good thing for Croatia, while 61% of them were also of the opinion that the changeover process went very, or rather, smoothly and efficiently. While 57% of respondents thought that the introduction of the Euro would have positive consequences, 62% of respondents feared that the introduction of the European currency would increase inflation in Croatia. See the Flash Eurobarometer 518 – Croatia after the euro changeover, 2023.

over individualistic and liberal regulation based on private ownership, private autonomy, and freedom of contracting. The aim was to return to the circle of continental and Middle European legal orders to which the Croatian civil law had belonged prior to the introduction of the socialist legal system. The guiding principle for the reform was to ensure free acting of individuals within the boundaries set up by the contemporary continental European orders. The country's civil law system had to regain its central position in the Croatian legal order.[2] This required a completely different organisation of the relationship between private and public law bodies when dealing with private law relations in accordance with private law norms. The dominance of public law and priorities in terms of protection of collective interests when organising civil law relations was no longer what the country required. It was necessary to implement privatisation of civil law relations by abolishing social ownership, returning nationalised property, and transforming socially owned enterprises into private companies. Such an approach, on the one hand, called for very complex transition regimes by which, along with maximum recognition of the rights acquired under the former socialist regulations, the transition to a new civil law system had to be made.[3] On the other hand, the whole process required a completely new regulation of the legal position of individuals, their rights and interests in civil law relations, and a central position in the new civil law system. The first civil law regulations adopted immediately upon Croatia's independence were mostly aimed at maximum protection of the subjective economic rights and interests of private individuals in civil law relations and at the recognition, with almost no exceptions, of private autonomy when regulating any civil law relations on the market. The starting point

2 In this regard, see Gavella, 1994, pp. 9, 168.

3 For example, a special challenge was the transformation of the right to immovables from social (e.g., the right to use) to private (e.g., the right to use, but also the right of disposition) ownership. These rights were *ex lege* transformed to private ownership in favour of persons who previously had been holders of the right to use socially owned immovables. Another challenge was the transformation of previous tenancy right to socially owned flats after the abolishment of social ownership. The tenancy right was also *ex lege* transformed into the right to protected leases. For more see Josipović, 2010, pp. 189, 190; Josipović, 2022, pp. 273–279.

was the fact that society had developed an awareness and responsibility to ensure that subjective civil law rights were not to be abused and that they had to be exercised scrupulously and responsibly, by always respecting the rights and interests of other people. In the beginning, the reform was primarily directed to increased protection of the rights and interests of creditors when settling their claims, to a re-establishment of traditional instruments of securing claims and extending possible options,[4] to some new rules to hasten and simplify the compulsory settlement of claims[5] and similar activities. The social component, that is, the concept of the social commitment of individuals when exercising their rights in civil law relations was neglected or suppressed in favour of an extensive and, as effective as possible, protection of the subjective rights and interests of individuals. However, after the first wave of reforms, aimed at maximal divergence from the previous collectivistic public law elements predominant in the civil law of the socialist period, it became obvious that the social component of civil law relations had to be considered in a very specific way. Indeed, it was important to keep an optimal balance between protection of individual rights and freedoms and the collective interests of the entire society. Civil law had to contribute to the development of the welfare state as well. These requirements had already become obvious during the process of harmonisation of the

4 For example, under the Act on Ownership and Other Real Property Rights (in force since 1 January 1997), the right of lien was in Croatia for the first time regulated in detail on the model of Austrian law (arts. 297–353). However, by the enforcement law reform of 1996, the catalogue of real property title insurance was significantly extended to speed up settlements of the secured claims. New voluntary judicial or notarial security rights were introduced (judicial or notarial mortgage/non possessory pledge, floating charge, judicial and notarial security of claims by transfer of ownership/fiduciary transfer of ownership). Notarial or judicial security rights made it possible for creditors to settle their claims quickly and directly, immediately upon the maturity of the secured claim, in some cases even out of court. In later amendments, the provisions of the Enforcement Act on security rights were gradually modified to provide for greater protection of debtors. For more, see Gavella, 2007, pp. 124–169, 371–378, 496–551.

5 For example, abstract instruments of security of claims were introduced (promissory notes, blank debentures) and summary enforcement proceedings on the basis of authentic instruments to ensure quick and simple compulsory settlement of claims. For more, see Dika, 2007, pp. 253–280.

country's civil law with the law of the EU during the accession negotiations. The harmonisation of individual civil law areas (e.g., the law of contract) called for the recognition of some new values that had not been sufficiently considered during the initial reform process (e.g., the protection of the consumer as the weaker party to a contract, remedies for better enforcement of consumers' rights, protection of vulnerable end users of energy, protection of passengers with reduced mobility or with disabilities, protection of employees from the risks of liquidity crises, insolvency of employers, and the like). Indeed, multiple crises, intensified at the beginning of the 21st century, occurred one after another in Croatia and significantly impacted the *'socialisation'* of civil law. Their negative impact on the economic and social positions of individuals and their impairment of fundamental rights and living and working conditions called for a different equilibrium in the protection of subjective rights and interests in many private law relations, and sometimes also for priority to be given to the protection of endangered individuals over the protection of private economic interests of individuals. All this has led to a situation where, today, individual segments of civil law are very different from their initial regulation following Croatia's independence. Civil law in the Republic of Croatia is much more *'socialised'* and its public law component is thus more expressed than it was at the beginning of the reform.

This chapter presents the main idea and process of codification of civil law in the Republic of Croatia after the country's independence and its transition to a market economy, the most important changes in individual civil law areas determining the development of Croatian civil law, and the effects of the civil law reform and problems emerging in civil law because of the specific legislative approach to the entire reform. Particular attention is paid to the changes in Croatian civil law due to the multiple crises faced by the country over the past twenty years. Owing to the serious impacts of these crises on the position of individuals, some civil law segments were often amended, mostly by *ad hoc* legislation with not much coherence or systematisation. The main aim of the chapter is to find an optimal solution for further development of Croatian civil law. Can it continue to function efficiently after so many *ad hoc* statutory interventions have significantly changed the country's civil law relations? If the answer is negative, what must be done to consolidate Croatia's civil law order?

2. CIVIL LAW REFORM AFTER CROATIA'S INDEPENDENCE AND THE ACCESSION TO THE EU

2.1. THE IDEA AND THE PROCESS OF CODIFICATION

The main aim of civil law reform in the Republic of Croatia has been to establish a new civil law system based on private ownership, market freedoms, harmonisation of the civil law system with *acquis communautaire,* EU market freedoms, free movement of persons, and all other values on which the European Union is based. Croatian civil law reform has been marked by several crucial factors.

