

## Appendix

### Trade unions, bargaining coverage and low pay: a multilevel test of institutional effects on low-pay risk in Germany

#### Contents

A1. Variable creation and description .....	4
A1.1. Dependent variable.....	4
Figure A1.1.1: Histogram wages (salary from main job) .....	4
Figure A1.1.2: Histogram weekly actual working time.....	4
Table A1.1.1: Tabulation low pay dummy .....	4
Figure A1.1.3: Histogram vacation bonus .....	5
Figure A1.1.4: Histogram Christmas bonus .....	5
Figure A1.1.5: Histogram other bonus.....	5
Table A1.1.2: Tabulation low pay dummy including bonus.....	6
A1.2. Independent variables.....	6
Figure A1.2.1. Individual union membership (0 – No; 1 – Yes).....	6
Figure A1.2.2. Individual covered by sectoral agreement (0 – No; 1 – Yes) .....	6
Figure A1.2.3. Individual covered by sectoral or company agreement (0 – No; 1 – Yes) .....	7
Figure A1.2.4. Sectoral level union density .....	7
Figure A1.2.5. Sectoral level bargaining coverage of sectoral agreements .....	7
Figure A1.2.6. Sectoral level bargaining coverage of sectoral and company agreements .....	8
Table A1.2.1. Tabulation of union membership and sector .....	8
Table A1.2.2. Tabulation of union membership and gender.....	9
Table A1.2.3. Tabulation of union membership and firm size.....	9
Table A1.2.4. Tabulation of union membership and age .....	9
Table A1.2.5. Tabulation of individual bargaining coverage .....	9
Table A1.2.6. Tabulation of individual bargaining coverage and age .....	9
Table A1.2.7. Tabulation of individual bargaining coverage and union membership.....	9
Table A1.2.8. Tabulation of individual bargaining coverage and gender.....	10
Table A1.2.9. Tabulation of individual bargaining coverage and firm size.....	10
Table A1.2.10. Tabulation of individual bargaining coverage and sector .....	10
A1.3. Descriptive statistics .....	12
Table A1.3.1: Variable descriptions and summary statistics .....	12
Table A1.3.2: Correlation table (correlation above 0.4 in bold).....	19
Table A1.3.3: Collinearity Diagnostic .....	20
A1.4. Sector specific logistic regressions .....	21

Figure A1.4.1: Effect of being covered by agreement and union membership on low pay probability in series of sector specific logistic regressions .....	21
A2. Regression results – direct effects.....	22
A2.1. Figures showing results from multilevel logistic regressions.....	22
Figure A2.1.1: Multilevel logistic regression .....	22
Figure A2.1.2: Multilevel logistic regressions with part time work control.....	23
A2.2. Alternatives to multilevel logistic regressions.....	24
Figure A2.2.1: Comparing normal standard errors with and without robust clustered SE in multilevel mixed-effects models.....	24
Figure A2.2.2: Logistic regression with sector fixed effects .....	25
A2.3. Controlling for East Germany as dummy and for States.....	26
Table A2.3.1: Tabulation of States.....	26
Table A2.3.2: Tabulation of Eastern Germany .....	26
Figure A2.3.1: Multilevel logistic regression when controlling for States.....	27
A2.4. Controlling for productivity .....	28
Figure A2.4.1: Histogram average hourly pay .....	28
Table A2.4.1: Tabulation of education .....	28
Figure A2.4.2: Histogram sectoral average education .....	29
Figure A2.4.2: Scatterplot of average hourly pay and education .....	29
Table A2.4.2: Correlation sectoral average hourly wage and sectoral education.....	29
Figure A2.4.3: Multilevel logistic regression controlling for sectoral average hourly pay and sectoral average education .....	30
A2.5. Different operationalisation of bargaining coverage and union membership.....	31
Figure A2.5.1: Multilevel logistic regression controlling for different measures of bargaining agreement .....	31
Figure A2.5.2: Multilevel logistic regression changing two variables “individual union membership and individual wage bargaining coverage” into three variables .....	32
A2.6. Excluding public sector workers.....	33
Figure A2.6.1 Multilevel logistic regression - Results when excluding public sector .....	33
A2.7. Controlling for occupations.....	34
Figure A2.7.1. Histogram .....	34
Figure A2.7.2. Results from multilevel logistic regression .....	35
A2.8. Results from multilevel logistic regressions in table format .....	36
Table A2.8.1. Reporting results from section A2 in table format.....	36
Table A2.8.2. Stepwise insertion of variables in multilevel logistic regressions.....	45
A3. Regression results – indirect effects.....	47
Figure A3.1: Results from multilevel logistic regression, with interaction between union membership and union density .....	47

