
**THE SUBJECTIVE DIMENSION
OF FINANCIAL SUSTAINABILITY AND QUALITY
OF LIFE IN THE COMMUNITIES
OF CHERNIVTSI OBLAST (SURVEY RESULTS)**

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INTRODUCTION

Amid the reform of the administrative-territorial system, the current challenges of martial law, and the socio-economic transformations under way in Ukraine, ensuring the financial sustainability of territorial communities is acquiring strategic significance. The financial sustainability of local self-government is the foundation of the state's economic security, since it is this factor that determines the overall quality of life of the population. In this context, it is critically important to study the development of every region of Ukraine, regardless of the specifics of its spatial and economic potential.

Such research is of particular relevance for Chernivtsi Oblast. It is the smallest region in Ukraine by area and comprises three administrative districts, within which 52 territorial communities operate, characterized by considerable differentiation of spatial and socio-economic development conditions. The region has unique features in the way its socio-economic processes unfold, determined by its specific border status and direct neighborhood with Romania and Moldova. The communities of Chernivtsi Oblast function under diverse physical-geographic and socio-geographic conditions, which affects the labor market, including the structure of employment, where labor migration, private cross-border transfers, and a high share of self-employment traditionally play a significant role. At the same time, the current challenges of martial law have placed a considerable burden on local budgets and the social infrastructure of communities, in particular through the integration of internally displaced persons and the relocation of businesses from temporarily occupied territories¹. Taken

¹ Куриш Т. Формування фінансових ресурсів територіальних громад Чернівецької області в умовах суспільних викликів. *Науковий вісник Чернівецького університету: Географія*. 2024. Вип. 849. С. 106–113. DOI: 10.31861/geo.2024.849.106-113

together, these factors form deep spatial disparities in the population's level of well-being, which underscores the need for an in-depth analysis of the financial sustainability of the region's communities not only through the lens of budgetary indicators, but also through the direct subjective dimension of the local population's quality of life.

Official state statistics often fail to capture the population's real sentiments and subjective perception of financial strategies. This gives rise to an acute need for primary sociological and questionnaire-based research. It is precisely this dimension that makes it possible to assess people's actual quality of life "from within", identify critical pain points (risks of over-indebtedness, lack of savings, declining purchasing power), and determine which socio-economic factors are decisive for the financial survival and development of the oblast's residents.

The results of such research are critically important for developing effective programs for the socio-economic development of Chernivtsi Oblast, optimizing local self-government policy, and forming targeted instruments to support the most vulnerable categories of citizens during the crisis period.

The purpose of the study is the theoretical substantiation and empirical assessment of the financial sustainability of the communities of Chernivtsi Oblast, based on an analysis of the subjective perception of quality of life and the material well-being of the local population, in order to develop strategic directions for enhancing the capacity of local self-government bodies under crisis conditions.

To achieve this goal, the following scientific and practical tasks were defined:

- to substantiate the theoretical and methodological foundations of the socio-geographic study of the financial sustainability of territorial communities in the context of assessing territorial differences in the population's quality of life;
- to identify the spatial features of the financial condition of households (income level, savings, debt burden) across different types of territorial communities of Chernivtsi Oblast, based on socio-geographic questionnaire surveys;
- to determine the key geospatial and socio-economic factors (in particular, border location, peripherality, and geomorphological conditions) that shape the territorial differentiation of the subjective perception of the region's population's quality of life;
- to develop scientifically grounded recommendations for optimizing the territorial organization and strengthening the financial and economic capacity of the communities of Chernivtsi Oblast, taking into account the identified socio-geographic needs of the population.

1. Methodology for Conducting a Subjective Study of Financial Sustainability and Quality of Life of the Region's Population

Under current conditions, as Ukraine continues to endure a protracted phase of full-scale hostilities, the financial condition of communities is affected by a complex of exogenous and endogenous factors whose degree and nature of impact are difficult to model predictively. These factors mostly have a destructive effect on the development trajectory of territories, their international and domestic competitiveness, the level of budgetary self-sufficiency, and the overall quality of living conditions for the population. That is precisely why it is critically important to conduct continuous monitoring of the financial condition and, above all, to assess the adaptive financial sustainability of communities as a basic indicator of their viability.

The financial sustainability of a territorial community is one of the components of its overall resilience and, in essence, a factor in preserving its financial well-being². A number of studies by contemporary scholars are devoted to examining the types of resilience of territorial communities, including financial resilience, and to seeking ways to optimize regional policy as a basic component of an innovative model of strategic management of the socio-economic development of modern society.

The term “resilience” (or “sustainability”) is a fundamental interdisciplinary category, characteristic not only of economic science but also of other disciplines – primarily the natural sciences, which deal with the study of the functioning of complex dynamic systems (biology, geography, physics, chemistry). Traditionally, sustainability is associated with orderliness, stability, and equilibrium. In natural-science discourse, this concept has been used to denote a system’s ability to preserve its steady state or restore it (and also to transition to a new, progressive state) after a destructive factor that pushed it out of its initial equilibrium ceases to act.

In economic theory, sustainability is viewed through the lens of the concept of economic equilibrium, according to which achieving and maintaining balance within a system is one of the most important micro- and macroeconomic tasks. This concept implies that economic actors strive to move the system into an optimal equilibrium state, which in this context is directly equated with the concept of sustainability. The Dictionary of the Ukrainian Language defines “sustainability” as “the ability to withstand external influence, to resist something; to preserve and display

² Russell R., Kutin J., Marriner T. Financial capability research in Australia. RMIT University, School of Economics. *Finance & Marketing*. 2020. 86 p. URL: <https://www.financialcapability.gov.au/sites/www.financialcapability.gov.au/files/2022-01/financial-capability-research-in-australia.pdf>

one's properties for a long time, without succumbing to destruction, deterioration, etc.”³.

Key aspects of the legal framework for the resilience of territorial communities under martial law are thoroughly described in the works of a number of contemporary scholars, in particular V. Miklovda⁴, S. Khrupovych and T. Podvirna⁵. In turn, M. Buryk defines financial sustainability as ensuring reserves of financing funds, the effective use of own and borrowed resources, the investment of capital in innovative activity, and stable financing of development⁶. According to N. Starostenko, financial sustainability is the ability of local self-government bodies to accumulate a volume of revenues sufficient to cover their expenditures and ensure a balanced budget throughout the budget year⁷. T. Korytko defines the concept of “financial sustainability” of a local budget as the state of budget revenues and expenditures, their structure and dynamics, which enable local authorities to fulfill their obligations fully, in a timely manner, and independently of other budget levels, and which promote the balanced development of the economy and the social sphere⁸.

Given the above, it can be argued that local finances play the role of an active, formative component of the economic foundation of the capacity and financial sustainability of territorial communities.