It was carried out with maximum appreciation of the legal tradition and the earlier developments of civil law. It was largely founded on the Austrian Civil Code tradition, deeply rooted in some regions of Croatia since 1814. The main task was to ensure continuity of Croatian civil law.[6] The connection with the Austrian Civil Code, although not directly applied,[7] has never been interrupted. Even during the socialist period, the Austrian Civil Code had a significant impact on the regulation of individual civil law areas where the private law component continued to be dominant (e.g., property law, law of inheritance).[8] In addition, the Austrian Civil Code was always applied in a subsidiary manner to particular civil law relations that were never provided for in the valid Croatian socialist law (e.g., contract of donation, personal servitudes).[9]

6 See Gavella, 1994, p. 177.

7 In socialist Yugoslavia, as early as in 1946, a separate act on the termination of validity of regulations passed prior to 6 April 1941 was adopted; it also included the validity of the Austrian Civil Code. An act of the same content was adopted by the Republic of Croatia after its independence in 1991.

8 On the role of the Austrian Civil Code for the development of Croatian civil law see Gavella, 1994, pp. 174–178; Gavella et al. 2010, pp. 179, 180, 180–197.

9 For more, see Josipović, 2011, pp. 164–169.

Many other segments of the civil law system (civil proceedings, *ex parte* proceedings, enforcement proceedings, land register) were all governed on the model of Austrian law. However, reform based on the tradition of the Austrian Civil Code did not result in its reintroduction in the Republic of Croatia although numerous legal concepts of the Austrian civil law that already existed in Croatian law were retained (e.g., the principle of causal tradition for the acquisition of real rights, land register, and so on). Some other civil law concepts, which had previously been neglected, were also provided for on the model of Austrian law.

Another element of the reform was modernisation of particular civil law areas. It complemented the concept that a reform had to ensure continuity in the development of these areas. When carrying out the reform, special attention was paid to the changes and development of individual civil law areas that occurred after the Croatian civil law had been included in the socialist legal circle.[10] The same approach was not used only in civil law areas where a decision was taken to return to the Austrian civil law tradition. Modernisation was also carried out in areas that had already started developing during the socialist period in a direction that did not require to be abandoned or where no 'revolutionary' changes were necessary for adjustment to the new, legal, social, and economic orders. Indeed, it was necessary to modernise these areas to adjust them to modern tendencies in the regulation of particular civil law relations to protect fundamental rights and freedoms. These tendencies were particularly obvious in the areas such as family law, succession law, and even the law of obligations (contract law and tort law). Following Croatia's independence, the trend of increasing protection of individuals in various family law relations and eliminating various types of discrimination in family

10 Thus, for example, during the land register reform, the Austrian model of land register that had been introduced in Croatian territories as early as in 1855 was retained. The same principles of the land register law and the same organisation of the land register books were also retained. However, in the reform, all modern rules of the Austrian land register law were preserved. As a result, the digitalisation of the land register under the valid Croatian Land Register Act was in its entirety carried out on the model of the Austrian model of digitalisation of the land register.

law and succession law relations continued.[11] In the law of obligations, on the one hand, the same monistic concept of regulating obligations was retained, based on the same principles. On the other hand, modernisation of individual provisions of the law of contract law and the law of tort was carried out to upgrade personality rights.[12]

Another important element of the reform was taking over various legal transplants in the country's civil law system. Different legal transplants, important for the modernisation of the Croatian civil law, were taken over from different legal orders, mostly continental European and German orders. Many legal transplants were taken over, with some adaptations, from Austrian law,[13] as well as German and Swiss bodies of law.[14] These were mostly legal transplants, which, in their countries of origin, were proven successful legal instruments for governing particular civil law relations and, which, according to the Croatian legislator, would function very well in the reformed Croatian civil law system. However, sometimes, for their successful implementation, the necessary legal and organisational infrastructure was missing in Croatian

11 For example, during the reform of succession law by the Succession Act (valid since 3 October 2003) regarding the right to succession, children born in and out of wedlock, and marital and extra-marital partners were completely equalised in terms of their right to inheritance. Later, same-sex partners were recognised for the same inheritance rights as marital and extra-marital partners. On the contrary, the freedom of testate succession was extended by narrowing the circle of legitimate heirs. For more, see Gliha, Josipović, 2014, pp. 194, 195, 197–199, 211–213.

12 For example, during the reform of the law of torts, by the Obligation Act (valid since 1 January 2006), the so-called objective concept of non-material damage based on the violation of the rights of personality was introduced instead of the previous subjective concept under which pain or fear had been considered as non-material damage. Under the new concept, the liability for non-material damage already exists when someone's right to personality has been violated (the right to life, privacy, dignity, corporal and spiritual health, the right to a name, and the like), even if the person has not suffered any fear or pain. For more see Baretić, 2014, pp. 167, 168.

13 For example, condominium and the right to build in the Ownership Act (valid since 1 January 1997) are provided for based on the model of the Austrian law.

14 For example, the rules on the acquisition of ownership of movables from non-owners, on real encumbrances, and on legal regulation of companies are governed based on the model of German law.

law hence, new legislative interventions in Croatian civil law regulations became necessary.[15]

However, it was not possible to base the reform only on legal transplants. One of its very important elements was an autonomous development in some civil law areas. Very specific civil law relations were involved for whose regulation no suitable model could be found in modern foreign legal orders. A coherent civil law reforms required a reversion to some traditional private law institutes and civil law principles (a single type of private ownership, private companies, use of flats on the basis of lease contracts, the principal of the legal unity of immovables, and the like). This required a specific regulation of the transition from the social-ownership-concept of various legal institutes to traditional private law models. Special rules were necessary to regulate the transformation of social to private ownership, transformation of social to private companies, reversion to private ownership of the nationalised immovables and enterprises, transformation of socialist rights on the use of socially owned flats into the right to lease, a re-establishment of the legal unity of immovables as the basis for efficient functioning of the land register and legal transactions of immovables. That aspect of the civil law reform was the most challenging one because it required a new balancing between individual rights, significant financial resources and the new instruments for the enforcement of individual rights. The most complex challenge was to harmonise the rights acquired in the course of the socialist era with the rights recognised to those who had been deprived of their ownership and of their companies during socialism and to carry out their indemnification without violating the rights acquired

15 For example, problems have arisen in practice with the registration of ownership in the land register under general rules on land register proceedings provided for in the Land Register Act (valid since 1 January 1997). Therefore, special summary proceedings were introduced to register immovables in cases where the parties do not have all documents needed for registration of ownership. At the beginning, such proceedings were considered as an exception to be applied only when the proceedings of the compliance with the land register had not been made *ex officio*. However, the area of application of summary proceedings was extended by the introduction of new cases when it was possible, in such proceedings, to carry out the registration. In the new Land Register Act (valid since 6 July 2019), registration in summary proceedings is no longer considered an exception.