Figure A3.2: Results from multilevel logistic regression, with interaction between sectoral bargaining agreement and sectoral bargaining coverage..... 48

## A1. Variable creation and description

### A1.1. Dependent variable

Figure A1.1.1: Histogram wages (salary from main job)

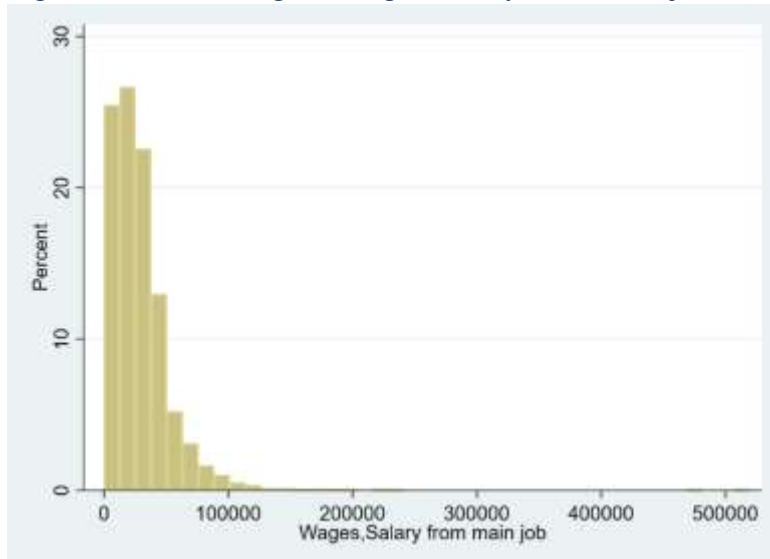


Figure A1.1.2: Histogram weekly actual working time

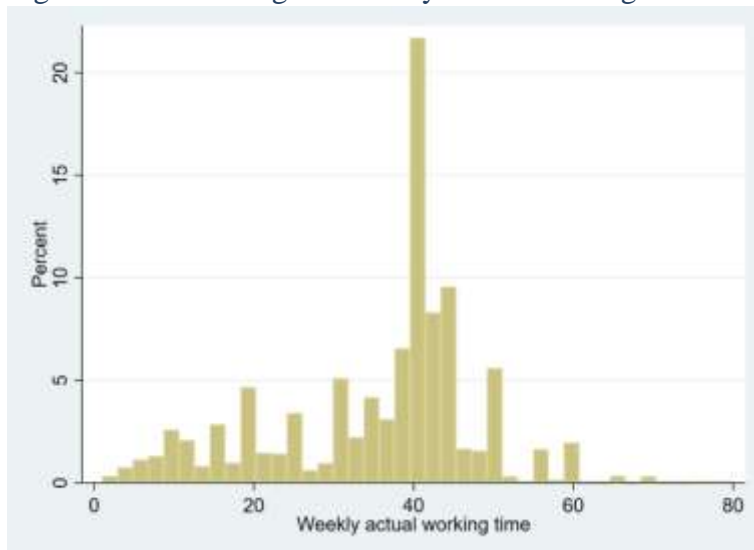


