

PRIVATE LAW AND ITS ROLE IN THE ECONOMIC AND FINANCIAL LIFE OF INDIVIDUALS**Dafina Vlahna¹***LL.M., Mr.Sc.,**Department of Financial Law,**University of Pristina "Hasan Prishtina", Pristina, Kosovo.***Argona Kuçi²***Phd.Cand.,**Department of International Private Law,**University of South Eastern European University, Tetovo, Macedonia***Hajredin Kuçi³***Prof. Dr.,**Department of International Private Law, University of Pristina**"Hasan Prishtina", Pristina, Kosovo.***Kastriote Vlahna⁴***Prof.Ass.Dr.,**Department of Civile Law,**University of Prizren "Ukshin Hoti", Prizren, Kosovo.***Abstract**

This paper examines the role and importance of private law in the economic and financial life of individuals, with particular emphasis on its development and application in Kosovo and in a comparative international context. Private law, as one of the fundamental branches of the legal system, regulates legal relationships between individuals and legal entities, including property rights, contractual obligations, and other financial interactions that are essential for the functioning of modern society.

The study focuses on the main branches of private law, especially civil law, as the core component of regulating private legal relations. It also addresses the challenges faced by the legal system of Kosovo, particularly the absence of a comprehensive Civil Code, which continues to be an important issue for legal development and legal certainty.

Furthermore, the paper analyzes the process of harmonization of Kosovo's legislation with that of the European Union, as well as the role of private international law in resolving disputes involving foreign elements. The findings highlight the importance of private law in ensuring legal certainty, economic stability, and effective regulation of legal and financial relations in both domestic and international contexts.

Keywords: Private Law; Economic Relations; Financial Relations; Harmonization; Kosovo

1. Introduction

Private law represents one of the fundamental pillars of every legal system, regulating the relationships between individuals and legal entities in their everyday legal, economic, and financial interactions. Traditionally, it includes key areas such as civil law, contract law, property law, family law, and inheritance law, all of which play an essential role in shaping the legal and financial position of individuals in society.

The distinction between public law and private law dates back to Roman law and continues to be relevant in modern legal systems. Private law focuses on the protection of individual interests and governs legal relations based on equality between the parties. In this context, it directly influences economic and financial life, as it regulates transactions, ownership rights, contractual obligations, and other forms of financial interaction between legal subjects.

In the case of Kosovo, private law remains in a phase of development, particularly due to the absence of a comprehensive Civil Code. This situation creates challenges in terms of legal certainty and the effective regulation of economic and financial relations. At the same time, Kosovo's legal system is continuously evolving through the process of harmonization with

European Union legislation, which aims to ensure compatibility and stability within a broader legal and economic framework.

Furthermore, the increasing interaction between individuals and entities from different countries has strengthened the importance of private international law. This branch plays a crucial role in determining the applicable law in cases involving foreign elements, especially in cross-border financial and legal relations.

This paper aims to analyze the role and importance of private law and its main branches, with a particular focus on its impact on the economic and financial life of individuals, as well as the challenges of legal development and harmonization in Kosovo.

2. Materials and Methods

This study relies primarily on legal and academic sources to examine the role of private law in the economic and financial life of individuals. The materials used include:

Primary legal sources:

Legislation of Kosovo, including civil, commercial, and financial law regulations.

International legal instruments and regulations of the European Union relevant to private and economic law.

Secondary legal sources:

Academic books, journals, and research articles on private law, civil law, and private international law.

Reports and legal commentaries that analyze the harmonization of national and international legislation.

The methods applied in this study are primarily qualitative and analytical, aiming to interpret legal doctrines and their application in practice. A comparative approach is also used to examine similarities and differences between Kosovo's legal framework and EU legislation, particularly in areas related to economic and financial relations.

Finally, a descriptive method is applied to explain the development and main branches of private law, emphasizing civil law and private international law, with a focus on their influence on the financial interactions of legal subjects.