A significant contribution to expanding this paradigm was made by M. Dzyamulych⁹, who in his works examines the financial sustainability of communities through the lens of smart development and the digital social economy. This approach makes it possible to comprehensively link budgetary capacity with the resilience of labor potential, the quality of managerial

³ Словник української мови. / Академія наук Української РСР. Ін-т мов-ва ім. О. О. Потебні ; ред. : І. Назарова, О. Петровська, Л. Скрипник, Л. Юрчук. Київ : Наукова думка, 1978. Т. IX. 853 с.

⁴ Мікловда В., Пітюлич М., Сембер С. Теоретичні підходи до формування механізму економічної координації діяльності об'єднаних територіальних громад. *Соціально-економічні проблеми сучасного періоду України*. 2018. Вип. 5. С. 59–63. URL: <http://jnas.nbuv.gov.ua/article/UJRN-0000976658>

⁵ Хрупович С., Подвірна Т. Фінансова спроможність бюджетів об'єднаних територіальних громад. *Економіка і суспільство*. 2017. Вип. 13. С. 1259–1262. URL: https://economyandsociety.in.ua/journals/13_ukr/209.pdf

⁶ Бурік М. Економічна та соціальна стійкість територіальних громад в умовах війни. *Інвестиції: практика та досвід*. 2024. № 12. URL: <https://www.nayka.com.ua/index.php/investplan/article/view/3976/4011>

⁷ Старостенко Н. Методичні підходи до оцінки фінансової стійкості бюджету міста. *Актуальні проблеми економіки*. 2006. № 7. С. 38–47.

⁸ Коритко Т. Методи оцінки фінансової стійкості місцевих бюджетів. *Економічний простір*. 2008. № 12(1). С. 140–145. URL: http://nbuv.gov.ua/porta/Soc_Gum/Ekpr/2008_12/1/koritko.pdf

⁹ Дзямулич М., Назарук А. Концепція смарт-розвитку територіальних громад в Україні. *Сучасні кризові явища в економіці та проблеми облікового, контрольного та аналітичного забезпечення управління підприємством* : матеріали XVI Міжнародної науково-практичної конференції, 25 травня 2024 р., Луцьк : ВІП ЛНТУ, 2024. С. 63–65. URL: <https://lib.lntu.edu.ua/sites/default/files/2024-11/%D0%97%D0%B1%D1%96%D1%80%D0...>

decisions, and the social stability of a territory, while focusing attention on its institutional and socio-economic components.

In the scholarly works of V. Kyrilenko, the resilience of the economy is defined as its ability to withstand conditions of armed confrontation, to ensure the reliable satisfaction of the military-economic needs of the armed forces and the needs of the national economy in the interest of achieving victory¹⁰.

The economic essence of the financial sustainability of territorial communities lies in their ability to ensure the unimpeded performance of their public functions, to maintain the balance of budgetary flows, and to retain control over financial resources amid a sharp increase in uncertainty and shock loads¹¹. Under martial law, financial sustainability acquires the character of adaptive capacity, manifested in the flexible reallocation of expenditures, the maintenance of a minimally necessary level of revenues, and the preservation of the solvency of local budgets, while economic indicators simultaneously decline.

The substantiation of the socio-economic and spatial factors of the financial sustainability and quality of life of the population of Chernivtsi Oblast is based on the use of empirical analysis methods, in particular a mass questionnaire survey. The use of primary sociological data makes it possible to identify subjective assessments of well-being, household adaptation strategies to crisis conditions, and hidden problems that are not fully reflected in official statistical reporting.

Object of the empirical analysis: private households and the permanent population of Chernivtsi Oblast aged 18 and over.

General population: the present population of Chernivtsi Oblast, including internally displaced persons (IDPs) who have integrated into local communities, and representatives of relocated businesses.

Sampling parameters: multistage, representative by sex, age, and type of settlement (urban/rural). A total of 1,681 respondents were surveyed. The marginal sampling error does not exceed 3.5% at a confidence level of 0.95.

Territorial segmentation: data collection was carried out across all three administrative districts of the oblast (Chernivtsi, Dnistrovskiyi, Vyzhnytskyi), covering residents of 52 territorial communities. Particular attention in forming the survey array was given to differentiating communities by their

¹⁰ Теорія і практика воєнної економіки : навчальний посібник / за ред. В. Кириленка. Київ : ВПІ НАОУ, 2001. Ч. 1. 190 с.

¹¹ Дзямулич М., Назарук А. Концепція смарт-розвитку територіальних громад в Україні. *Сучасні кризові явища в економіці та проблеми облікового, контрольного та аналітичного забезпечення управління підприємством* : матеріали XVI Міжнародної науково-практичної конференції, 25 травня 2024 р., Луцьк : ВІП ЛНТУ, 2024. С. 63–65. URL: <https://lib.lntu.edu.ua/sites/default/files/2024-11/%D0%97%D0%B1%D1%96%D1%80%D0...>

physical-geographic and spatial-economic conditions (mountainous, border, central, urban, and rural communities).

Primary data collection was carried out during June – July 2026 through self-completed online questionnaires (CAWI) using the Google Forms digital platform. The research instrument was an author-designed questionnaire containing three interrelated blocks of questions: the respondent's socio-demographic and territorial profile (territorial community, type of settlement, sex, age); a block assessing individual financial sustainability (sources of income and the family's material situation, the level of quality of life in the community through the lens of financial security); and a block providing an empirical measurement of quality of life and the community's institutional capacity (satisfaction with current living conditions, the development of local infrastructure, the processes of forming and allocating budget funds, as well as the identification of key destructive factors and potential opportunities for enhancing the overall financial capacity of the territorial community).

The MS Excel statistical analysis package was used to convert the collected survey data into scientific conclusions.

The mathematical and statistical processing of the data obtained included: descriptive analysis – calculation of frequency distributions and mean values for the initial cross-section of responses; cross-tabulation analysis (contingency tables) – to identify relationships between respondents' socio-economic status (for example, residing in a village, urban-type settlement, or city) and their level of financial sustainability; and the method of subjective scaling – the use of linear rating scales (for example, a 5-point Likert scale) to measure integral quality-of-life indicators across the region's 52 communities.

The methodological design of the study ensures a high degree of reliability of the results, which makes it possible to extrapolate the findings obtained to the overall population of Chernivtsi Oblast and to identify the most destructive factors affecting the financial stability of communities.

2. Empirical Analysis of the Financial Sustainability and Subjective Assessments of Quality of Life of the Population of Chernivtsi Oblast

Moving from the theoretical and methodological substantiation to a practical analysis of the financial sustainability of communities requires detailed processing of the array of primary socio-economic data. The results of the mass questionnaire survey, conducted during June – July 2026, make it possible to verify theoretical hypotheses and to reveal the population's actual state of well-being "from within". The logic of the empirical analysis is built on the principle of sequential unfolding: from forming a spatial-demographic portrait of the respondents to assessing the financial strategies of their households and

the perception of quality of life and the institutional capacity of local authorities among residents of the region's 52 territorial communities.