Table A1.1.1: Tabulation low pay dummy

Hourly pay	Frequency	Percentage
No	9,999	75.26
Yes	3,287	24.74

Figure A1.1.3: Histogram vacation bonus

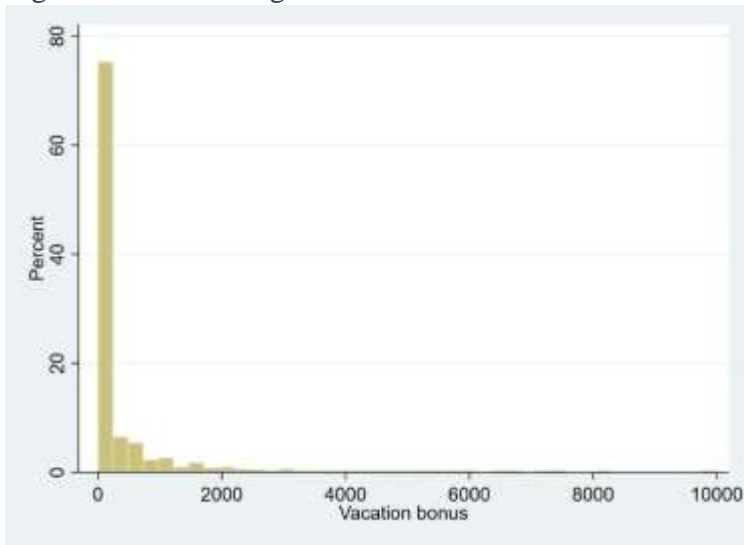


Figure A1.1.4: Histogram Christmas bonus

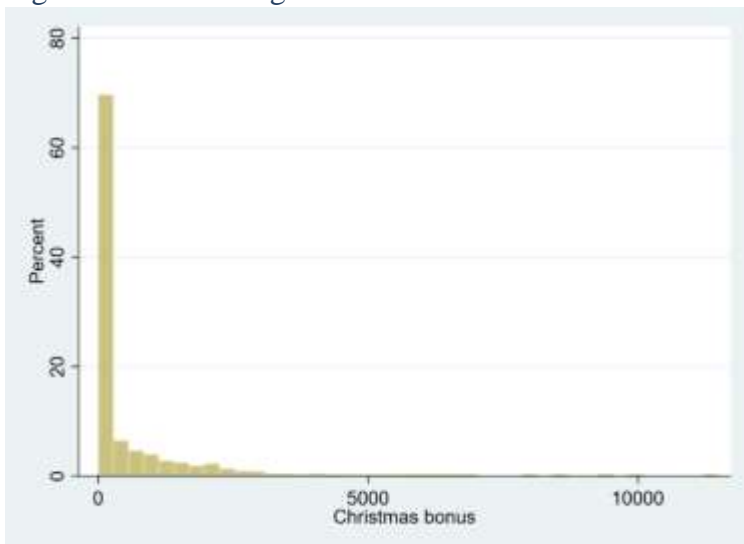


Figure A1.1.5: Histogram other bonus

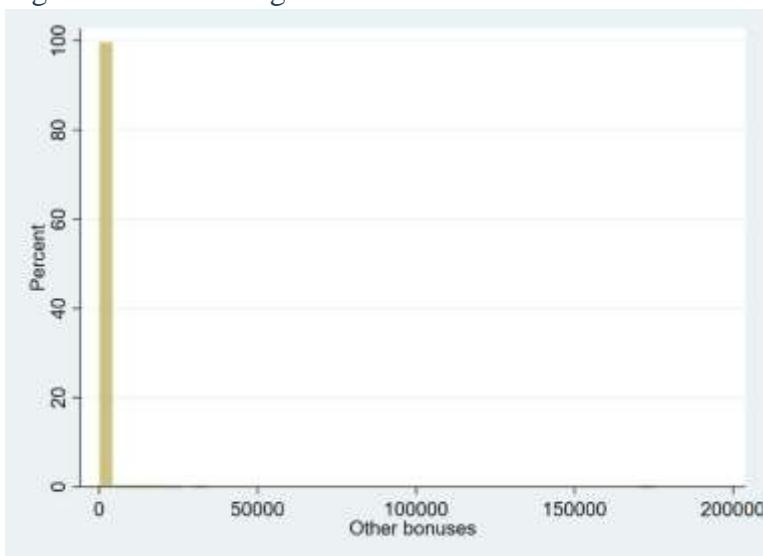


Table A1.1.2: Tabulation low pay dummy including bonus