in the meantime. This required a new balance of protection between the mutually confronted, acquired rights and the new subjective rights which the new civil law order recognised to individuals, some of which should have been treated as fundamental rights under the international conventions in the meantime signed by the Republic of Croatia. Despite the fact that 30 years have elapsed since the initial reforms directed at the abolition of social ownership and socially owned companies, in some civil law areas, the Republic of Croatia is still in search of an optimal balance of the protection of all persons to whose rights the transition from the socialist to the new civil law system refers. In the meantime, it has become clear that an optimal balance between the mutually confronted individual rights cannot only be achieved by transferring the burden of the transition from one protected group to the other. What is needed is an active role of the State, and in particular its financial contribution, so that any of the confronted groups are compensated for the damage caused by the loss or reduction of the rights due to the transition to a new civil law system.[16]

The requests for a fast transition to a new legal, social, and economic system determined the nomotechnical approach to civil law reform. It was carried out successively. Priority was given to civil law areas that were decisive for the transition to the new economic and legal system and that had previously been organised inappropriately for the new

16 For example, a major challenge in the civil law reform was the regulation of the relations between flat owners whose flats were returned to them in the process of denationalisation and former holders of tenancy rights (while the same flats were under social ownership). Following denationalisation, former holders of tenancy rights acquired the status of protected lessees and they were able to continue dwelling in the same flats by paying nominal amounts as fees. Protecting flat owners and their fundamental right of ownership, i.e., how to establish optimal balance between the right to ownership and the right to a home became a disputable issue. The main problem was the fact that the State has always tried to keep the balance by special regulation of mutual rights and obligations between owners and protected lessees. However, it became apparent that the problem could not be solved without a corresponding financial intervention of the State, or without the financial assistance or indemnification of one of the interested parties. Any other solution would have been too big a burden for one of the parties. The European Court of Human Rights, as well as the Croatian Constitutional Court, ruled on such issues in several cases. For more see Josipović, 2022, pp. 277–279.

legal and economic relations after the transition to a market economy. The first civil law areas that were reformed were company law, labour law, bankruptcy law, property and land registration law, and tenancy law – the civil law areas that, under socialist law, had been regulated on collectivistic principles and could no longer function as such in the market economy. Subsequently, reforms of other civil law areas were also carried out, especially those that, at least at the beginning of the process, were suitable for the regulation of particular civil law relations such as family law, succession law, and the law of obligations. Regardless of the fact that these were the regulations from the socialist period, they considered some fundamental principles important for the new legal order. Their modernisation took place later, after the regulations had already been adopted to lay down the basic legal framework for the development of private ownership, market economy, and competition.

A gradual civil law reform resulted in a situation where the Croatian legislator opted for a segmented approach, and the reform was carried out by adopting numerous separate acts without unifying them into a civil or commercial code. In some specific civil law areas, new laws were passed while in others, the valid Acts were only amended to conform to the new legal order. The long-lasting target of reform was from the very beginning the adoption of a code to ensure systematism, integrity, and stability, and play a central role in the Croatian legal system.[17] However, so far no civil code has been adopted. Moreover, theoretical discussions on the need to have a civil code have also not be held.[18] It is to be expected that the same concept of the development of civil law will be retained in the future in the form of separate acts for individual civil law areas. Such an approach is to some extent justified by the fact that separate acts can be much faster to implement and easier

17 See Gavella, 1994, pp. 269–276.

18 At the beginning of the civil law reform, individual segments of civil law, usually included in civil codes (e.g. real property law, succession law) were technically provided for in separate Acts so as to be later incorporated into the future Civil Code. However, such practice was later abandoned, so that every individual civil law Act gained its specific structure and concepts. The incorporation of separate Acts into the Civil Code would require significant technical interventions and even some interventions into the content of individual norms.

to adjust to the changes of social, legal, and economic relations caused by circumstances of national or international nature. However, in the course of civil law reform, it became clear that the non-existence of a civil code providing for, among other things, the fundamental and general principles and the core of civil law, was a problem in practice. In fact, because there is no general part of civil law as the basis for the regulation of individual civil law areas, some separate acts overlap when particular aspects of general civil law are dealt with, and this results in inconsistency within the civil law system.[19]

Finally, one of the most important factors for the reform and development of civil law in Croatia was the harmonisation of civil law with the law of the European Union. It was carried out in parallel with the civil law reform because of the transfer to a market economy and private ownership. This is precisely why systematic preparations for a civil code have not yet started. Very short time limits for the alignment of Croatian law with the EU law called for an accelerated legislative procedure. The harmonisation of the country's civil law with the law of the Union was carried out in three ways. First, the laws that generally and integrally provided for the civil law area were aligned with the EU law.[20] In addition, separate systemic laws were adopted into which EU directives were transposed providing for a particular legal area.[21] Some EU directives were transposed into separate acts adopted only

19 The role of the general part of civil law was given to the general part of the Obligations Act (in force since 1 January 2006). However, some rules typical for the general part of civil law are differently provided for in other Acts as well (e.g., in the Family Act), such as the rules on civil incapacity and its impact on the validity of a contract. The consequence of such a technical approach is that of different interpretations of the Obligations Act and the Family Act regarding civil incapacity. The relationship between these Acts regarding the rules on the relationship between a general and a separate Act, the previous and current Act, is also interpreted differently. In the end, such situations always lead to legal uncertainty when entering into contracts and determining their effects.

20 See the Obligations Act, the Company Act, the Private International Law Act, the Insurance Act.

21 For example, see the Consumer Protection Act, where the majority of consumer directives are transposed.

for transposing a particular directive to the Croatian legal system.[22] The approach to harmonisation was different. In most cases, the Croatian legislator opted for the same material and personal area of application as determined in the EU law. Only exceptionally did the legislator opt for the so-called extended (gold-plated) harmonisation, that is, for the extension of the scope of application of the EU law to other persons and other legal relations as well.[23]

2.2. EFFECTS OF CIVIL LAW REFORM

Civil law reform in the Republic of Croatia has been a continuous process, largely determined, except by many internal factors, by the development of the EU law and various other circumstances impacting the legislative activity of the European legislator. However, after thirty years of intensive development of civil law, many positive effects of the civil law reform on the entire Croatian legal system are noticeable. All segments of Croatian civil law have been adapted to the individual concept of providing for civil law relations based on a market economy and private property, but at the same time respecting the social component of ownership and of other subjective civil law rights. Civil law in Croatia has been significantly updated and adapted to modern business trends and communication on the digital market. It is extremely important that the new values are increasingly protected in civil law[24] and that the position of the weaker contractual party is always considered, as well as human rights in private law relations are protected.

