



The Role of NGOs in Promoting Sustainable Family Economy Practices: A Review

Mohammad Munsif Behsoodi^{1*}, Mohammad Mukhlis Behsoodi^{2,3}, Hedayat Ullah Safi⁴

¹ MBA Program, Faculty of Economics, Nangarhar University, Jalalabad, Afghanistan.

² Research and Academic Journals Division, Al-Taqwa University, Jalalabad, Afghanistan.

³ Afghanistan Rehabilitation and Education Program (AREP), Jalalabad, Afghanistan.

⁴ National Defense University (NDU), Kabul, Afghanistan.

*Corresponding author email: munsifbehsoodi@gmail.com

Article Info:

Received:

02/11/2024

Revised:

20/12/2024

Accepted:

20/04/2025

Presented:

30/04/2025

Published:

31/10/2025

Keywords:

Community Development, Economic Resilience, Family Economy, NGOs, Poverty Reduction, Sustainable Livelihoods

ABSTRACT

Non-Governmental Organizations (NGOs) play a pivotal role in promoting sustainable family economy practices, particularly in developing regions where poverty, financial instability, and environmental challenges persist. This paper reviews the diverse contributions of NGOs in enhancing household economic resilience through targeted interventions, including microfinance programs, financial literacy training, vocational skill development, healthcare services, and sustainable agricultural initiatives. It further examines the role of NGOs in gender empowerment, community engagement, and resource management, which are essential for inclusive economic growth and long-term sustainability. Despite their significant impact, NGOs encounter various challenges, such as funding limitations, regulatory restrictions, cultural resistance, and difficulties in measuring long-term outcomes. However, emerging opportunities, including digital financial services, increased sustainability awareness, and strategic partnerships with governments and private enterprises, offer avenues for expanding NGO-led empowerment programs. By synthesizing existing literature and empirical evidence, this review highlights how NGOs can enhance their development strategies and contribute to financial stability, social equity, and environmental sustainability at both the family and community levels.

1. INTRODUCTION

Sustainable family economy practices are essential for ensuring long-term financial stability, resilience, and environmental responsibility at the household level. In developing regions, families often face financial insecurity, limited access to resources, and inadequate infrastructure (World Bank, 2005). Non-Governmental Organizations (NGOs) have emerged as key actors in supporting such families through initiatives that promote economic sustainability, poverty alleviation, and self-sufficiency (Khan & Patel, 2019). Operating independently of government bureaucracies, NGOs are uniquely positioned to deliver targeted interventions such as microfinance, vocational training, and sustainable resource management.

Beyond direct economic assistance, NGOs also provide education and health programs while advocating for inclusive policies that enhance opportunities for vulnerable populations (Adams, 2020). This article reviews the role of NGOs in promoting sustainable family economy practices by examining and analyzing their contributions to financial inclusion, education, health, and environmental sustainability. It also identifies challenges encountered and opportunities available to expand their impact. The insights are relevant for policymakers, development practitioners, and researchers working to strengthen family economic resilience worldwide.

2. THE ROLE OF NGOs IN PROMOTING SUSTAINABLE FAMILY ECONOMY PRACTICES

Non-Governmental Organizations play a critical role in enhancing the financial resilience and economic sustainability of families, particularly in low-income and marginalized communities. Their interventions help families overcome financial vulnerability, gain access to essential economic resources, and develop sustainable income-generating practices. Through financial inclusion, education, healthcare, environmental conservation, and policy advocacy, NGOs create opportunities for families to become more economically independent and socially empowered.

The effectiveness of NGOs in this domain stems from their ability to operate outside bureaucratic constraints and provide targeted, grassroots-level solutions to economic

challenges. Unlike top-down government policies, NGOs work directly with families and communities, tailoring interventions to specific socio-economic conditions. Their initiatives can be categorized into six key areas:

2.1. Economic Empowerment through Microfinance and Financial Inclusion

Microfinance and financial inclusion are among the most influential strategies NGOs use to promote sustainable family economies. Many families, especially in rural and underserved areas, lack access to traditional banking services. NGOs fill this gap through microfinance initiatives that provide small loans, savings mechanisms, and financial education. These services enable families to invest in small business ventures, agriculture, or home-based production, thus fostering long-term self-reliance (Brown & Taylor, 2021; World Bank, 2005).