Hourly low pay (with bonus)	Frequency	Percentage
No	10,073	75.82
Yes	2,313	24.18

## A1.2. Independent variables

Figure A1.2.1. Individual union membership (0 – No; 1 – Yes)

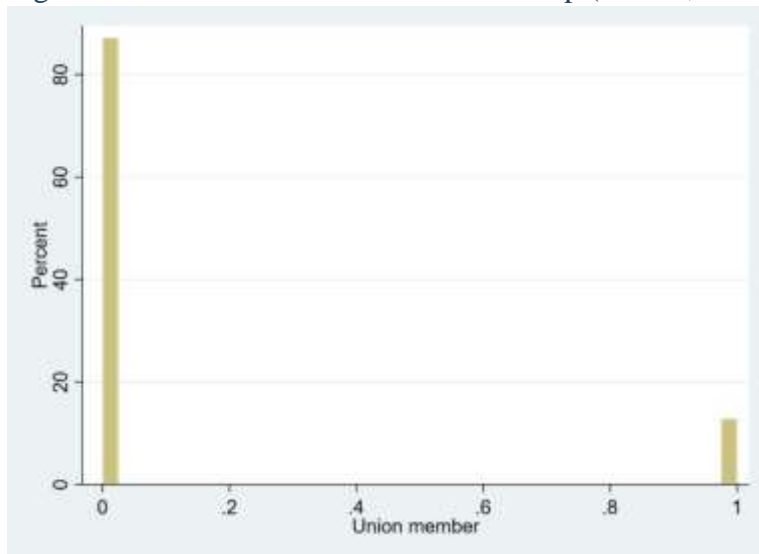


Figure A1.2.2. Individual covered by sectoral agreement (0 – No; 1 – Yes)

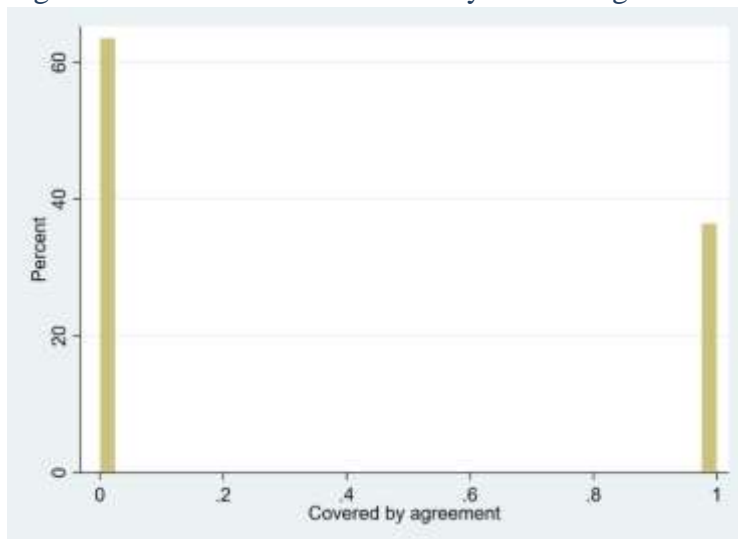


Figure A1.2.3. Individual covered by sectoral or company agreement (0 – No; 1 – Yes)

