

# IN ECONOMICS, WHAT IS LABOUR HOARDING?

Relevant for: Current Affairs | Topic: Current Affairs

This refers to an economic phenomenon wherein a business chooses to retain its employees, rather than laying them off, during an economic downturn or recession. A company may choose to retain workers on its payroll even though it is not making as much profits as before. Labour hoarding has been attributed to various reasons, including the fact that a business may find it difficult to hire workers again when economic conditions change for the better. Legal complications and emotional hardship involved in firing employees may also explain the prevalence of labour hoarding in the modern economy.

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