Additionally, NGOs often partner with local banks or Fintech firms to develop inclusive tools such as mobile banking, group-lending schemes, and women-focused financial programs (CGAP, 2015). These interventions cultivate financial literacy and a culture of saving, ultimately promoting economic stability and reducing dependency on external aid.

2.2. Education and Capacity Building

Education is central to sustainable economic progress. NGOs deliver financial literacy workshops and vocational training that provide families with practical skills in agriculture, handicrafts, digital marketing, and entrepreneurship (Adams, 2020). This training enables families to create diversified and sustainable income sources, improving their resilience and economic autonomy.

By focusing on youth and women's empowerment, NGOs contribute to building inter-generational resilience. Educated families are more likely to make informed financial decisions, manage resources efficiently, and engage in innovative business activities (Karlan & Valdivia, 2011).

2.3. Health and Nutrition for Economic Productivity

A family's economic productivity is closely tied to its health status. Poor health, malnutrition, and preventable diseases reduce labor capacity and increase medical

costs, weakening household stability. NGOs address this by providing healthcare services, nutrition education, and WASH (water, sanitation, and hygiene) programs to promote wellbeing and productivity (Harrison & Clark, 2017).

Healthier individuals are better able to engage in income-generating activities, reinforcing the link between wellness and economic performance.

2.4. Sustainable Agricultural Practices and Resource Management

In agrarian economies, sustainable farming practices are vital for long-term financial stability. NGOs advance eco-friendly agricultural methods such as organic farming, crop diversification, and renewable energy adoption, which enhance productivity while preserving resources (Food and Agriculture Organization [FAO], 2014; Gomez et al., 2018).

By training farmers in soil management, water conservation, and sustainable irrigation, NGOs help ensure food security and income stability. They also assist in improving market access for small farmers, thereby reducing dependency on intermediaries and increasing profitability.

2.5. Gender Empowerment and Economic Equality

Gender empowerment is a key component of sustainable economic growth. NGOs promote women's economic participation through access to microfinance, entrepreneurship programs, and advocacy for equal pay and property rights. Empowering women has multiplier effects improving household well-being, child education outcomes, and community resilience (Ngo & Wahhaj, 2012).

However, persistent patriarchal norms may limit these outcomes unless cultural context is considered (Khan & Patel, 2019).

2.6. Community Engagement and Policy Advocacy

Beyond household-level interventions, NGOs strengthen collective resilience through community savings groups, cooperatives, and participatory decision-making platforms (Adams, 2020). They also advocate for inclusive economic policies, fair taxation, and financial inclusion laws that protect low-income families and enable sustainable livelihoods.

3. CHALLENGES FACED BY NGOs IN PROMOTING SUSTAINABLE FAMILY ECONOMY PRACTICES

Despite their significant contributions to sustainable family economies, NGOs encounter several barriers that limit their effectiveness. These challenges arise from financial constraints, policy restrictions, social resistance, and difficulties in measuring long-term impact. Overcoming these obstacles is crucial to ensuring that NGO-led economic empowerment programs remain scalable, sustainable, and effective in improving household financial resilience.

3.1. Funding Constraints and Donor Dependency

Many NGOs are highly dependent on donor funding, which often limits programme continuity, scale, and innovation. Funding instability, short project cycles, and changing donor priorities can lead to inconsistent implementation and narrow project scope (Harrison & Clark, 2017).

3.2. Policy and Regulatory Barriers

Restrictive legal frameworks can constrain NGO operations, particularly in financial empowerment programs. Regulatory limits on microfinance, foreign-funding restrictions, and bureaucratic procedures often reduce NGO efficiency and outreach (Gomez et al., 2018).

3.3. Cultural Resistance and Social Norms

In many societies, traditional gender roles and mistrust toward financial institutions impede NGO interventions. Overcoming such barriers requires culturally sensitive approaches that engage local leaders, respect traditions, and promote inclusive participation (Brown & Taylor, 2021).