The effectiveness and representativeness of extrapolating the results of the empirical study to the overall population of Chernivtsi Oblast directly depend on the structural balance of the formed array of respondents. The first block of the author's instrument (socio-demographic and territorial profile) was aimed at recording the objective characteristics of respondents, which made it possible to group them by sex, age, type of settlement (urban/rural), as well as by spatial affiliation to specific territorial communities. Analysis of the spatial distribution of survey participants confirmed that the sample array proportionally covers residents of all three enlarged administrative units of Chernivtsi Oblast: Chernivtsi (33 territorial communities), Dnistrovskiyi (10 territorial communities), and Vyzhnytskyi (9 territorial communities) districts.

Differentiating respondents by type of territorial community is of particular importance for the study, since geographic conditions are basic determinants shaping local labor markets. Of the 52 territorial communities of Chernivtsi Oblast, 5 administrative territories belong to the purely mountainous category (Vyzhnytsia and Storozhynets urban communities; Putyla settlement community; Koniatsyn and Ust-Putyla rural communities), 14 to the border category (Hertsia and Sokyriany urban communities; Hlyboka and Kelmentsi settlement communities; Chudei, Petrivtsi, Suchevena, Kamianka, Terebleche, Tarashany, Vanchykyivtsi, Mamalyha, Livyntsi, and Vashkyivtsi rural communities), and three communities are simultaneously mountainous and border communities (Beregomet and Krasnoilsk settlement communities and Seliatsyn rural community). The remaining communities of the region can be classified spatially as inland lowland communities – mainly the northern and central parts of the oblast, located in the forest-steppe zone between the Prut and Dniester rivers. This spatial typology makes it possible to group the survey results and reveal how a community's geographic location affects the quality of life of its residents and the financial sustainability of their households.

The generalized socio-demographic and spatial profile of the region's residents who took part in the study is systematized and presented in Table 1.

A detailed spatial analysis of respondent engagement across individual territorial communities of Chernivtsi Oblast (Figure 1) reveals a significant geographic asymmetry in civic activity. The results show that the lowest level of representativeness (10 completed questionnaires per administrative unit) was recorded in the Zastavna and Vashkyivtsi urban communities, as well as in the Karapchiv, Terebleche, Kamianka, and Suchevena rural communities. It is worth noting that the rural communities with low engagement are border

communities, which may indicate certain communication barriers or the specific informational isolation of the population in the border zone.

Table 1

Socio-demographic and territorial profile of the empirical study's participants (June – July 2026), %

№	Respondent grouping criterion	Response options (characteristics/ number of respondents)	Share in sample, %
1	Spatial affiliation	Chernivtsi district – 1,105 Dnistrovskiy district – 360 Vyzhnytskyi district – 216	65.7 21.4 12.9
2	Type of settlement	Urban – 99 Rural – 1,437 Urban-type settlement – 145	5.9 85.5 8.6
3	Sex	Women – 1,261 Men – 420	75 25
4	Age	18–25 years – 81 26–35 years – 387 36–45 years – 598 46–60 years – 442 Over 60 years – 173	4.8 23 35.6 26.3 10.3
	Total	1,681 respondents	100

Calculated by the author based on the results of the questionnaire survey.

By contrast, the highest levels of population engagement in the empirical study (more than 50 respondents in each) were demonstrated by 11 territorial communities of the region. The leaders in terms of the number of responses received were the Mahala rural community (131 respondents) and the Novoselytsia urban community (101 respondents). High levels of activity were also shown by residents of the Sokyriany urban (83), Storozhynets urban (74), Kelmentsi settlement (71), Kamianka rural (68), Yurkivtsi rural (68), Vashkivtsi rural (59), Beregomet settlement (58), Stavchany rural (52), and Vikno rural (52) communities.

The substantial empirical coverage of all communities without exception ensures a high degree of accuracy and mathematical reliability for the further conclusions regarding the quality of their infrastructural provision and the level of financial sustainability of households. The resulting distribution demonstrates that the formed sample is a solid basis for further analysis. It makes it possible to present the study of the questionnaire's second block – a direct assessment of the individual financial sustainability of households and the structure of their income under the influence of spatial factors.

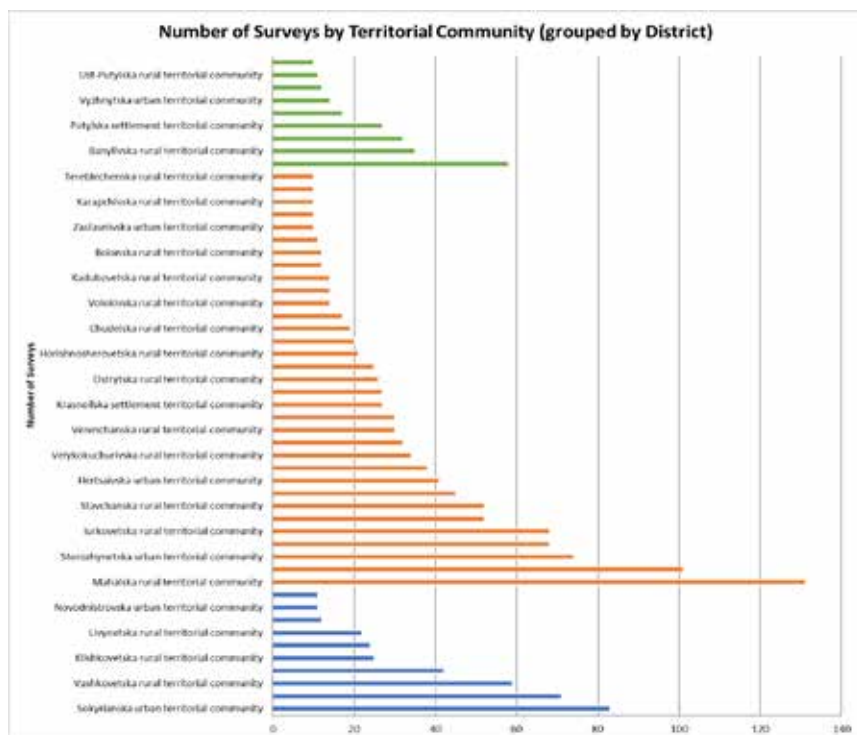


Fig. 1. Spatial analysis of respondent engagement across individual territorial communities of Chernivtsi Oblast

As part of the second block of the questionnaire survey, respondents were asked to answer the question “What are the main sources of income in your family?”, for which multiple response selection was offered. The distribution of responses from residents of Chernivtsi Oblast showed that wages remain the basic and most widespread source of household budget formation – indicated by 85.6% of those surveyed. Payments within the state social protection system also play a significant role in providing financial income: 13.4% of respondents indicated a pension, and 8.0% indicated other types of social transfers, among which scholarships and regular or one-time material assistance payments predominate.

Of particular scholarly interest in the context of studying spatial and demographic factors is the distribution of responses regarding additional sources of financing. In particular, 7.1% of those surveyed indicated money transfers or earnings from abroad as their main source of income. In-depth

cross-tabulation analysis made it possible to establish that the overwhelming majority of respondents who chose this option are residents of the border territorial communities of Chernivtsi Oblast. This fact empirically confirms the persistent nature of external labor migration in the border zone and its significant role in maintaining the solvency of the local population.