Results and discussion

The history of private law dates back to Roman times, where it was systematized in written codes, most notably in Justinian's Civil Code [1]. Originally, private law focused primarily on civil law, regulating personal status, family relationships, property rights, obligations, and inheritance [2]. These early legal frameworks laid the foundation for regulating private interactions and protecting the interests of individuals [3]. Over the centuries, private law has evolved significantly, adding new branches such as commercial law [4], labor law [5], social security law [6], and financial law [7], reflecting the increasingly complex economic and financial life of individuals and communities. Private law is closely linked to financial and economic relations, as it governs how individuals and legal entities manage property, enter into contracts, and exercise their financial rights and obligations [8]. Civil law regulates ownership and contractual obligations [9], providing a legal framework for financial transactions, business dealings, and the transfer of property [10]. Commercial law facilitates trade and commercial activities [11], while labor law and social security law regulate employment relationships, wages, and financial protection for individuals [12]. Financial law, as a specialized aspect of private law [13], further ensures that economic and monetary interactions are legally structured, enforceable, and secure. Together, these legal frameworks create a predictable and fair environment for both personal and commercial financial activities [14]. The principles of civil law—such as equality of parties, freedom of initiative, pecuniary sanctions, and the transferability of rights—have direct implications for financial law [15]. Pecuniary sanctions ensure that monetary obligations are enforceable [16], promoting trust in financial agreements, while the transferability of rights allows claims, financial instruments, and assets to circulate efficiently within the economy [17]. The autonomy of parties fosters contractual freedom [18], which is essential for investment, credit relations, and broader financial undertakings [19]. Private international law also plays a critical role in regulating cross-border financial and legal relations [20]. It determines which legal system applies in disputes

involving foreign elements [21], enabling businesses and individuals to engage in international economic and financial activities with clarity and security [22]. Contractual or property disputes between parties from different jurisdictions are resolved according to internationally recognized private law norms [23], ensuring predictable and enforceable outcomes in financial matters [24].

In Kosovo, private law is evolving and aligning increasingly with European Union legislation [25]. Civil law remains central [26], but commercial law, labor law, social security law, and financial law together provide a comprehensive framework for managing economic and financial relations [27]. Harmonization of these laws strengthens investor confidence [28], facilitates domestic and international financial transactions [29], and contributes to overall economic growth [30].

Overall, private law, with its expanded branches including financial law [31], forms the foundation of economic and financial life [32]. It ensures that financial relationships—whether contractual, commercial, or social—are legally regulated, predictable, and protected [33]. The ongoing development and harmonization of private law in Kosovo, particularly in alignment with European standards [34], supports the financial stability and economic prosperity of both individuals and businesses [35].

Conclusion

Based on the content of this paper, an overview of private law and its branches has been provided. Private law is defined as the totality of subjective civil rights that create legal relationships between individuals, as well as between individuals and legal entities. These relationships are generally established through contracts, reflecting the mutual will of the parties involved. Both natural and legal persons can participate as contracting parties, highlighting the flexible and inclusive nature of private law. The branches of private law include civil law, commercial law, consumer protection law, labor law, social security law, and increasingly financial law. Each branch regulates specific legal relationships and provides the legal framework for interactions that are often economic or financial in nature. Financial law, in particular, governs property rights, obligations, contractual relations, and other financial interactions, ensuring that economic transactions are legally protected and enforceable. Contractual law plays a central role in private law, as all legal relationships are ultimately formalized through agreements, whether they involve civil, commercial, or financial matters.

In practice, private law ensures that financial and economic activities occur within a predictable and fair legal framework. Civil and commercial law regulate ownership, obligations, and trade, while financial law and related branches ensure that monetary rights, financial instruments, and contractual obligations are enforceable. Social security and labor laws provide financial protection for individuals, contributing to a stable economic environment. The ongoing

development and harmonization of private law in Kosovo, especially with regard to European Union legislation, is essential for supporting both domestic and international financial relations, investor confidence, and economic growth.

In conclusion, private law forms the foundation of economic and financial life, providing the legal structure necessary for regulating financial transactions, business relationships, and contractual obligations. The continued evolution and expansion of private law, including financial law, will further strengthen legal certainty and financial stability, ultimately benefiting individuals, businesses, and society as a whole. Future research will continue to explore the interaction between private law, its branches, and financial law, to better understand and develop legal frameworks that support both social and economic progress.

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