ENTREPRENEURSHIP, TRADE AND EXCHANGE ACTIVITIES

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NSTITUTIONAL TRANSFORMATION OF ENTREPRENEURSHIP IN THE RENEWABLE ENERGY SECTOR OF UKRAINE

For many years, entrepreneurship in Ukraine's renewable energy sector developed mainly due to government incentive schemes, with the feed-in tariff serving as the principal investment mechanism. The consequences of the full-scale war, the reconstruction of damaged energy infrastructure, the country's European integration aspirations, and the liberalization of electricity markets have created new requirements for the functioning of renewable energy businesses.

These developments indicate that institutional transformation should not be interpreted solely as legislative reform. Rather, it represents a comprehensive process involving the redesign of regulatory institutions, market governance arrangements, and organizational forms that determine business behaviour. Accordingly, the renewable energy sector is moving toward a fundamentally different model of development based on competition, innovation, and European integration [1; 2].

Institutional transformation extends beyond regulatory reform. It encompasses the modernization of market institutions, the alignment of national legislation with the European Union acquis, and the creation of new organizational and economic mechanisms supporting renewable energy businesses. Consequently, both the rules governing market participants and the architecture of the renewable energy market are undergoing substantial changes.

The urgency of institutional reform is reinforced by several interconnected factors. The ongoing war has exposed the vulnerability of centralized energy systems and increased the strategic importance of distributed generation and diversified energy sources. Simultaneously,

the European integration agenda requires Ukraine to implement EU energy legislation, advance the objectives of the European Green Deal, strengthen market competition, and establish institutional conditions conducive to long-term investment.

Compared with the early stage of sectoral development, which relied primarily on feed-in tariffs, the current model increasingly emphasizes competitive market mechanisms, digital technologies, European regulatory standards, and innovative financing instruments. As a result, entrepreneurship in the renewable energy sector is gradually evolving into a more competitive, flexible, and market-oriented system. The conceptual framework of this institutional evolution is presented in Figure 1.

Figure 1 presents the proposed conceptual model of institutional transformation. It illustrates the transition from a state-driven support system to a competitive market environment integrated with the European energy framework. This evolution has stimulated the emergence of new entrepreneurial practices, including prosumer activities, energy communities, distributed generation, and corporate electricity purchasing mechanisms.

The formation of a modern institutional environment for the development of entrepreneurship in the field of renewable energy in Ukraine reflects the gradual evolution of state policy from local stimulation of individual types of alternative energy to the creation of a comprehensive regulatory and legal system focused on ensuring the sustainable development of the energy sector, increasing its competitiveness and integration into the European energy space. Under such conditions, regulatory and legal support ceases to perform an exclusively regulatory function and is transformed into one of the key institutional factors in the formation of the business environment, determining the rules of market functioning, mechanisms of state support, conditions for attracting investments and directions for implementing innovative business models.

Thus, the conducted systematization provides grounds to conclude that the development of entrepreneurship in Ukraine's renewable energy sector is accompanied by a profound institutional transformation encompassing regulatory, organizational, and market dimensions of the industry. While at the initial stages state policy was primarily aimed at stimulating the construction of renewable energy facilities, the current stage is characterized by the emergence of a new entrepreneurial model based on competitive market mechanisms, digital transformation,

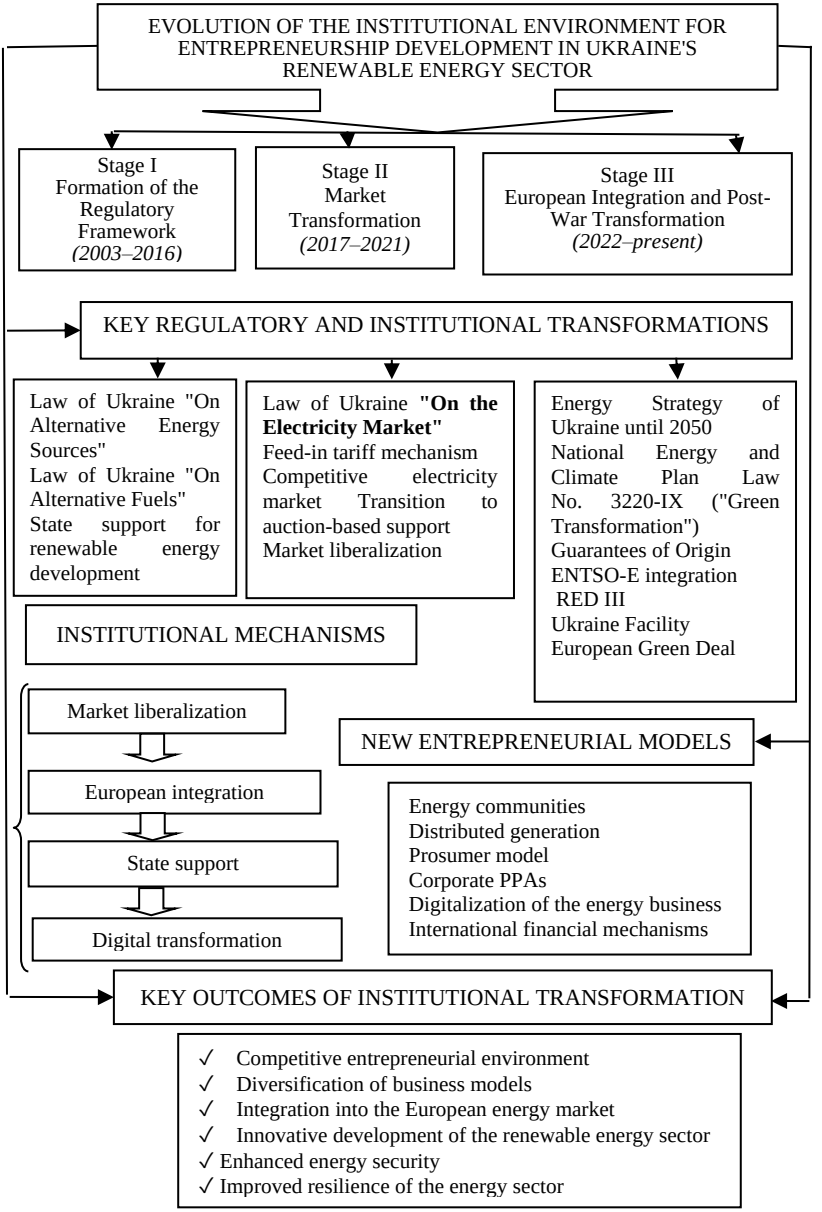


Figure 1. Evolution of the institutional environment for entrepreneurship development in Ukraine's renewable energy sector

Source: developed by the author based on [1; 3; 4]

European standards of electricity market functioning, and the diversification of business models. Consequently, institutional changes have created the necessary preconditions for the transition of the sector from a state-supported development model to a sustainable market-oriented model.

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