As for income from entrepreneurial activity (business), recorded at a level of 4.1%, a clear demographic dependency was identified here. The highest concentration of responses regarding business income is characteristic of economically active respondents in the 36–45 age category, which indicates a high level of entrepreneurial potential and self-employment specifically among the middle-aged population.

The generalized structure of the financial income of families in the Chernivtsi region, based on the survey results, is presented in Figure 2.

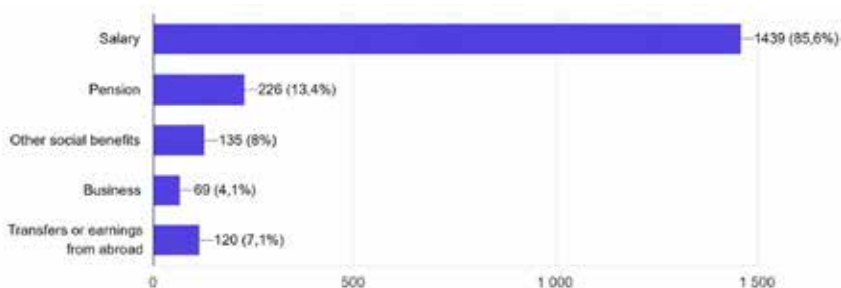


Fig. 2. Main sources of income in the families of Chernivtsi Oblast

An important indicator of the adaptive capacity of the population of Chernivtsi Oblast to macroeconomic challenges is the subjective assessment of households' material situation, which directly reflects their potential to withstand financial shocks.

The results of the responses to the question “Assess the material situation of your family” demonstrated a significant degree of financial vulnerability among the region's residents, as shown in Figure 3. Most respondents – 56.1% – indicated that they have enough for food, medicine, and clothing, but not for appliances or repairs; 18.7% of respondents can afford appliances and repairs, but not major purchases (a car, real estate).

By contrast, an alarming trend is the high share of the population living below the threshold of financial sustainability: 17.7% of those surveyed indicated that they have enough for food but not for clothing and medicine, while 5.0% of respondents stated that they barely make ends meet.

The highest level of material well-being was recorded among only 1.5% of study participants, who are able to make major purchases and consistently accumulate financial savings.

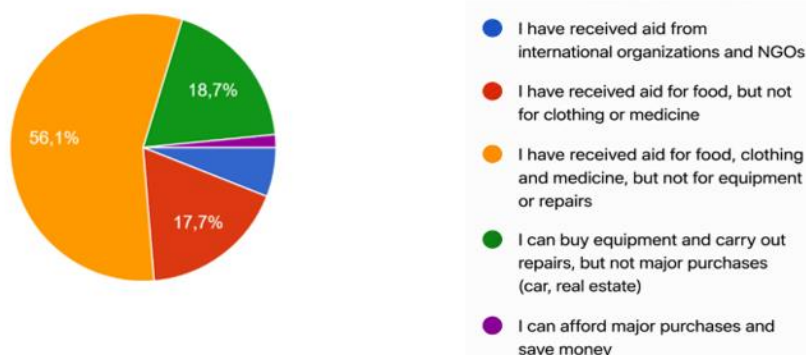


Fig. 3. Respondents' subjective assessment of households' material situation in Chernivtsi Oblast

Cross-tabulation analysis made it possible to identify a clear correlation between financial sustainability and the structure of income (examined in the previous block). In particular, in the group of respondents (1.5%) who are able to accumulate capital and make major purchases, individuals whose households have additional or primary income from entrepreneurial activity or regular money transfers from abroad predominate. This empirically proves that, under conditions of protracted crisis, classic wage income in the region mainly performs the function of sustaining current survival, whereas spatial factors (cross-border transfers) and entrepreneurial factors serve as the key drivers in shaping real financial well-being.

The financial sustainability of private households is directly dependent on local environmental conditions and the overall level of quality of life in the territorial community. Within the third block of the empirical study, respondents were asked to comprehensively assess the level of socio-economic development of their communities. The generalized results showed a predominance of moderate assessments: the absolute majority of respondents (64.9%) indicated an “average” level of community development, 22.6% – “low”, and 6.8% – “very low”. Positive assessments, by contrast, are extremely rare: only 5.2% of survey participants consider their territory’s development level to be “high”, and only a minimal 0.5% indicated a “very high” level. The overall distribution of responses from residents of Chernivtsi Oblast is illustrated in Figure 4.

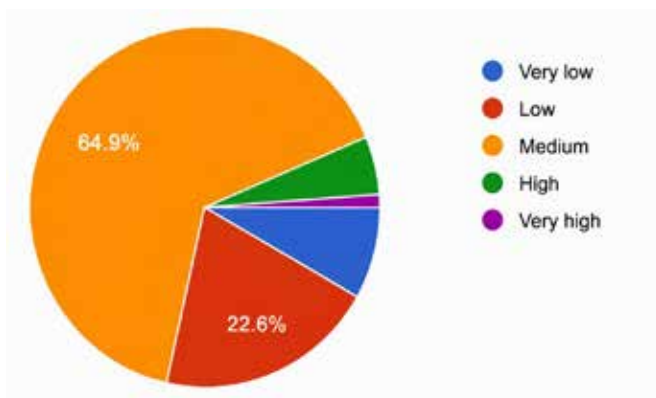


Fig. 4. Respondents' subjective assessment of the overall level of quality of life in the communities of Chernivtsi Oblast

An in-depth spatial analysis revealed a clear geographic asymmetry in the assessments of residents of territorial communities, determined by the specific spatial-economic potential of different territories. In particular, negative assessments ("low" and "very low" levels) are most heavily concentrated in three spatial clusters:

- mountainous communities: Putyla, Koniatyn, Ust-Putyla, Storozhynets, and Vashkivtsi, where remoteness from logistics centers and difficult physical-geographic conditions traditionally limit the opportunities for developing infrastructure and the economic complex;
- border communities: Petrivtsi, Tarashany, Hertsa, and Vashkivetska, which, despite their cross-border status, experience an acute need for institutional modernization amid mass labor migration, often linked to institutional peculiarities and the spread of dual citizenship;
- certain inland lowland communities: small ones (Kostryzhivka, Nedoboivtsi, Nepolokivtsi, Stavchany, Rukshyn) and larger ones (Yurkivtsi, Ostrytsia, Verenchanka, and Hlyboka). In this group, low assessments are caused by local socio-economic disparities and uneven budgetary provision.

By contrast, optimistic assessments ("high" and "very high" levels) were demonstrated by residents of the Chernivtsi (urban), Mamaivtsi, Novoselytsia, and Velykyi Kuchuriv territorial communities. The high subjective level of quality of life in these territories is directly linked to their favorable geographic location (proximity to the regional center and logistics transport corridors), which ensures the stable filling of local budgets, developed infrastructure, and a diversified labor market.