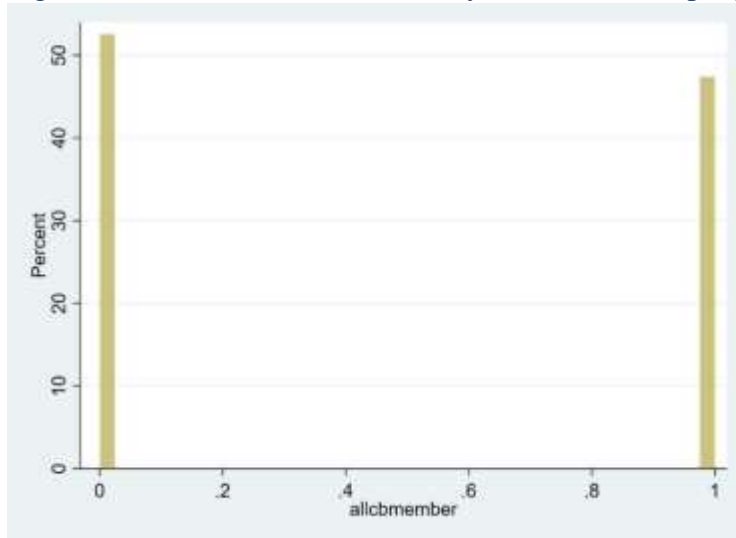


Figure A1.2.4. Sectoral level union density

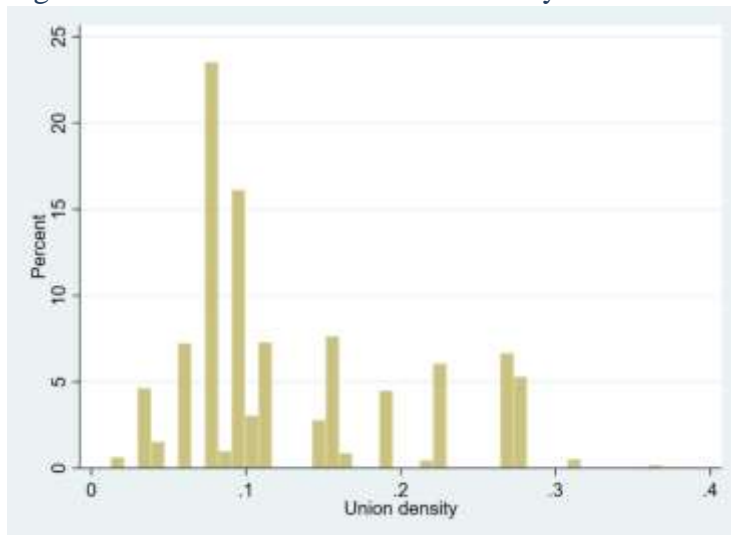


Figure A1.2.5. Sectoral level bargaining coverage of sectoral agreements

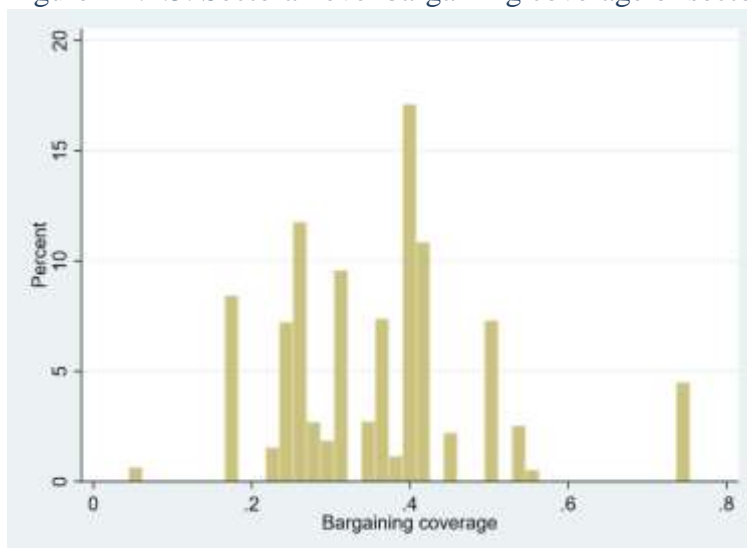


Figure A1.2.6. Sectoral level bargaining coverage of sectoral and company agreements

