



EMPLOYER-EMPLOYEE REGISTRATION 2023-24 REPORT

**LABOUR MARKET INFORMATION AND CAREER GUIDANCE DIVISION
DEPARTMENT OF EMPLOYMENT AND ENTREPRENEURSHIP
MINISTRY OF INDUSTRY, COMMERCE AND EMPLOYMENT.**

Table of Content

Contents

Executive Summary	1
Background	1
Objectives	1
Methodology	2
1. Field work/ Field visits	2
1. Telephone survey	2
2. Electronic data collection	2
Findings	3
Operational Status of Businesses	3
Total EER Listing Frame	3
Updated Licenses Status	3
Not Updated Licenses Status	3
Challenges	4
Technical Challenges:	4
Challenges Encountered in the field:	4
Detailed Findings	5
Follow-up Action	5
Conclusion	6
Annexure	7
Annexure A: Follow-up Matrix	7
Annexure B: Budget Summary	8

Executive Summary

This report outlines the outcomes of the recent Employer-Employee Registration conducted by LMICGD across all Dzongkhags. The primary goal of this initiative was to register business license holders as employers and their respective employees under them. The exercise involved both field visits and telephonic updates. The field visits revealed several challenges, including the difficulty in locating establishments and a significant number of non-operational businesses. This report details the methodology, findings, and recommendations based on our observations and the data collected through field visits and telephonic updates.

Background

The Employer-Employee Registration (EER) is an exercise carried out annually by the erstwhile Labour Market Information and Research Division (LMIRD), Department of Employment and Human Resource (DoEHR) and now carried forward by the Labour Market Information and Career Guidance Division (LMICGD), Department of Employment and Entrepreneurship (DoEE).

The erstwhile, LMIRD initiated the Employer-Employee Registration (EER) during the 12th Five Year Plan as a means to strengthen the employer/enterprise information in the Job Portal System and data collection process in place to help the Ministry towards a more comprehensive employment database of the private sector. The Employer-Employee Registration (EER) would include registration of enterprises and employers who are outside the purview of the Royal Civil Service Commission.

The first Employer-Employee Registration was carried out from December 2018 to March 2019. The second Employer-Employee Registration was carried out from October 2019 to January 2020. The third Employer-Employee Registration was carried out from February 2021 to end of April 2021.

The most recent Employer-Employee Registration was carried out from April 2024 to May 2024.

Objectives

- Register business license holders as employers.
- Register employees working under these employers.
- Advocate on the Bhutan Labour Market Information System.

Methodology

1. Field work/ Field visits

In order to gather information directly from the source, field work/field visit was organized. 10 officers from the Head office (LMICGD) and regional offices were trained and assigned as Supervisors for 10 different regions. To assist them, 30 enumerators were hired, trained and accordingly divided into 10 different groups to form 10 different teams led by each supervisor.

The teams conducted on-site visits to locate and register businesses. Registration involved collecting data on business license holders and their employees.

Region	Team Name	Number of Supervisors	Number of Enumerators	Dzongkhags	Number of Establishments to be Covered
Thimphu Region	Team_Whole Thimphu	18	30	Thimphu	8663
	Team I_Paro & Haa	3	3	Haa	399
				Paro	2496
	Team II_Punakha, Wangdue & Gasa	3	4	Gasa	137
				Wangdue Phodrang	1304
Phuntsholing Region	Team I_Chhukha	2	5	Chhukha	2917
	Team II_Samtse	1	3	Samtse	2032
Samdrup Jongkhar Region	Team I_P/Gatshel & S/Jongkhar	2	2	Samdrup Jonkhar	1262
				Pema Gatshel	838
Gelephu Region	Team I_Sarpang & Zhemgang	2	4	Sarpang	2693
				Zhemgang	671
	Team II_Bumthang & Trongsa	1	2	Trongsa	591
				Bumthang	904
	Team III_Dagana & Tsirang	1	3	Dagana	931
				Tsirang	659
Mongar Region	Team I_Mongar & Lhuentse	1	2	Lhuntse	330
				Mongar	1109
	Team II_T/Gang & T/Yangtse	1	2	Trashigang	1067
				Trashiyangtse	487

1. Telephone survey

For establishments that could not be located, follow-up calls were made to update their information over the telephone. The teams collected data on the operational status of businesses and if operational, assisted them in registering as employers and also their employees.