In order to track qualitative changes and transformations in ensuring proper living conditions over the period of implementation of the administrative-territorial reform (over the past five years), respondents were asked to assess the dynamics of development of their communities. The results obtained, presented in Figure 5, show a high degree of polarization and reflect the ambiguity of public opinion.

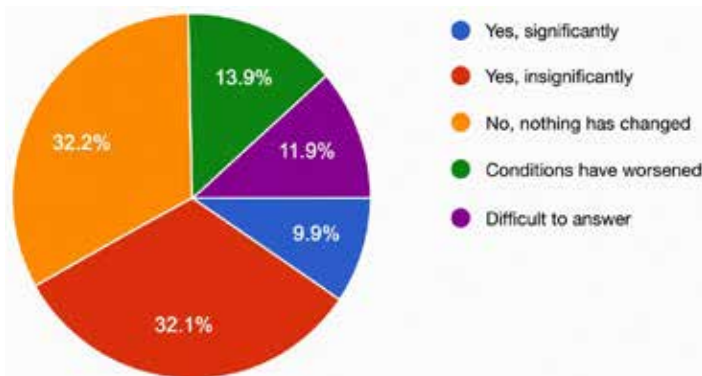


Fig. 5. Respondents' subjective assessment of the dynamics of living conditions and community development over the past 5 years

Only 9.9% of respondents indicated that significant changes had occurred in the development of their community. The largest part of the respondent array split into two almost equal groups: 32.1% saw minor improvements, while 32.2% stated complete stagnation ("no changes occurred"). At the same time, 13.9% of respondents expressed the belief that living conditions in the community had deteriorated, and 11.9% of those surveyed chose the "hard to say" option, which indicates a certain degree of informational detachment of part of the population from local self-government processes.

Cross-tabulation spatial analysis of the responses of those citizens who stated that living conditions had deteriorated (13.9%) made it possible to clearly localize zones of the greatest socio-economic tension within the previously defined spatial clusters:

- lowland (Kostryzhivka, Zastavna, Toporivtsi, Kitsman, Stavchany, Klishkivtsi, and Boiany) communities. This indicates that even under relatively favorable logistical location, internal management factors and a lack of resources can hinder development;
- mountainous (Putyla, Koniatyn, Storozhynets, Banyliv) communities, where infrastructure problems are compounded by the specifics of the terrain;

- border (Sokyriany, Vashkivetska, Karapchiv, Suchevena, Petrivtsi, Hertsa, Livyntsi, Kelmentsi) communities;
- the mixed (Seliatyn) community, where the negative assessment is determined by its doubly complex geographic status and makes it the most vulnerable to financial and economic challenges.

In the context of studying the socio-economic factors of sustainability, an important scholarly task was to clarify whether respondents link improvements in living conditions in their community to the level of its financial capacity (in particular, to growth in local budget revenues, the rational allocation of expenditures for development, etc.). The responses obtained are visualized in Figure 6.

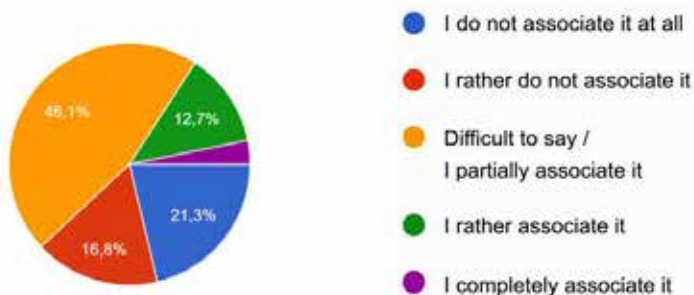


Fig. 6. Respondents' subjective assessment of the link between quality of life and the community's financial capacity

Thus, 21.3% of those surveyed do not link their well-being to the community's financial capacity at all, and 16.8% – “rather do not link it”. The largest share of respondents, 46.1%, chose the neutral position “hard to say / link it partially”. By contrast, a clear cause-and-effect relationship between local government finances and quality of life is seen by only 12.7% (“rather link it”) and a minimal 3.2% (“fully link it”) of the region's residents.

Such a distribution of responses becomes entirely understandable and logically motivated when the level of citizens' awareness of local finances is analyzed. As the results shown in Figure 7 demonstrate, the overwhelming majority of the population of Chernivtsi Oblast is completely detached from the budget process and has no information about the local budget for the current year (in particular, through the official websites of territorial communities or public reports by community heads).

Only 15.6% of residents answered “yes”, and 15% answered “hard to say”. At the same time, the figure of 69.4% of those surveyed who stated a complete lack of awareness of their community’s budget is critically high and alarming.

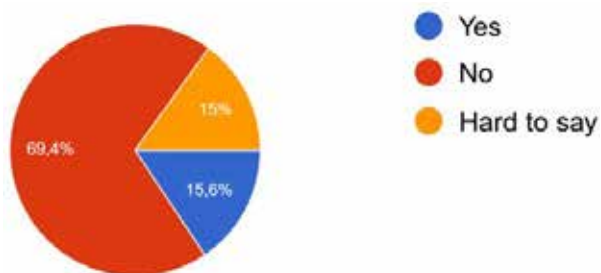


Fig. 7. Level of respondent awareness of the local budget for the current year

These trends are directly related both to the subjective passivity of the population itself and to a certain closedness of the institutional environment of the authorities, which does not sufficiently actively engage the public in the discussion and adoption of financial decisions.

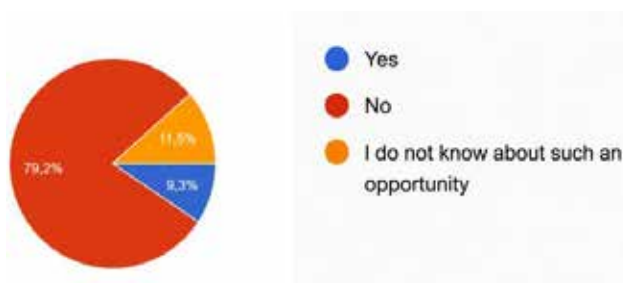


Fig. 8. Level of engagement of the population of Chernivtsi Oblast in budget discussions and “Participatory Budget” instruments

Empirical confirmation of this is provided (Figure 8) by the extremely low level of actual participation (budgetary engagement): only 9.3% of respondents indicated that they had taken part in public budget discussions or in the implementation of “Participatory Budget” projects (local residents’ initiatives). It can be assumed that these are employees of local self-government bodies, local council deputies, or members of their families. In contrast, 11.5% of those surveyed were entirely unaware of the existence of such democratic instruments,

and the vast majority – 79.2% of respondents – consciously or unconsciously did not engage in such initiatives.

The population's quality of life in a community is directly determined by the level of conditions created for the safe and comfortable living of citizens. In this regard, the state of development of local infrastructure (quality of road surfaces, availability of street lighting, general amenity of the territory) is important, as it shapes the living environment for various age and social groups of the population.

