

LABOUR EXTERNALISATION IN UGANDA

BIG REVENUE, WEAK PROTECTION.

Every year, thousands of Ugandans leave the country to work abroad especially in the Gulf. Their labour brings in billions of shillings to Uganda’s economy, yet the institutions mandated to protect the Ugandan Migrant workers are severely underfunded. This imbalance has undermined the effectiveness of protection extended to Ugandan migrant workers especially those engaged in the domestic or care sector in the Gulf states.

1. LABOUR EXTERNALISATION IS A MAJOR SOURCE OF NATIONAL REVENUE

(a) Remittances: Uganda’s Silent Economic Pillar.

- Uganda is among the top 10 remittance-receiving countries in Sub-Saharan Africa.
- By December 2025, Diaspora remittances had reached USD 1.67 billion.
- 35% (about USD 500 million) comes from the Middle East and Gulf States—mainly from domestic workers, security guards, and construction workers

Remittances support:

- Household survival and poverty reduction
- Education
- Healthcare
- Housing, agriculture, and small businesses
- Financial inclusion through banks and mobile money



Despite global shocks, remittances have remained strong and resilient over the last decade.

b) Non- Tax Revenue

Government earns billions from Labour Externalisation fees which include;

- Licence fees (UGX 2 million every two years per external recruitment agency)
- Job order approval fees (UGX 200,000 per job order)
- Vacancy fees (USD 30 per foreign job vacancy)
- Application fees (UGX 100,000)
- Penalties for late renewals (UGX 2,000,000/=)

APPROXIMATELY 25-30 BILLION UGX NON-TAX REVENUE Total estimated non-tax revenue is approximately UGX 25–30 billion every year.

2. THE BIG CONTRADICTION: HIGH REVENUE, LOW PROTECTION

**Despite: Usd 1.67 Billion In Remittances
Ugx30 Billion Annually In Labour Externalisation
Fees**

The Employment Services Programme under the Ministry of Gender, Labour and Social Development (MGLSD), which is mandated to regulate labour externalisation, receives only approximately UGX 2.299 billion of its approved annual budget. As a result, the Ministry remains:

- Understaffed
- Underfunded
- Unable to monitor recruiters effectively
- Unable to deploy sufficient labour attaches
- Unable to respond quickly to abuse cases abroad

Embassies lack:

- Dedicated labour attaches
- Emergency funds
- Shelters and legal aid support

3. WHAT THIS MEANS.

When protection is underfunded:

- Abuse goes unreported
- Recruitment violations go unpunished
- Workers suffer in silence
- Families back home lose income
- The country may benefit economically but workers pay the price.

What Needs to Change

- Reinvest labour externalisation revenues into Migrant worker protection
- Increase budget allocations to MGLSD and embassies

- Ensure revenues collected in the name of migrant workers actually serve them

4. CALL TO ACTION

Ugandan migrant workers generate billions for the economy but receive minimal protection in return. Labour externalisation has become a revenue-generating industry for the Ugandan government, yet investment in worker protection has remained minimal. This imbalance is unsustainable, unjust and hurts the economy in the long run. Protection must match contribution. If Ugandan migrant workers sustain the economy, the Ugandan state must sustain their safety, dignity, and rights.

