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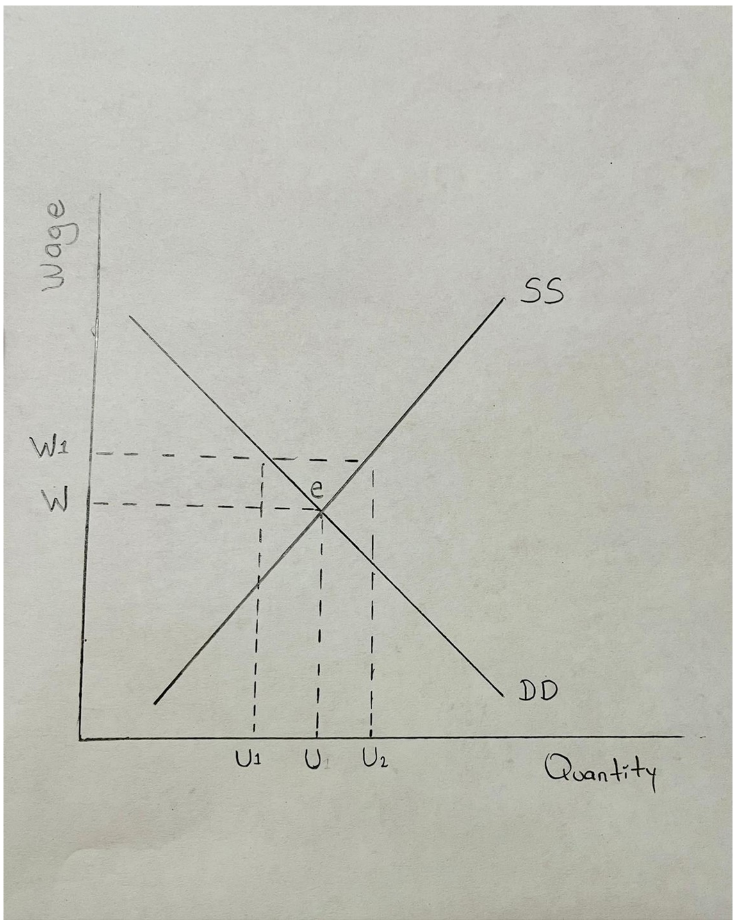
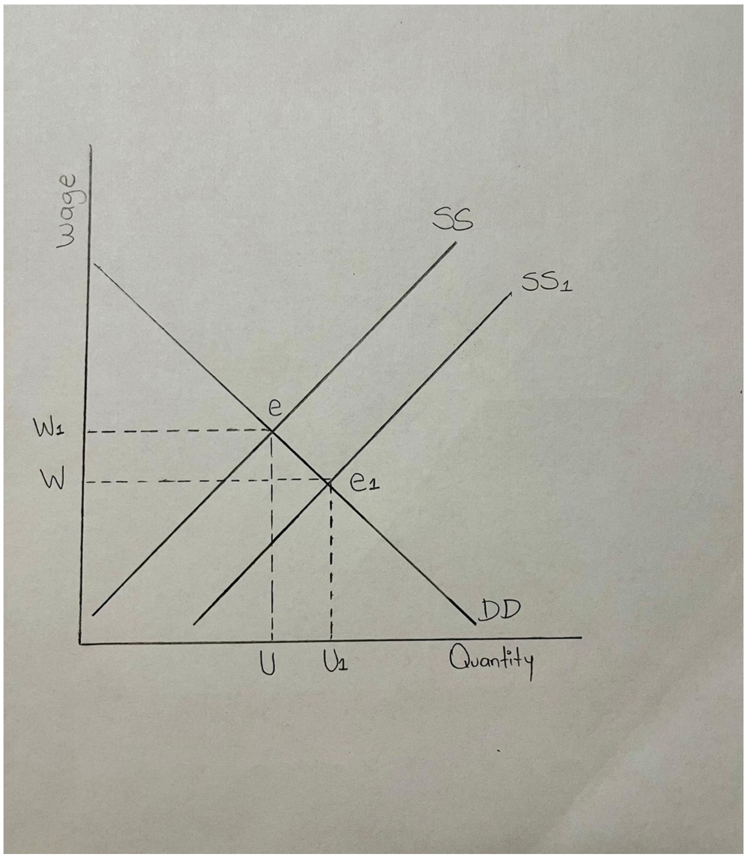
Unionized labor market:
When there is a union in the labor market, then they will increase the wage through the bargaining power. Since wage increases, it leads to increase in the supply of labor. On the other hand, increase in wage leads to decrease in the demand. This is illustrated in the below diagram.



In figure 1, horizontal axis measures quantity of labor demand and supply and vertical axis measures wages. SS curve represents supply of labor and DD curve represents demand for labor. Economy is in equilibrium at point 'e' where demand for labor and supply of labor intersects each other. Equilibrium wage is W and labor quantity is U. When the union increases wage from W to W1, it leads to increase in the labor supply from U to U1 and decreases the demand for labor from U to U2. Thus, unemployment is U1 to U2.

Non-unionized labor market:

The unemployed workers in the manufacturing industry are searching for job in service sector. Thus, supply of labor in the service sector increases more than the demand for labor. This in turn decreases the wage in service sector and increases the employment. This is illustrated in the figure -2.



In figure 2, horizontal axis measures quantity of labor demand and supply and vertical axis measures wages. SS curve represents supply of labor and DD curve represents demand for labor. Economy is in equilibrium at point 'e' where demand for labor and supply of labor intersects each other. Equilibrium wage is W1, and labor quantity is U. When the unemployed worker in manufacturing industry searches job in the service sector, it shifts the supply curve from SS to SS1. This leads to decrease wage decreases from W1 to W. since wage decreases, firms demand more labor, and it leads to increase in the employment from U to U1.