Empirical results of responses to the question “Indicate how satisfied you are with the state of development of local infrastructure (roads, lighting, amenities)” recorded a predominance of negative assessments among the residents of Chernivtsi Oblast. Only 4.5% of respondents indicated that they were fully satisfied with the current situation, and 17.3% were “rather satisfied”. By contrast, more than half of respondents expressed critical remarks: 31.0% were “rather dissatisfied” with the state of infrastructure in the community, and 22.0% were “completely dissatisfied”. A quarter of respondents (25.2%) chose the neutral position (“hard to say”). The full distribution of responses on the five-point Likert scale is illustrated in Figure 9.

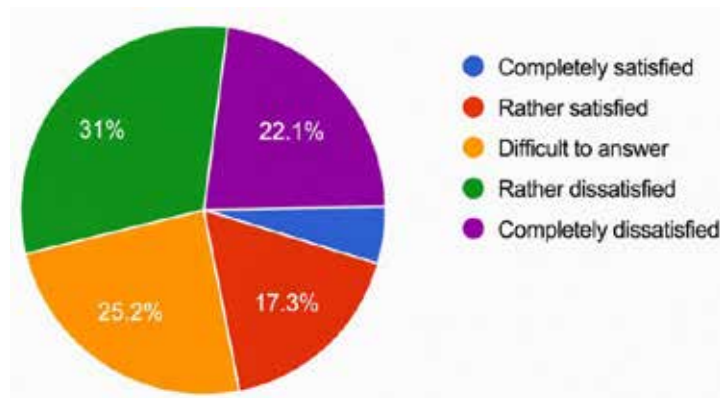


Fig. 9. Level of respondent satisfaction with the state of development of local infrastructure

The generalization of the data obtained makes it possible to state a pervasive dissatisfaction of local residents with virtually all processes related to the socio-economic development of the territorial communities of Chernivtsi Oblast, which is also clearly traced in the previous blocks of the questionnaire.

Another fundamental component that determines the financial sustainability of communities and their attractiveness for human capital is the development and support of social sphere facilities. As part of the survey, respondents were given the opportunity to assess whether financing of the key social sectors (education, medicine, culture, sports) in their community is sufficient. The results of this assessment, presented in Figure 10, confirmed the presence of a shortage of financial resources at the local level.

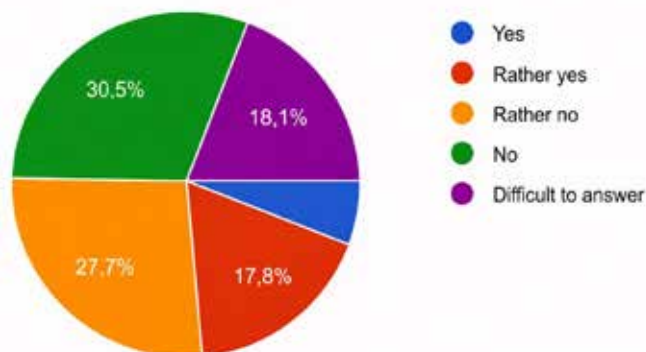


Fig. 10. Respondents' subjective assessment of financing for the social sphere (education, medicine, culture) in the communities

A minimal share of respondents (5.8%) responded fully positively about the level of financing of social infrastructure in their community, while 17.8% chose the “rather yes” option. In contrast, the overwhelming majority of respondents stated an unsatisfactory state of budgetary provision for social expenditures: 27.7% answered “rather no”, and a significant 30.5% expressed categorical disagreement (“no”). A rather high figure for this block of the study was the 18.1% of respondents who could not decide on an answer and chose the “hard to say” option, which further confirms the previously identified problem of low financial transparency and insufficient public awareness of the actual allocation of budget funds in the region’s communities.

The population’s opinion on the effectiveness of budget resource allocation is important, as it defines financing priorities for the key sectors of the social sphere in the community. Respondents were asked to rate the financing priority of five basic sectors of the social sphere on a symmetric scale from 1 to 5, where a score of “1” corresponded to maximum importance (highest priority) and a score of “5” to minimum importance (least important sector). The generalized results of this assessment are illustrated in Figure 11.

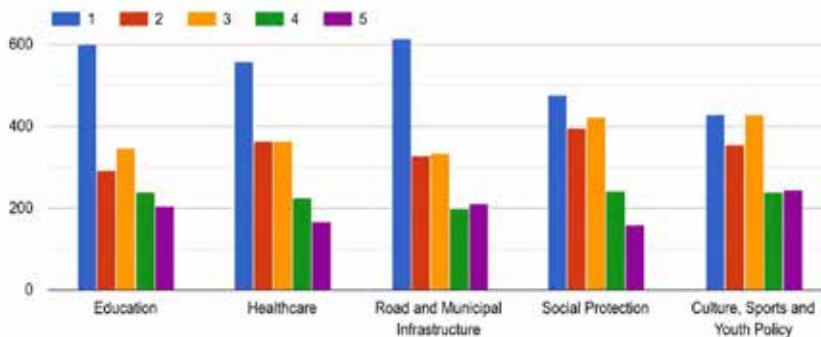


Fig. 11. Distribution of respondents' subjective assessments of the financing priority of individual social-sphere sectors in the communities of Chernivtsi Oblast

A quantitative analysis of the distribution of responses reveals a clear hierarchy of public demands among the residents of Chernivtsi Oblast. The absolute leader in the number of top scores ("1") was road and communal infrastructure – more than 600 respondents identified it as a critically important direction for the priority allocation of budget funds. This fully corresponds to the previously identified high level of dissatisfaction with the state of roads and amenities in the region and confirms that infrastructure development is the main destructive factor affecting quality of life in the Chernivtsi region.

In second and third place in terms of financing relevance are the humanitarian sectors – education and healthcare. A priority of "1" for the education sector was assigned by 600 people, and for healthcare – by more than 550. However, an analysis of moderate scores ("2" and "3") shows that the healthcare sector has a more balanced distribution of responses (around 370 selections for both levels), which indicates a stable and systemic public demand for quality medical care amid current crisis challenges. Systemic needs for social protection of the population also received substantial support: the highest priority for this sector was given by more than 460 study participants. At the same time, the chart shows a noticeable increase in medium-level ratings (a score of "3" was chosen by more than 400 people), which indicates that citizens understand the importance of social support for vulnerable groups under martial law, provided that other sectors are financed in a balanced manner. Culture, sports, and youth policy proved to be the least prioritized for financing, according to respondents. Although a score of "1" was assigned to it by more than 400 people, this category recorded the highest indicators for priority "3" (more than 420 responses) and noticeably higher bars for the lowest priorities "4" and "5" compared to other

sectors. This distribution is typical for a crisis period, when the population tends to consider capital expenditures on culture and sports less urgent, giving preference to infrastructure resilience, physical safety, healthcare, and the preservation of human capital through the education system.