22 See the Act on Consumer Housing Credits which transposes Directive 2014/17/EU on credit agreements for consumers relating to residential immovable property.

23 For example, Directive (EU) 2019/771 on certain aspects concerning contracts for the sale of goods is transposed in the Obligations Act to apply to all C2B, B2B, C2C contracts against payment.

24 For example, contractual relations have become more transparent. On the one hand, this is the result of the transposition of Directive 93/13/EEC on unfair terms in consumer contracts in the Consumer Protection Act. On the other hand, the criteria for transparency laid down in this Directive have also been the model for the regulation of transparency of general business conditions in B2B contractual relations (art. 296 of the Obligations Act).

The horizontal effects of the fundamental rights are increasingly expressed in various civil law relations. Many new legal concepts and institutions,[25] new segments/areas of law,[26] new remedies for protection of individual rights,[27] as well as many new instruments for cross-border enforcement of individual rights have been developed. These positive effects are the result not only of the autonomous development following the transition to market economy but also of the harmonisation with the EU law because of its very important corrective effects on the realisation of increased social justice and more effective enforcement of individual rights in civil law relations.

2.3. PROBLEMS CONNECTED WITH CIVIL LAW REFORM

A very demanding and intensive civil law reform, with so many goals to be achieved, has also led to specific problems in the functioning of the Croatian legal system. A gradual and successive approach to the reform resulted in fragmentation, segmentation, and complexity of the civil law system, which often appeared unsystematic and incomplete. In practice, problems emerged in the determination of the relationship between general rules and special rules, which often differ in terms of their specificity.[28] Frequent legislative changes have been a serious problem caused by intensive development of the EU law, particularly with the development of the digital market. Very short deadlines were often prescribed for the transposition of EU directives, and this is why a sufficiently systematic approach to the alignment of national legislation is not always possible. Clearly, the transitional regimes organised

25 For example, new contracts of importance for the digital market are governed on the model of the EU law (e.g. contracts for the supply of digital content and digital services).

26 For example, EU law impacted the development of the law on the protection of personal data.

27 EU law impacted the development of the concept of collective protection in civil law relations.

28 Very often, there are several levels of separate regulations. In every particular case, it is necessary to apply various interpretations to determine which regulation, and in what way, has priority in the application over some other regulation.

for the transition from the old to the new regulation were too complex. Efficient transition to the new regulation often becomes difficult because of the demanding process of determining acquired rights.[29] For all these reasons, problems persist in the re-establishment of traditional law principles based on the market economy. Problems are also seen in case law, particularly in the application of national regulations aligned with the EU law. No systematic monitoring of the EU law exists in the courts, and theoretical analyses of EU law are also missing. When applying the law of the Union, its principles are often interpreted differently, and the method of interpretation of national legislation, in conformity with the EU law, is still not sufficiently developed.[30]

However, the biggest problem connected with civil law reform is the undeveloped legal and economic infrastructure for the application of the new legal instruments and the legal transplants from the EU. Therefore, long and expensive enforcements of individual rights before the courts of competent jurisdiction have become a frequent problem. The EU Justice Scoreboard 2023 shows that in the last few years in Croatia, the average judicial review for the protection of consumer rights has become significantly longer:

29 In that regard, the biggest problem is the transformation of social ownership of immovables. In socialism, several different regimes of social ownership existed, with different rights of use in favour of different persons. The transformation of social ownership was also carried out on different legal bases. Therefore, it is still unknown who has become a private owner of a particular immovable following the transformation of social ownership.

30 There is a special problem in the preparation and drafting of a regulation, and also in case law, when the primary EU law is interpreted in the context of civil law relations. See, for example, the ECJ's judgment of 14 February 2019, C-630/17, Milivojević, ECLI:EU:C:2019:123.

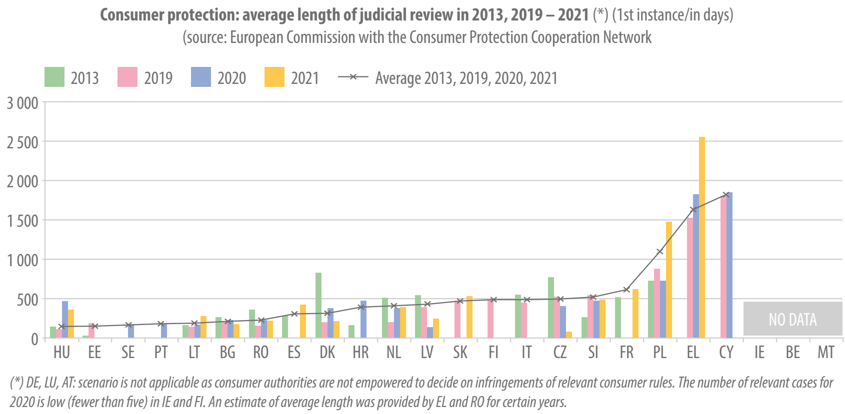

Figure 1. Average length of judicial review[31]

Another serious problem is the lack of knowledge and awareness of individual rights conferred by the EU law. This has been confirmed by the most recent European statistics. According to the Consumer Conditions Scoreboard – 2023 Edition,[32] consumers in the Republic of Croatia are almost at the bottom of the scale when it comes to knowledge and awareness of individual rights conferred by the EU law, which is considerably below the European average.