3.4. Measuring Impact and Ensuring Sustainability

A major challenge for NGOs is assessing the long-term impact of their programs, particularly in informal economies where data is scarce. Limited monitoring frameworks and short funding cycles make it difficult to measure economic resilience or behavioral change over time (Khan & Patel, 2019).

4. OPPORTUNITIES FOR NGOs IN SUSTAINABLE FAMILY ECONOMY DEVELOPMENT

Despite the challenges, NGOs have several emerging opportunities to enhance their impact, expand their programs, and drive systemic change in family economic sustainability. Advancements in digital technology, policy engagement, and strategic partnerships create new pathways for NGOs to scale their efforts and increase financial inclusion.

4.1. Digital Finance and Technological Advancements

The rise of mobile banking, Fintech platforms, and blockchain technologies offers NGOs novel tools to expand financial inclusion (CGAP, 2015; Abdul Latif Jameel Poverty Action Lab, 2025). Digital finance improves transparency, reduces costs, and enables greater access for underserved families (Idrees et al., 2025). Nevertheless, care must be taken to avoid new risks such as over-indebtedness (Yue et al., 2022).

4.2. Public-Private Partnerships

Partnerships among NGOs, governments, and the private sector enable greater reach, shared resources, and sustainable funding. Corporate social responsibility initiatives can support long-term community development projects (Gomez et al., 2018).

4.3. Strengthening Policy Engagement

NGOs can drive systemic change by advocating for inclusive financial policies, support for informal economies, and tax incentives that benefit low-income families. Active engagement in policy dialogues helps ensure that family economic issues remain central to national development agendas (Harrison & Clark, 2017).

5. CONCLUSION

NGOs are indispensable actors in promoting sustainable family economy practices. Their holistic approach, combining microfinance, education, health, environmental management, and gender empowerment, creates pathways for long-term household stability and economic resilience. Gender-focused programs, in particular, enhance not only family welfare but also community development and national growth.

However, NGOs must overcome persistent challenges, including financial instability, restrictive regulations, cultural norms, and weak impact-measurement systems, to sustain progress. To do so, they should leverage digital technology, form strategic alliances, and institutionalize transparent evaluation mechanisms. By integrating innovation, policy advocacy, and multi-sector collaboration, NGOs can strengthen their capacity to build economically independent and environmentally conscious families, contributing to global sustainable development goals.

6. SUGGESTIONS AND RECOMMENDATIONS

To strengthen the role of NGOs in promoting sustainable family economy practices, the following key recommendations are proposed:

- **Expand Digital Financial Services:** NGOs should leverage mobile banking, digital payments, and AI-powered financial literacy platforms to increase access to financial services among low-income and unbanked families. Digital finance enhances security, encourages savings, and promotes long-term financial stability.
- **Strengthen Public–Private Partnerships:** Collaboration with governments, private enterprises, and development agencies can provide sustainable funding, shared resources, and stronger advocacy. Engaging the private sector through CSR initiatives and joint ventures can expand financial inclusion and scale development programs.
- **Enhance Monitoring and Evaluation Frameworks:** NGOs should adopt standardized, data-driven impact assessment tools to measure the long-term financial independence of families. Using big data and AI-based systems helps identify successful interventions, improve accountability, and guide evidence-based decision-making.
- **Promote Environmentally Sustainable Livelihoods:** Integrating economic growth with environmental stewardship ensures long-term resilience. NGOs should promote climate-smart agriculture, renewable energy use, and eco-friendly

entrepreneurship to support families while conserving natural resources.

- Advance Inclusive Financial Systems: Expanding access to microfinance, affordable credit, and community-based savings mechanisms can empower marginalized families, especially women and rural communities, to build sustainable livelihoods. NGOs should partner with financial institutions to reduce barriers to credit and promote inclusive economic growth.

By implementing these recommendations, NGOs can amplify their impact, strengthen household resilience, and contribute to sustainable development at both community and national levels.

Conflict of Interest: The authors declare no conflict of interest regarding the publication of this paper.

Funding: This research received no external funding.

Authors Contributions:

All authors contributed equally to the conceptualization, drafting, and revision of this paper and approved the final version for publication.

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