To obtain more pragmatic data on public expectations, respondents were asked a more specific question: “From the list provided, choose the sectors to which (in your opinion) the most local budget funds should be directed”. The instrument imposed a selection limit – no more than 3 response options at a time. The generalized results of the study (a total of 1,681 responses were recorded) are shown in Figure 12.

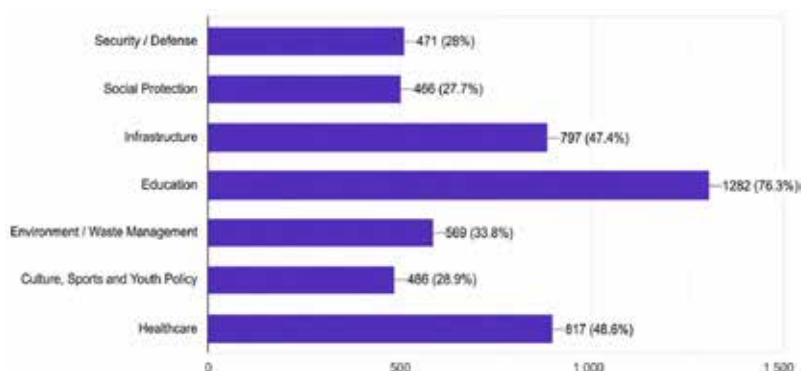


Fig. 12. Priorities of the population of Chernivtsi Oblast regarding the optimization of local budget financing directions

The resulting empirical distribution demonstrates the dominance and leadership of the education sector among financial priorities – this option was chosen by 76.3% of those surveyed. Such a high figure indicates that residents of Chernivtsi Oblast regard the preservation and development of human capital as the main strategic prerequisite for the resilience of their communities, even during the difficult period of war-related crisis.

The next significant group of public demand is formed by critical life-support sectors – healthcare and infrastructure, which received almost equally high support. In particular, 48.6% of respondents pointed to the need to increase healthcare financing, and 47.4% of those surveyed supported the modernization of road and communal infrastructure. These data confirm a previously identified trend: physical health and the quality of the spatial environment (roads, amenities) are basic elements with which the population directly associates the concept of quality of life in the region.

The sphere of ecology and waste management deserves particular attention, having received the votes of 33.8% of study participants. Environmental safety and waste management are pressing problems for Chernivtsi Oblast as the smallest and one of the more densely populated border regions; moreover, the survey results clearly demonstrate a high level of environmental awareness among citizens.

The humanitarian sector and the security block recorded moderate and stable indicators. Directing budget funds to culture, sports, and youth policy is considered appropriate by 28.9% of respondents, which slightly exceeds the figures for security and defense – 28.0% – and social protection of the population – 27.7%. As for the security block, the relatively low share of responses at the level of the communities of border Bukovyna may be explained by the fact that most citizens subconsciously delegate defense financing to the central (state) budget, expecting local budgets of territorial communities to primarily address local socio-economic and infrastructural tasks.

To form a holistic scientific understanding of the financial sustainability of the territories of Chernivtsi Oblast, it is critically important to examine the opinion of direct participants in local processes regarding the destructive factors hindering their development. Within the survey, respondents were asked the question: “Name what, in your opinion, is the main obstacle to improving the community’s financial condition”. Since the survey allowed for multiple selection (no more than 3 options at a time), the total number of recorded responses amounted to 1,681. The resulting distribution is illustrated in Figure 13.

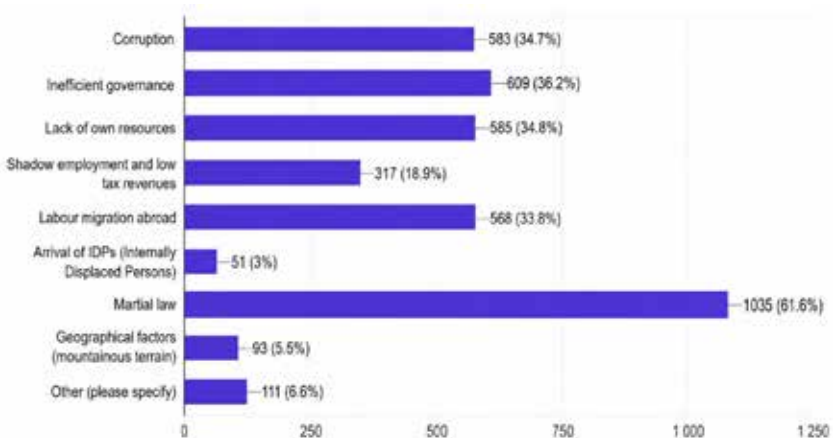


Fig. 13. Respondents’ subjective assessment of key barriers and obstacles to improving the financial condition of the communities of Chernivtsi Oblast

The analysis of empirical data makes it possible to single out an unconditional external factor that affects the destabilization of local finances. The majority of respondents – 61.6% – named martial law as the main obstacle to economic growth. This result is entirely logical and reflects the national context: security risks, the withdrawal of part of tax revenues in favor of the state budget (in particular, the “military” personal income tax), and the need to reorient community expenditures to support the defense forces significantly limit capital investment in the development of the oblast’s communities.

The next group of factors forms a dense block of institutional and resource-related barriers, whose indicators are almost at the same level (within the range of 33–36%):

- ineffective management ranked second in terms of frequency of mention – chosen by 36.2% of respondents, which is a consequence of the aforementioned problem – the closedness of the institutional environment of the authorities and the lack of cooperation with the public;
- the lack of own resources was noted by 34.8% of those surveyed, reflecting the objective problem of the natural resource endowment and the weakness of the local tax base in many communities of the region;
- corruption as a significant obstacle was marked by 34.7% of study participants, which closely correlates with the previously identified dissatisfaction of citizens with the level of transparency in the formation of local budgets and the adoption of financial decisions.

Particular attention should be paid to a pronounced spatial-demographic factor specific to Chernivtsi Oblast – labor migration abroad, indicated by 33.8% of respondents. Combined with shadow employment and a low level of tax culture (18.9%), this factor significantly limits the financial sustainability of communities. The simplified system of departure of the most able-bodied population and the spread of the phenomenon of dual citizenship in the border territorial communities perpetuate the problem of low revenues from local taxes and fees.

According to the surveyed residents, geographic factors (5.5%) have the least destructive impact on community finances, which points to the population’s adaptation to the specifics of the terrain, as does the arrival of internally displaced persons (a minimal 3.0%). The latter figure indicates the successful socio-economic integration of IDPs into the communities of Chernivtsi Oblast: local residents do not perceive forced migrants as a financial burden on the budget, but rather regard them as a new demographic and labor potential for the region.

Within the study of the financial capacity of territorial communities, it was important to gather the opinion of local residents on the opportunities

and prospects for increasing budget revenues and improving the financial sustainability of local self-government (with the choice limited to three alternative options). The total volume of responses amounted to 1,681.