31 The 2023 EU Justice Scoreboard, 2023, p. 18.
32 Consumer Conditions Scoreboard – 2023 Edition, 2023.

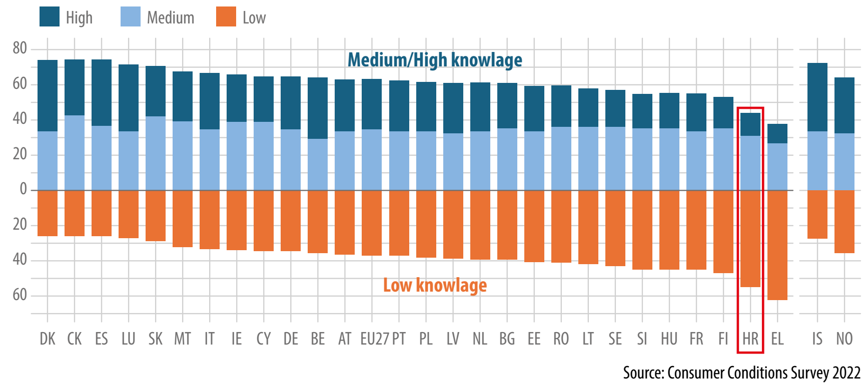

Figure 2. Consumer Conditions Scoreboard/2023 edition: Overall knowledge of consumers' rights.[33]

Country Summary: Croatia

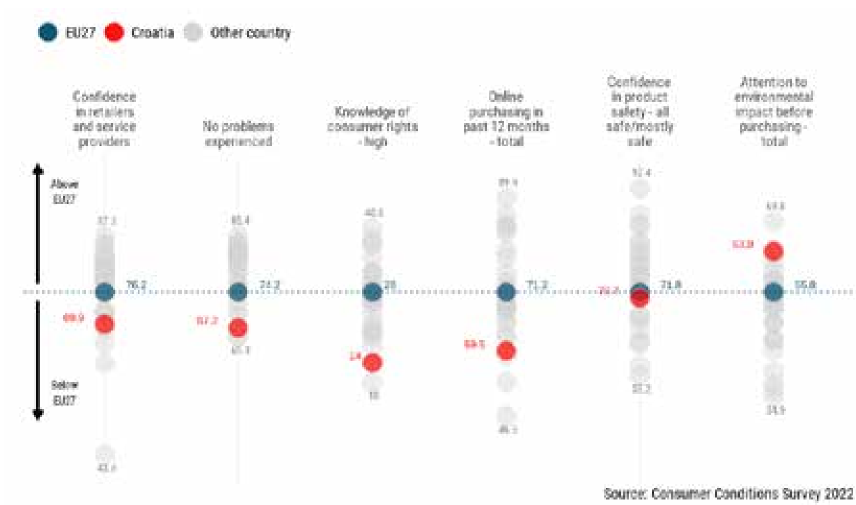

Figure 3. Consumer Conditions Scoreboard/2023 edition: Country summary – Croatia[34]

33 *Idem*, p. 27.

34 *Idem*, p. 40.

3. CIVIL LAW IN MULTIPLE CRISES

3.1. CIVIL LAW MEASURES TO MITIGATE THE EFFECTS OF MULTIPLE CRISES

Civil law development in the Republic of Croatia since the beginning of the 21st century has been mostly marked by numerous crises – the financial crisis (2008), the COVID-19 crisis (2020), the housing crisis caused by destructive earthquakes (2020), and the energy crisis. During all these crises, Croatian civil law has followed the current trends in the regulation of civil law relations, including those arising from the EU law, particularly from the European legislation dealing with the development of the digital market and the green transition, which also significantly impacted the traditional principles in individual civil law areas. Nevertheless, civil law development since the beginning of this century has been marked by the crises that have drastically changed the country's social, economic, and legal relations. Their negative impact on the economic and social status of individuals called for a corresponding response of the Croatian legislator to ensure the functioning of the social State. In the area of civil law, a large number of *ad hoc* laws have been adopted by which, to alleviate any negative impacts of the crises on the position of individuals, interventions have been made in the fundamental civil law principles. In case law, interpretations of civil law norms have changed. Some legal remedies for protection of subjective rights have been given a special role in case law aimed at protecting endangered groups in any extraordinary circumstances caused by the crises.

In addition, the multiple crises mentioned resulted in a different approach to the protection of particular values in civil law. Different priorities in the protection of individual subjective rights in civil law relations were established. Preferential treatment was given to the enforcement of new social values in civil law and to the protection of fundamental rights. Social justice became much more expressed in comparison with the first civil law developments following Croatia's independence. Increased attention was paid to protection of (a) the weaker party in contracts, (b) low-income and over-indebted consumers, (c) vulnerable customers when delivering public services, and (d) fundamental rights in civil law relations to ensure access to housing, access to justice, and universal services, as well as to the measures directed at prevention of insolvency and over-indebtedness. The goal of all these civil law measures has been to mitigate any negative and unfavourable effects of the multiple crises on the status of citizens and companies. Such measures have been taken in many civil law areas, particularly in contract law (especially in consumer contract law), real property law, as well as in enforcement and bankruptcy law. Most measures are of legislative nature, some of them of administrative nature, and some a result of judicial activism. However, they all had a significant impact on the previous regulation of particular civil law areas.

The financial crisis had the strongest impact on the changes in contract law, especially in the area of consumer credits, particularly foreign currency credits. The scope of the financial crisis was so massive and serious that by applying traditional contract law instruments (e.g., the rule *clausula rebus sic stantibus, laesio enormis*, impossibility of fulfilment), it was impossible to solve all the problems arising from a drastic imbalance in the rights and obligations of the parties to the contract in credit relations caused by sudden, extreme, and unexpected changes in foreign exchange rates in denominated consumer credits. An *ad hoc* legislative intervention in the regulation of consumer credits was necessary. The Croatian legislator took a whole series of measures to protect consumers who had entered into credit contracts. The aim was to protect consumers from unexpected, frequent, and extreme changes in exchange rates, particularly in the case of consumer credits denominated in CHF with variable interest rates. During a relatively short period of time (2013-2015), a large number of new rules for consumer credits were drawn up for consumer credits, such as statutory freezing of the maximum interest rate and of the maximum annual percentage rate of charge, freezing interest rate for loans in CHF and the exchange rate for CHF, and finally, legal obligation for creditors (credit institutions) to offer conversion of credits denominated in CHF into credits denominated in EUR.[35,36] These were always cogent and mandatory rules directly applied to consumer credit contracts, and they *ex lege* changed the contract terms agreed upon earlier. Since they were mandatory rules, contractual parties were not allowed to agree on the exclusion of their effects. Their application was followed by a specific regulation of transgression measures and high fines for creditors if they violated their statutory obligations towards consumers. In addition, all the mandatory rules were retroactively applied to any already-concluded consumer credits and some to credit contracts denominated in CHF as well.

As already mentioned, the financial crisis also impacted case law, particularly in strengthening the enforcement of consumer rights. By judicial interpretations of individual civil law provisions, previous civil law concepts were significantly changed. The new approach was particularly obvious in the context of collective and individual protection of consumers against unfair contract terms (terms on variable interest rate, exchange rate terms), which resulted in a significant increase in consumers' credit obligations in foreign currency loans. On the one hand, case law made a decisive contribution to the interpretation of the effects of collective protection against the realisation of individual restitution claims based on unfair and null-and-void contract terms. During the first (and, so far, the only) proceedings for collective protection of consumers against unfair contract terms in consumer contracts denominated in CHF,[37] it became clear that in the applicable laws, numerous aspects and effects of collective protection were not regulated. The subsidiary application of individual provisions of general contract law could not provide for satisfactory consumer protection. In this regard, a particular problem was the accomplishment of restitution

35 This is why the Consumer Credit Act (2009) was first amended in December 2013 (OG, 143/13) and again in January and December of 2015 (OG, 9/15 i OG, 102/15). For more, see Josipović, 2019, pp. 163–168.

