

A labor union, also called a trade union, is an organized association of workers formed to represent their collective interests in dealings with employers. A worker is a person who performs labor in exchange for wages or salary, and an employer is an individual or organization that hires workers to perform tasks or services. The purpose of a labor union is to allow workers to negotiate as a unified group rather than as isolated individuals. When workers act together in a structured organization, they can influence working conditions, compensation, and workplace policies more effectively than they typically could alone.

The core concept behind a labor union is collective bargaining. Collective bargaining is a formal negotiation process in which representatives of the workers meet with representatives of the employer to establish the terms and conditions of employment. These terms often include wages, hours of work, benefits, workplace safety standards, disciplinary procedures, and grievance processes. A grievance is a formal complaint filed by an employee regarding treatment, pay, safety conditions, or violations of workplace agreements.

The result of collective bargaining is usually a legally binding agreement called a collective bargaining agreement, often abbreviated as a CBA. This agreement functions as a contract that defines the rights and responsibilities of both the workers and the employer. It establishes the wage structure, overtime rules, health insurance provisions, retirement contributions, and procedures for resolving disputes. Once ratified—meaning formally approved by union members—the agreement governs employment conditions for a specific period of time, often several years.

Labor unions emerged historically during periods of industrialization, which refers to the economic transformation in which societies shift from primarily agricultural production to large-scale manufacturing and mechanized industry. During the nineteenth century, factories expanded rapidly in Europe and North America. Many workers faced long working hours, hazardous environments, and low wages. Individual workers often had little power to challenge these conditions because employers could easily replace them. Workers began organizing collectively to demand safer workplaces and more predictable compensation.

One of the earliest forms of organized labor involved craft unions. A craft union represents workers who possess specialized skills within a particular trade or profession. Examples include unions of carpenters, electricians, plumbers, and printers. A trade in this context refers to a skilled occupation requiring training or apprenticeship. Craft unions focused on protecting wages and standards for skilled workers by controlling entry into the profession and negotiating with employers.

Another form of labor organization is the industrial union. Industrial unions organize all workers within a particular industry regardless of their specific job role. For example, an industrial union in the automobile manufacturing sector may represent assembly line

workers, machine operators, maintenance staff, and technicians within the same union. The purpose of industrial unionism is to unite large groups of workers within an industry to strengthen bargaining power.

Labor unions operate through internal democratic structures. Members elect union officers and representatives who negotiate with employers on their behalf. These representatives may include shop stewards, who are union members within a workplace responsible for monitoring contract compliance and assisting workers with grievances. Shop stewards act as a direct connection between union leadership and the workers on the job site.

Unions are funded primarily through membership dues, which are regular payments made by members to support union operations. These funds are used to maintain offices, pay administrative staff, provide legal representation, conduct negotiations, and organize collective actions when necessary. Legal representation is important because disputes between workers and employers may involve labor law, employment contracts, or regulatory agencies.

One of the most visible activities associated with labor unions is a strike. A strike occurs when workers collectively stop working to pressure an employer during a labor dispute. By halting production or services, workers attempt to create economic pressure that encourages the employer to negotiate or accept certain demands. During a strike, workers may gather outside the workplace in what is called a picket line, holding signs and demonstrating publicly. The purpose of picketing is to raise awareness of the dispute and discourage replacement workers from entering the workplace.

Employers sometimes respond to strikes by negotiating with union representatives or by attempting to continue operations through replacement workers. The interaction between unions and employers during negotiations and labor disputes is a central feature of labor relations systems in many industrialized economies. Labor relations refers to the system of laws, institutions, and practices governing interactions between workers, employers, and labor organizations.

Labor unions have historically played a role in shaping labor laws and workplace standards. Many policies that are now widely accepted, such as limits on working hours, workplace safety regulations, and employer-provided benefits, developed during periods when unions actively advocated for such protections. For example, campaigns for the eight-hour workday—meaning a standard work shift limited to eight hours—were strongly associated with organized labor movements in the late nineteenth and early twentieth centuries.

Unions exist in many sectors of the economy. Examples include unions representing teachers, construction workers, transportation employees, healthcare workers, and manufacturing workers. Public sector unions represent employees who work for

government institutions such as public schools, municipal services, and government agencies.

Membership in labor unions varies significantly across countries and industries. In some countries a large portion of the workforce belongs to unions, while in others union membership represents a smaller share of workers. The proportion of workers belonging to unions is known as the unionization rate. This rate reflects the percentage of workers in an economy who are members of a union.

Labor unions therefore function as collective organizations through which workers coordinate their interests in wages, workplace conditions, and employment policies. By organizing workers into structured associations capable of negotiation, unions form a key institutional component of modern labor markets and employment systems.