2. Electronic data collection

Email-based method was carried out for the firms with more than 15 employees. An email was sent to all the firms with more than 15 employees to collect the details of the employer and employees in their firms.

Findings

Operational Status of Businesses

Approximately **50%** of the establishments could not be located during field visits.

Through telephonic updates, we identified the following categories:

- **Non-Operational Businesses:** Establishments that are currently not in operation.
- **Canceled Licenses:** Businesses that have officially canceled their licenses.
- **Going to Cancel License:** Businesses planning to cancel their licenses soon.
- **Non-Operational but Not Canceling License:** Businesses that are not currently operating but have no plans to cancel their licenses.

Total EER Listing Frame

Total Licenses (Cottage & Small Scale, Large & Medium Scale and BICMA licenses) Issued (As of 31st December): **31222**

For the EER (30559 was taken as few non-operational and canceled license were removed from the beginning only)

Updated Licenses Status

Updated Licenses: **18925**

- Registered as Employers: **13106** (New employers registered from April 9th till today)
- Employees Registered: **5733** (New employees registered from April 9th till today)
- Non-Operational Businesses: **2273**
- Canceled Licenses: **816**
- Business Planning to Cancel Licenses: **207**

Note: Updated means registered in the BLMIS, or their operational status updated.

Not Updated Licenses Status

Not Updated Licenses: **11634**

- No Response/Switched Off: **1221**
- License collected from the field but not matching the list: **1869** (Almost half can be Trade license starting with R, W or MT)
- Not Covered Due to Time/Budget Constraints: **Almost 10680** (excluding the number of licenses that was updated in the field but did not match with the list (31222)).

Challenges

Technical Challenges:

1. **No proper address:** Almost **50%** of the establishments could not be located during the field visits, so follow-up calls were made to update their information.
2. **Not reachable:** **1221** license holders did not respond to phone calls, with the phone either switched off, unreachable or not answering the call.
3. **Resource Constraints:** Limited time and budget constraints hindered the ability to cover all licenses (For telephonic Update)

Challenges Encountered in the field:

- Difficulty in locating businesses due to outdated addresses.
- Travel distance- the distance between two destinations is very long hence, less duration for data collection.
- Language barriers - the enumerators were not so familiar with the languages that locals spoke.
- Contact information/License- at times owners failed to produce licenses at their establishment.
- Lack of response or cooperation from some business owners during telephonic updates.
- Few employers were reluctant to respond due to numerous surveys conducted by the different departments and ministries.
- Most of the establishments were unaware of the need to register in the BLMIS system and prohibition as per the Labour and Employment Act 2007.
- Ambiguity in the operational status of certain businesses.
- Some of the enterprise owners were illiterate and did not know much about technology. Explaining to them about EER and use of BLMIS was challenging.
- Some of the business establishments are home based businesses and operating from their home so it was difficult to know their whereabouts.
- Employees not staying for more than 3 months, therefore a hassle in adding and removing them frequently.
- Most people are unable to understand the validity of their license because of lack of education, and as a result they are fined for renewing their license after the deadline. So, it would be advantageous for the uninformed people if the ministry could find a way to address it by providing them with notice before their license expires.

Detailed Findings

1. Non-Operational Businesses (7.44%):

A significant number of businesses were found to be non-operational.

Reasons included seasonal closures, temporary shutdowns, or indefinite suspensions of operations.

2. Canceled Licenses (2.67%):

Several businesses had formally canceled their licenses, indicating permanent closure.

Reasons cited included financial difficulties, change of business model, or relocation.

3. Going to Cancel License (0.68%):

Some businesses indicated plans to cancel their licenses due to various upcoming challenges such as regulatory changes, financial instability, or ownership transitions.

4. Non-Operational but Not Canceling License:

Businesses in this category were not currently operational but chose to retain their licenses.

This decision was often due to future plans to resume operations or for strategic business reasons.

Follow-up Action

1. Updating Database:

Regularly update the business database to reflect the current status of establishments.

Implement a systematic follow-up mechanism for periodic verification.