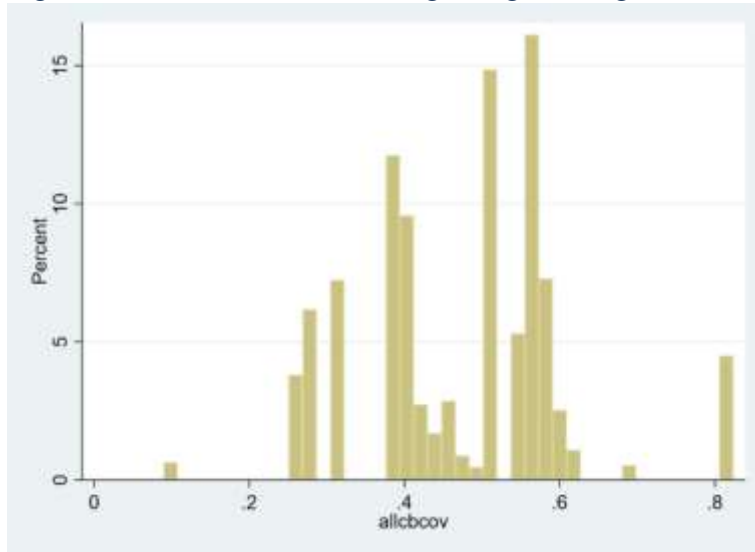


Table A1.2.1. Tabulation of union membership and sector

Sector identifier	Non-union member	Union member
1 AgricFor&Fisheries	1.698	0.560
2 EnergyWater	1.092	1.307
3 Mining	0.110	0.436
4 Chemicals	1.864	4.543
5 Synthetics	0.863	1.120
6 EarthClayStone	0.395	0.747
7 IronSteel	3.773	9.210
8 Mech	3.663	4.605
9 Electr	2.561	3.298
10 WoodPaperPrint	1.652	1.929
11 Textile	0.551	0.436
12 Food	2.892	1.556
13 Construction	5.609	3.360
14 Constr Rel	4.416	11.51
15 Wholesale	12.38	7.405
16 Other Trans.	5.462	10.64
17 Finance	2.580	1.929
18 Insurance	1.019	0.685
19 Restaurants	5.260	1.307
20 Services	7.812	3.485
21 Trash Removal	0.725	0.0622
22 EducSport	7.326	6.534
23 Health	16.63	11.89
24 Other services	3.993	2.178
25 Volunt Church	1.092	1.369
26 Priv Household	0.431	1.307
27 PA	4.149	6.596



Table A1.2.2. Tabulation of union membership and gender

Union member	Male	Female
No	83.53	90.48
Yes	16.47	9.520

Table A1.2.3. Tabulation of union membership and firm size

Union member	Firm size under 100	Between 100 and 200	Above 200
No	94.35	88.33	79.92
Yes	5.65	11.67	20.08

Table A1.2.4. Tabulation of union membership and age

Union member	Under 25	25-34	35-44	45-54	55-64
No	94.91	91.42	89.85	84.44	79.49
Yes	5.087	8.585	10.15	15.56	20.51

Table A1.2.5. Tabulation of individual bargaining coverage

Individual agreement:	Frequency	Percentage
No agreement	6,029	52.57
Only firm agreement	1,259	10.98
Only sector agreement	4,180	36.45

Table A1.2.6. Tabulation of individual bargaining coverage and age

Age below	Type of agreement right	No agreement	Company agreement	Sector agreement	Total
Under 25	Frequency	333	61	139	533
Under 25	Percentage	62.48	11.44	26.08	
25-34	Frequency	1,148	237	733	2,118
25-34	Percentage	54.20	11.19	34.61	
35-44	Frequency	1,794	357	1,202	3,353
35-44	Percentage	53.50	10.65	35.85	
45-54	Frequency	1,822	411	1,341	3,574
45-54	Percentage	50.98	11.50	37.52	
55-64	Frequency	904	184	751	1,839
55-64	Percentage	49.16	10.01	40.84	