36 In the end, for 93.9% of credits denominated in CHF, the offers for conversion into credits denominated in Euro were accepted. See the data cited in Josipović, 2019, p. 167.

37 At the end of 2014, 16% of all credits to consumers were denominated in CHF. Of this percentage, 95.5% were residential loans. For more see Josipović, 2019, p. 162.

of the overpaid amounts under the contract provisions, which, in the proceedings for collective protection, were determined as unfair, null, and void. The application of general provisions on the calculation of limitation periods[38] could not provide effective protection because when the limitation period had set in, after the termination of collective proceedings, most consumers were no longer able to realise their restitution claims. Judicial activism then significantly contributed to effective protection of consumers who had already entered into credits denominated in CHF, even without any appropriate amendments to the existing regulations.[39] In case law, the problem was solved by special interpretations regarding the calculation of limitation periods by the Supreme Court of the Republic of Croatia. In 2018, the Supreme Court's first interpretation had been that collective redress interrupts the limitation period for individual restitution claims and that upon the termination of collective proceedings, the limitation period starts running anew, although the Obligations Act did not expressly lay down any such rule.[40] In 2020, the Supreme Court totally changed its previous interpretation regarding the calculation of the limitation period for restitution claims based on null and void contracts, that is, for the return of the overpaid amounts on the basis of unfair contract provisions. According to the new interpretation, the limitation period for such individual restitution claims does not start to run from unfounded payments but only after the court has declared nullity, or after nullity has been declared in some other way.[41] This new approach to interpretations of limitation periods has opened up new possibilities for the restitution of overpaid credit

38 Under the Obligations Act, the period of limitation starts to run on the first day following the day when the creditor was entitled to the fulfilment of the claim (art. 215/1). When unjustified enrichment is involved, the limitation period starts to run from the unfounded payment. The limitation period is interrupted by a court action or any other creditor's action before the court for the settlement, insurance, or determination of the claim (art. 241 of the Obligations Act).

39 See Josipović, 2020, pp. 4–33.

40 See the decision of the Supreme Court of the Republic of Croatia Rev-2245/17, 20/03/2018, available at www.iusinfo.hr (Accessed: 5 October 2023).

41 Legal interpretation of the Civil Division of the Supreme Court of the Republic of Croatia, Su-IV-47/2020-2, 30 January 2020 available at VSRH_GO_2020_Su-IV-47-2020-2_2020-1-30_sjed01.pdf (Accessed: 2 October 2023).

instalments based on unfair contract terms (even when, according to previous interpretations, the limitation period has already expired) for many consumers struck by the financial crisis owing to their entering into credit contracts denominated in CHF. All the interpretations by the Supreme Court applied retroactively to already-concluded credit contracts such that even those that were time-barred became active again. At the same time, other positions of the Supreme Court began to be applied retroactively to consumer contracts, if the Court's interpretations were important for effective enforcement of consumer rights to protect them against the financial crisis. For example, the Supreme Court held that the courts of enforcement in enforcement proceedings conducted on the basis of enforcement documents not having passed through any judicial control are *ex officio* bound to control whether a consumer contract contains any unfair (null and void) provisions.[42] Any further implementation of enforcement against the consumer depended on the results of such control.

The financial crisis, and later the COVID-19 crisis, have shown that at the time of a crisis it is not possible to keep an appropriate balance between the rights and obligations of debtors and creditors by traditional civil law principles of the duty to meet the obligations and remedies for debt enforcement (particularly when debtors are natural persons). Therefore, the consequences of the financial crisis had a significant impact on the forced settlement of claims arising from various civil law relations where debtors were natural persons. By the enforcement law reforms, the focus of protection was gradually transferred from the creditor to the debtor in order to maintain a new balance in debtor-creditor relations because of the social and economic problems that citizens were exposed to due to the crisis. The main trend characterising the development of the law of enforcement in the Republic of Croatia since its independence has been continuous intensification

42 The Supreme Court of the Republic of Croatia, no. Su IV-87/2022, Zagreb, 11 March 2022, From the records of the meeting of presidents of Civil Divisions of County Courts and the Civil Division of the Supreme Court of the Republic of Croatia held on 11 March 2022 in Zagreb, available at http://www.vsrh.hr/custompages/static/HRV/files/PravnaShvacanja-Zakljucci/GO-zakljucci/Su%20IV-87-2022.pdf (Accessed: 2 October 2023).

of the protection of debtors in enforcement proceedings. The rules on exemption from execution, or limitation of enforcement, were changed by every new Enforcement Act or its amendments,[43] that is, the limitations of enforcement to provide for the increased protection of debtors were increasingly extended.[44] In addition, the enforcement rules on immovables were often changed by laying down increased restrictions on enforcements. Enforcement against immovables were excluded if the claims did not exceed certain amounts, whereby a trend of increasing the amounts for which the enforcement was excluded was also observed.[45] Such changes were accompanied by specific regulation of the debtor's legal position in cases of a compulsory sales of residential immovables. The debtor and his/her family were recognised specific rights, which led to some restrictions on the new owners' use of

43 The first Enforcement Act was passed in 1996. In 2010, another Enforcement Act was adopted, and in 2012, it was replaced by a new Enforcement Act (OG NN112/12). The valid Enforcement Act has been amended as many as seven times since its entry into force (OG NN, 25/13, 93/14, 55/16, 73/17, 131/20, 114/22).

44 For example, when the first Enforcement Act entered into force (1996), half of the debtor's salary was exempted from enforcement (art. 149/1). Since 2008, only half of the average net salary in the Republic of Croatia was exempted from enforcement, regardless of the debtor's salary amount (new art. 149/1). In the Enforcement Act of 2010, exemption from enforcement was increased to two-thirds of the average net salary in the Republic of Croatia (art. 92/1). In the Enforcement Act (2012) currently in force, the rule on the exemption from enforcement of two-thirds of the average net salary in the Republic of Croatia has been retained regardless of the real amount of the debtor's salary (art. 173/1). However, a new rule was incorporated on exemption from enforcement: if the debtor's salary is lower than the average net salary in the Republic of Croatia, three-fourth of the debtor's salary is exempted (art. 173/2).