- Get information on the canceled licenses from the Trade, Industry and BICMA just like the new business registration information.

2. Enhanced Communication

Improve communication channels with business owners for timely updates on operational status.

3. Strategic Follow-Up Visits:

Conduct targeted follow-up visits for businesses that were unresponsive or could not be located.

Collaborate with local authorities to ensure accurate location data and support during visits.

4. Sharing of Information:

Share the list of Non-Operational, Canceled and Planning to Cancel license number list to DoI, DoTr and BICMA

5. Those going on enumeration must be oriented on basic information on licensing since most enterprises have inquiries related to licensing.
6. Strict and constant monitoring required to reduce the cases of people operating business without license and also impacting those operating with license.
7. VEET license holders need not be registered as “Employer” since they are not allowed to recruit. They may be categorized as “Freelancer”.
8. Need to collaborate with the Department of Trade and see the possibilities of registering them as employers immediately when they obtain licenses of various businesses. This may contribute to saving the resources.

Conclusion

The Employer-Employee Registration has successfully registered a substantial number of businesses and employees, despite facing challenges in locating establishments and obtaining accurate operational status. Moving forward, it is essential to maintain an up-to-date database and improve communication with business owners. Providing necessary support and conducting strategic follow-up visits will ensure the accuracy and effectiveness of our registration efforts.

This report provides a comprehensive overview of the Employer-Employee Registration, detailing the methodology, findings, and actionable recommendations for improving future registration processes.

Annexure

Annexure A: Follow-up Matrix

SN	Findings/Recommendation	Action	Responsible	Status
1	Need to strengthen information sharing amongst relevant agencies to ensure data accuracy	Share the list of Non-operational, Canceled and Planning to Cancel license number to DoI, DoTr and BICMA for further validation and deregister those validated licenses to capture accurate LMI	Lead: LMICGD Collaborating: DoI, DoT, BICMA	Emailed to DoI as 27th June 2024
2	Need to update database regularly to reflect the status of establishments and ensure periodic follow-up and verification	Establish mechanism to get information from the Trade, Industries and BICMA on licenses canceled	Lead: LMICGD Collaborating: DoI, DoT, BICMA	On-going
3		Establish means to collaborate with Department of Trade, Industry to ensure registration on BLMIS as employers upon obtaining license for various business	Lead: LMICGD Collaborating: DoT and DoI	On-going
4	Issues with regard to difficulty in locating businesses	Strategic follow-up mechanism and collaborate with ROICES to ensure accurate location and to implement a systematic follow-up mechanism	Lead: LMICGD and ROICES	On-going
5	People are unable to understand the license renewal timings due to lack of education	Need for means to inform/remind them prior to license expiry	Lead: DoT	On-going
6	Challenge with regard to use of BLMIS and it being unfriendly for those who were uneducated were raised	Need to advocate and sensitize on BLMIS usage through Forums	Lead: LMICGD and ROICES	On-going
		Forum with Employers to be conducted to ensure BLMIS	Lead: LMICGD	On-going

7	Employers expressed confusion regarding the FWMS usage	Awareness on FWMS	Lead: DoL	LMICGD to email the findings on the same
8	Mandatory jobseeker ID and enforcement of the RoWC 2022	Follow-up with the executive order on Mandatory job seeker	Lead: ESD	As per the discussion held on June 2021
		Issue circular on reinforcement of RoWC 2022	Lead ESD	

Annexure B: Budget Summary

SN	Particulars	Budget	Remarks
1	Training of Supervisor and Enumerators	363,760	Total no. of Supervisors to attend the training: 15, Enumerators:29
2	Media Advertisement and Announcement	10,000	BBS notification and Kuensel publication
3	Communication Cost [for officers]	25,500	Nu.1,500 per Officer (Total of Supervisors: 17)
4	Data allowance for enumerators	42,000	Nu.1500 per Enumerator (28 Enumerators)
5	Field Collection:	792,016	Details on Annexure II
6	Enumerator Allowance	974,400	
7	Estimated phone bill [for enumerators] [Telephonic Collection for Retail, Wholesale and MicroTrade]	98,570	
8	Enumerator Finalization for the Telephonic Collection	16500	
9	Vehicle Hiring	1554000	
	GRAND TOTAL	3,876,746	