

ECONOMIC THEORY AND HISTORY OF ECONOMIC THOUGHT

**THEORETICAL AND PRACTICAL ASPECTS
OF INDUSTRY'S RESILIENCE TO SHOCKS****Lebedeva L.V.**Candidate of Economic Sciences,
Kyiv National University of Trade and Economics

The direction of this study is particularly relevant today, after the global economic crisis of 2008–2009 and a general unstable situation that has spread in Ukraine nowadays and endangers the stability, competitiveness and long-term growth of the economy. Questions of the resilience of the economy to shocks are of interest to many foreign scientists. These include, in particular, D. Grenouilleau, M. Ratto, W. Roeger, R. Duval, J. Elmeskov, L. Vogel., J. Pelkmans, L. Acedo, A. Maravalle, O. Blanchard, J. Wolfers, and others. In Ukraine, researchers of the Institute of Natural Resources Economics and Sustainable Development of the National Academy of Sciences of Ukraine, Boyko A., Tyshchuk T. and others have devoted their work to the problem of economic resilience to shocks and economic security of the state. However, the issue of specific sectors' resilience, in particular, industry, has been poorly studied that led to the need for this research.

The purpose of this study is to identify factors that affect the resilience of economy and industry and to find subsectors of an industry that are the most and the least resilient to shock influences in Ukraine.

According to our analysis, the main factors affecting the resilience of an economy to shocks are: liberalization of commodity markets through increased production efficiency and resource allocation in the economy; financial development of the country and openness to international trade; state support for certain sectors of the economy; the level of public debt.

As the analysis showed, the most resilient sectors in Ukraine are: food industry and pharmaceuticals. The least resilient sectors are: machine building, including the manufacture of motor vehicles and other vehicles; metallurgical production, metal processing; production of chemicals.

Recommendations of the state policy to minimize the impact of shocks on industrial development include market liberalization and the conduct of a demand-side policy focused, in particular, on isolated sectors with low residence in times of severe economic upheaval. These could include policies, which help boost demand directly, for example through subsidies to purchase vehicles for households or enterprises or for investments in modernization of fixed assets that help to compensate for the sharp drop in demand.