

Abstract

The energy sector of Ukraine is of strategic importance not only within the national economy, but is also significant from a European perspective, because it includes transit energy networks that are essential for a large part of Europe. The fundamental problem still remains low energy efficiency of the economy, obsolete infrastructure, dysfunctional system and the absence of major reforms. At the moment, another round of reforms is taking place under the influence of a rapprochement with the European Union, to modernize the sector and adapt it to European standards.

This work describes the development of the sector and the reform efforts since independence until today with a particular focus on the gas sector and the period 2014 to 2017. This is particularly the developments in the energy market, pricing policies, availability, security and decentralization of the system. In addition, the work also focuses on the development of energy efficiency, the environment and renewable energy sources. Following on the theoretical basis (especially the theory of institutional economics) through analysis of described facts assesses developments in the reforms and their impact on the whole sector including evaluation of the role and influence of oligarchs in these reform attempts.

In terms of reforms, four relevant periods can be identified. In the first three cases, however, these are completely unsuccessful attempts. The first period after gaining independence was completely wasted. The second period associated with the rise to power of Viktor Yushchenko and Yulia Tymoshenko at the beginning of the century brought only cosmetic changes and the third after the Orange Revolution ended in a complete failure.

Only after Euromaidan under the influence of the financial crisis were enforced substantial reforms bringing the sector closer to the European energy concept. However, since 2017, it is possible to monitor the re-cooling of reform efforts, including the lack of implementation of already-approved reforms. As the main reason for the failures and problems of reform efforts, the influence of the oligarchs who defend their interests and gains can be unequivocally identified. Detailed analysis of all major reform attempts confirms the theoretical foundations of institutional economics, when the realization of changes is only allowed until the moment, when these changes will directly affect the interests of influential groups.

Keywords

Ukraine, energy sector, gas industry, reforms, efficiency, oligarchs, institutional economics, European Union