45 Since 2017, the Enforcement Act of 2012, in the new art. 80b, limited the enforcement over an immovable only for claims exceeding the amount of 20,000 HRK (c. 2,666.00 Euro). If the claim was higher than this amount, the court could reject the enforcement over immovables if selling them would disturb the balance between the debtor and the creditor. The criteria for the assessment of the balance were such that, in principle, the debtor's interest was crucial (the amount of the claim, probability that enforcement over any other objects would be unsuccessful, whether it was a residential immovable, whether there was any urgent interest in the settlement of the debt, or whether the debtor agreed that an immovable had be sold to settle the claim). Already in 2020, this amount was increased to 40,000 HRK (c. 5,260.00 Euro).

immovables legally bought in a public auction.[46] Finally, in 2020, a separate rule was drafted laying down that enforcement against a natural person to sell and vacate an immovable would not be carried out in the period from 1 November to 1 April, unless there was a justified reason for the opposite.[47] Special measures were taken for a discharge of citizens' debts. In 2018, the Act on Discharge of Citizens' Debts was adopted.[48] It was a one-time measure to solve the problem of the citizens' frozen/blocked accounts because of the enforcement of debts. The Act laid down a one-time *ex lege* write-off of debts to the amount prescribed by the Act that citizens owed to some creditors (e.g., the Republic of Croatia, state-owned companies), or the write-off of debts upon the creditors' decisions (e.g., local self-management units, financial institutions, and all other legal or natural persons, et al.). Such a one-time debt, together with interest and costs resulted in unfreezing the bank accounts and the cancellation of enforcement.[49] In the same year, a new Act on Enforcement of Debts on Accounts (2018)[50] was adopted introducing the new rule of *ex officio,* automatic termination of enforcement of debts on blocked/frozen bank accounts not charged in three years from the beginning of

46 In 2014, by the new art. 127/2-5 of the Enforcement Act (2012), the right to use the sold immovable was introduced for the debtor and his/her family after it had already been sold in a public auction, with an obligation to pay rent to the buyer. In such cases, the buyer was not entitled to the possession of his/her immovable. In 2017, such right to use a sold immovable was replaced by the right to a pecuniary compensation for the costs of housing care via the social welfare system (art. 131a of the Enforcement Act of 2012).

47 See art. 46/3 of the Enforcement Act (2012) amended by the Act on Amendments to the Enforcement Act (OG NN131/20).
At the same time, a new ground for the postponement of enforcement was introduced on the basis of a notarial deed of enforcement laid down in consumer contracts. The postponement of enforcement will be applied if any contract term in a consumer contract can be declared null and void. Enforcement is then postponed until an action is brought against null-and-void contract terms. See art. 65/1/p. 11 of the Enforcement Act (2012).

48 Natural Persons' Debt- Write Off Act (OG 62/18).

49 As many as 150,474 citizens' debts (whose accounts were frozen) were written off, that is, 46% of citizens with frozen accounts. Data on the Implementation of the Act on Discharge of Citizens' Debts, 2018.

50 Act on Enforcement of Debts on Accounts, OG 68/2018.

the freezing.[51] The aim was to unfreeze the accounts of citizens whose accounts had been frozen for many years and to make it possible for them to withdraw their money. This was why the rule was retroactively applied to all debts which, at the time of the entry into force of the Act, had been outstanding during the last three years. However, it was not a one-time measure. This rule is still in force. It continues to be applied to all outstanding debts regardless of whether the creditors were private or public persons, or regardless of their legal basis when the debt was created, and to what amount. However, debts do not cease to exist by the termination of enforcement. Creditors may only initiate new enforcement proceedings.[52] At the same time, numerous important civil law effects of such termination of enforcement have remained unregulated. An open question still remains on how the limitation periods are calculated in such circumstances, how default interest is calculated, who bears the costs of the termination of enforcement, and so on. The described trends continued during the COVID-19 crisis (2020) when, because of the particular circumstances caused by the pandemic, new regulations were passed for a one-time unblocking of debtors' frozen accounts, a temporary suspension of enforcement, a temporary suspension of bankruptcy proceedings, and the termination of running default interest.[53]

The crisis caused by destructive earthquakes (2020) also showed that the traditional regulation of civil law relations could not efficiently contribute to the elimination of their consequences, let alone to quick reconstructions of buildings in residential areas ruined by earthquakes. The application of general civil law rule according to which the agreement of all co-owners of a building is required for any construction

51 Art. 12, Act on Enforcement of Debts on Accounts.

52 Since the entry into force of the Act on Enforcement of Debts on Accounts (2018), the number of citizens whose accounts have been frozen is constantly falling. See Podaci o broju ovrha na novčanim sredstvima poslovnih subjekata i potrošača, 2023.

53 See arts. 25a and 25b of the Act on Enforcement of Debts on Accounts (2018) added by the Act on Amendments to the Act on Enforcement of Debts on Accounts (OG 47/29); *Zakon o interventnim mjerama u ovršnim i stečajnim postupcima za vrijeme trajanja posebnih okolnosti* [The Act on Intervention Measures in Enforcement and Bankruptcy proceedings] (OG 53/20, 83/20).

work would completely block the reconstruction process. Although it is a rule by which the will of all the co-owners of a building is respected to the maximum, and their private autonomy in the management of their property is protected, quick reconstruction has required a deviation from the rule that the consent of all the co-owners is required. Under a separate Act, reconstruction after earthquakes is proclaimed to be in public interest.[54] This has been the basis for the new statutory restriction on owners and co-owners of residential buildings when deciding on their reconstruction, or on tearing them down if they are badly ruined. It is expressly laid down that any decision on the reconstruction of buildings and removing those that are seriously ruined are considered regular management. Therefore, the reconstruction of damaged buildings requires a simple majority of all co-owners, and they are all obliged in terms of any financial obligations connected with the reconstruction and in terms of putting up with any construction work, vacating the building, or any other obligation. Under a separate law, in case of reconstruction, the consent of owners who together own more than a half of the building is required and, if necessary, it can be replaced by a court decision.[55] At a certain point in time, the rule that for the removal of a badly damaged building, the owners' agreement was required, ceased to exist.[56] Finally, separate rules on proving the ownership of buildings and pieces of land have been adopted, and they have completely ignored all traditional civil law principles of proving the ownership of immovables based on traditionally maintained land registers on the model of the Austrian land register. In order to accelerate the process of decision

54 See art. 2 of the *Zakon o obnovi zgrada oštećenih potresom na području Grada Zagreba, Krapinsko-zagorske županije, Zagrebačke županije, Sisačko-moslovačke županije i Karlovačke županije* [Act on the Reconstruction of Buildings Damaged by the Earthquake in the Zagreb Area, in Krapinsko-Zagorska County, Sisačko-Moslavačka County, and the Karlovac County] (OG NN, 102/20, 10/21, 117/21), hereinafter: The 2020 Reconstruction Act. See art. 3/1 of the 2020 Reconstruction Act.