The empirical distribution of respondents' responses (Figure 14) makes it possible to identify the leaders with the highest sample figures: 41.5% – support for local small and medium-sized entrepreneurship, which confirms the population's primary orientation toward expanding local tax bases through internal business activity; 39.6% – intensification of investment activity and the creation of new jobs; and 39.5% – participation in international and domestic grant projects and programs. This indicates a high degree of awareness among residents of the limited nature of communities' internal self-sufficient resources and the need to seek financing sources by attracting extrabudgetary and donor funds. The group of leaders also includes the demand for creating favorable conditions for opening and running a business (34.7%).

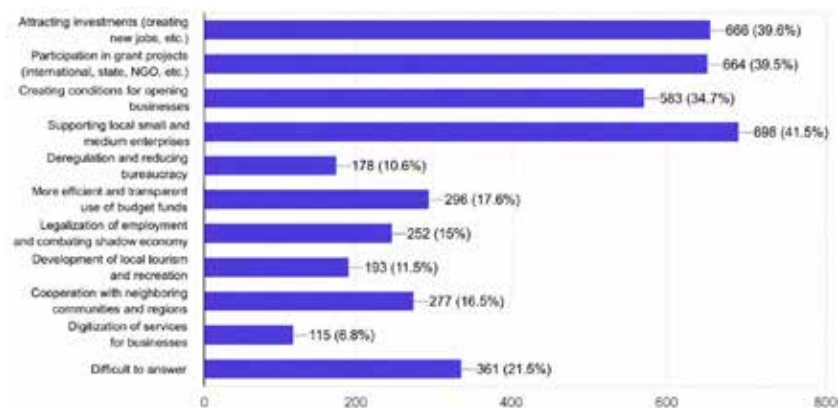


Fig. 14. Respondents' subjective assessment of the opportunities and prospects for improving the financial sustainability of the communities of Chernivtsi Oblast

The second group of indicators, ranging from 10–18%, reflects institutional, managerial, and infrastructural reserves for development. In particular, 17.6% of respondents emphasize the need to increase the efficiency and transparency of the use of existing budgetary resources; 16.5% point to inter-municipal cooperation instruments with neighboring communities; 15.0% to the need to legalize employment and combat the shadow economy; 11.5% to the potential for developing local tourism; and 10.6% to deregulation processes and the reduction of bureaucratic pressure.

A specific indicator of the survey turned out to be the share of respondents who chose the “hard to say” option (21.5%). Such a level of uncertainty may indirectly indicate the complexity with which ordinary citizens perceive financial and budgetary issues, and the need to intensify educational and communication campaigns on the essence of the decentralization reform in the region.

Digitalization of services for business was identified as the least pronounced factor for improving the financial condition (6.8% of respondents). This indicates that, under current crisis challenges, the population tends to prioritize classic, basic opportunities for economic growth – direct investment, capital expenditures, and grant support – viewing digitalization solely as a service function rather than a strategic one.

CONCLUSIONS

The implementation of decentralization reforms in Ukraine is primarily aimed at strengthening the financial sustainability of territorial communities. However, very often such autonomy is accompanied by a number of related challenges and risks. The amalgamation of communities for the joint implementation of a development strategy makes it possible to use resources more effectively and coordinate actions at the regional level, which appears particularly relevant under conditions of war, although not all territories are able to cope with the tasks outlined. The financial sustainability of a territorial community today presupposes the ability to effectively withstand threats of various origins and natures and to quickly restore equilibrium after crisis situations.

Based on the results obtained, the following features of the region can be clearly identified:

- the adaptive capacity of the financial sustainability of the communities of Chernivtsi Oblast, which is determined not only by formal budgetary indicators, but also by the subjective quality of life of the population, its level of well-being, and the institutional transparency of the authorities;
- the vulnerability of household income structure, manifested in the dominance of wages (85.6%), while for the border and mountainous communities of the oblast a specific spatial factor was identified – dependence on external labor migration and private cross-border transfers (7.1%), often linked to institutional peculiarities and the spread of dual citizenship;
- disparities in household financial sustainability: 56.1% of families have funds only for basic survival with no capacity for capital expenditures, 22.7% are below the threshold of financial sustainability, and stable income generation (1.5%) is ensured exclusively through business or income from abroad;
- spatial asymmetry in the population’s quality of life across territorial communities: low indicators are observed in purely mountainous, border, and

small inland lowland communities, while higher indicators are recorded among residents of the suburban cluster (the Chernivtsi, Mamaivtsi, and Velykyi Kuchuriv territorial communities);

- a communication gap between local self-government bodies and the population, noted by 69.4% of respondents who have no information at all about their community's current budget, and 79.2% who have never taken part in discussions of local community budgets (public discussions and "Participatory Budget" projects).

Taking into account the above results of the empirical study, the following can be proposed to the local self-government bodies of Chernivtsi Oblast:

- introduce mandatory digital instruments for financial transparency – interactive "Budget for Citizens" visualizations on the websites of all 52 communities and regular public online reports by heads of territorial communities;

- expand the practice of engaging residents through digital platforms (such as Google Forms or specialized services) in selecting local development projects, minimizing the closedness of decision-making;

- optimize budget expenditures to match public demand, taking into account the priorities identified in Figure 11;

- explore opportunities for attracting foreign investment and international grant programs to create quality living conditions for the local population;

- develop local programs to stimulate small business and legalize migrants' income with the aim of transforming external transfers into internal investments.

SUMMARY

The author substantiates the theoretical and methodological foundations and conducts a comprehensive empirical study of the financial sustainability of 52 territorial communities of Chernivtsi Oblast under conditions of the reform of the administrative-territorial system and current societal challenges. Based on the results of a mass questionnaire survey of the population, conducted during June – July 2026 (with a sample size of 1,681 responses), an empirical measurement of the population's subjective assessment of the perception of quality of life and material well-being in the region was carried out.

Using methods of cross-tabulation and spatial analysis, a profound geographic asymmetry and polarization of the population's living conditions were revealed across the formed spatial clusters: mountainous, border (adjoining Romania and Moldova), mixed, and inland lowland communities. The structure of households' financial income was examined, revealing that entrepreneurial activity and cross-border transfers, against the backdrop of the spread of dual citizenship, constitute

an important component in shaping families' income, whereas classic wage income performs only the function of sustaining current survival.

An institutional gap between local authorities and the population was identified: a low level of citizens' awareness of local budget parameters (69.4% uninformed) and weak engagement of local residents in the formation of community budgets (79.2% not engaged). A hierarchy of public demands was determined, and priorities for optimizing the budget expenditures of territorial communities to match the population's real needs were substantiated (with education leading at 76.3%, healthcare at 48.6%, and road and communal infrastructure at 47.4%). The opinion of respondents regarding the problematic factors affecting the financial sustainability of territorial communities was determined, among which martial law (61.6%), ineffective management (36.2%), and a lack of own resources (34.8%) dominate. Practical recommendations were proposed for local self-government bodies to enhance the financial sustainability of communities and improve the quality of living conditions of the local population.

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