55 See art. 16/7, 8 of the 2020 Reconstruction Act; see art. 22 of the 2020 Reconstruction Act.

56 The Act on Amendments to the 2020 Reconstruction Act of 2021 (OG NN117/21) by which art. 24 of the 2020 Reconstruction Act was abolished where it was laid down that the consent of owners was necessary to remove a badly damaged building, see also art. 25a of the 2020 Reconstruction Act.

making on reconstruction, when land register entries differ from the real legal status of an immovable, ownership can be proven by various public documents, contracts, or even certified witness statements.[57]

Specific state interventions in contract relations happened because of the energy crisis, which caused disturbances on the energy market and drastic increases in energy prices, particularly for vulnerable end users. To protect end users, the State started with regulation of prices for the delivery of energy sources and prescribed new obligations for all energy suppliers in the form of contracts for the supply of energy. By way of separate ordinances, the Government of the Republic of Croatia temporarily fixed the energy prices in already concluded supply contracts for particular categories of customers regardless of the movement of prices of energy sources on the energy market.[58] Independent energy regulators also temporarily fixed their tariffs and charges for public supply services of some energy sources in already concluded energy supply contracts.[59] This was how public energy service suppliers' legal obligation of the conclusion of energy supply contracts with end users was reinforced. They were ordered to offer their public supply service to the category of household users whose supply contracts, made under the existing market conditions, had expired. The main goal was to alleviate access to public energy services and to protect end users who had cancelled their contracts with the suppliers delivering energy under market conditions and who were under no obligation to apply the prescribed and fixed energy prices. For suppliers of energy sources under the existing prices on the market, there were special duties to

57 See art. 23 of the Reconstruction Act/2023. For more, see Ernst, 2022, pp. 531–540.

58 See *Uredba o otklanjanju poremećaja na domaćem tržištu energije* [Ordinance on the Elimination of Disruptions on Domestic Energy Market], OG NN 104/22, 106/22, 121/22, 156/22; *Uredba o otklanjanju poremećaja na domaćem tržištu energije* [Ordinance on the Elimination of Disruptions on Domestic Energy Market], OG NN 31/2023, 74/2023, 107/2023.

59 For example, see: Croatian Energy Regulatory Agency (HERA). The Agency brought several decisions on the amounts of tariffs for the public supply of gas for the period from 1 April 2022 to 31 March 2024 (OG NN 32/22, 108/22, 51/23). These decisions led to temporarily fixing the supply of gas, tariffs, and monthly fees.

inform their end users of the right to cancel the contract and to opt for a public service model.[60]

3.2. THE IMPACT OF MULTIPLE CRISES ON CIVIL LAW

Various State interventions and *ad hoc* measures because of the above mentioned multiple crises have significantly changed the concept of regulation of particular civil law relations. The civil law branch is founded on an individualistic and liberal concept, market competition, and private ownership, and it is mostly adjusted in favour of vulnerable individuals to protect social values of modern society. Therefore, civil law started to develop under the strong influence of public law, although the starting point of civil law reform was to eliminate public law reform from civil law norms. This led to many controversial questions in connection with the measures aimed at mitigating the effects of the multiple crises. For example, we must mention here the justification of the retroactive application of some *ad hoc* measures, proportionality of the new restrictions on individual rights, impact of the measures on the acquired rights, and even the constitutionality of some of the measures adopted.[61] Undoubtedly these were the measures that imposed some new limitations on the freedom of contract and private autonomy owing to many new mandatory rules. These limitations can be justified

60 For example, see the decision of the Croatian Energy Regulatory Agency of 23 September 2022 for the beginning of public supply of gas to household end users whose contracts on the supply of gas have expired, available at Odluku o početku pružanja javne usluge opskrbe plinom krajnjim kupcima kategorije kućanstvo kojima prestaje ugovor o opskrbi plinom [Decision on the start of the provision of public gas supply services to end-consumers of the household category whose gas supply contracts end], 2022.

61 For example, the Constitutional Court, upon the application for review of constitutionality of the provisions of the Consumer Credit Act on mandatory conversion of credits denominated in CHF into credits denominated in Euro held that these were not unconstitutional provisions because it was a measure by which *fundamental social rights and social security were ensured.* See the ruling of the Constitutional Court of the Republic of Croatia no. U-I-3685/2015 et al. of 4 April 2017 (OG NN 39/17).

by the seriousness of the consequences of the crises for the economic and social positions of individuals. However, it is justified to ask whether in all the above mentioned cases the intervention in the existing civil law relations was an optimal route to protect vulnerable individuals. In a large number of cases, the intervention resulted in a situation where the State, instead of by publicly financed social measures, transferred the burden of solving the consequences to other participants in civil law relations (creditors, service providers, co-owners).

4. PROSPECTS FOR DEVELOPMENT OF CIVIL LAW

Civil law development has been a very dynamic and complex process after the Republic of Croatia became an independent country. Civil law reform had to face many challenges requiring substantial changes in existing civil law relations. Numerous legal, political, social, and economic factors in various ways determined the entire civil law system. They have all led to a situation where, in many general and separate Acts, a rich, diverse, and a very complex body of civil law norms, which are not mutually adjusted, exists. Future development of the civil law in Croatia should primarily be marked by its consolidation and a simultaneous recodification of individual civil law areas aimed at their modernisation.

Major challenges in this process include the need to define all civil law principles and unify terminology to determine optimal solutions for the conflict between old and new interests and values to be protected by modern civil law adjusted to the challenges brought about by the multiple crises. This will require special attention when establishing optimal relationship between mandatory and dispositive rules, proportionality of the limitations on individual subjective civil law rights, and a balanced protection of individual fundamental rights and social values in civil law. However, the most serious challenge will continue to be the provision of effective enforcement of citizens' individual civil law rights and increased awareness of their rights and interests. The extension of the catalogue of individual rights in civil law relations also requires regulating the corresponding effective remedies for their protection and their permanent upgrading. In this respect, reforms aimed at the establishment of well-organised and efficient courts will continue to play an important role, as well as develop new methods of enforcement of citizens' rights such as collective protection, alternative and online dispute resolution. Only by a coordinated development of all these segments, can civil law contribute to further development of Croatian society and meet the challenges brought about by increased digitalisation, sustainable development, and green transition.

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