Table A1.2.7. Tabulation of individual bargaining coverage and union membership

Union member	Type of agreement right	No agreement	Company agreement	Sector agreement	Total
No	Frequency	5,411	1,000	3,225	9,636
No	Percentage	56.15	10.38	33.47	
Yes	Frequency	419	230	869	1,518
Yes	Percentage	27.60	15.15	57.25	

Note: this table shows row percentages, e.g. 5,411 divided by 9,636 is 56.15%, 1,000 out of 9,636 represents 10.38%, and so on. For cell percentages, please see table 1 in the manuscript.

Table A1.2.8. Tabulation of individual bargaining coverage and gender

Gender	Type of agreement right	No agreement	Company agreement	Sector agreement	Total
Male	Frequency	2,974	620	1,979	5,573
Male	Percentage	53.36	11.13	35.51	
Female	Frequency	3,055	639	2,201	5,895
Female	Percentage	51.82	10.84	37.34	

Table A1.2.9. Tabulation of individual bargaining coverage and firm size

Firm size employees	Type of agreement	No agreement	Firm level agreement	Sector agreement	Total
<b>Under 100</b>	Frequency	3,380	386	1,110	4876
<b>Under 100</b>	Percentage	69.32	7.916	22.76	
<b>100-200</b>	Frequency	523	137	384	1,044
<b>100-200</b>	Percentage	50.10	13.12	36.78	
<b>Above 200</b>	Frequency	2,080	725	2,651	5,456
<b>Above 200</b>	Percentage	38.12	13.29	48.59	

Table A1.2.10. Tabulation of individual bargaining coverage and sector

Sector number	Type of agreement	No agreement	Firm level agreement	Sector agreement	Total
1	Frequency	123	9	40	172
1	Percentage	71.51	5.233	23.26	
2	Frequency	51	27	57	135
2	Percentage	37.78	20	42.22	
3	Frequency	11	3	6	20
3	Percentage	55	15	30	
4	Frequency	135	14	122	271
4	Percentage	49.82	5.166	45.02	
5	Frequency	49	11	34	94
5	Percentage	52.13	11.70	36.17	
6	Frequency	27	7	19	53
6	Percentage	50.94	13.21	35.85	
7	Frequency	252	48	220	520
7	Percentage	48.46	9.231	42.31	
8	Frequency	275	36	144	455
8	Percentage	60.44	7.912	31.65	
9	Frequency	188	20	113	321
9	Percentage	58.57	6.231	35.20	
10	Frequency	112	29	61	202
10	Percentage	55.45	14.36	30.20	
11	Frequency	35	5	18	58
11	Percentage	60.34	8.621	31.03	
12	Frequency	153	54	79	286
12	Percentage	53.50	18.88	27.62	
13	Frequency	353	53	185	591
13	Percentage	59.73	8.968	31.30	
14	Frequency	279	84	256	619
14	Percentage	45.07	13.57	41.36	
15	Frequency	789	152	335	1,276

<b>Sector number</b>	<b>Type of agreement</b>	<b>No agreement</b>	<b>Firm level agreement</b>	<b>Sector agreement</b>	<b>Total</b>
15	Percentage	61.83	11.91	26.25	
16	Frequency	333	99	242	674
16	Percentage	49.41	14.69	35.91	
17	Frequency	127	19	171	317
17	Percentage	40.06	5.994	53.94	
18	Frequency	57	12	47	116
18	Percentage	49.14	10.34	40.52	
19	Frequency	354	44	87	485
19	Percentage	72.99	9.072	17.94	
20	Frequency	584	63	201	848
20	Percentage	68.87	7.429	23.70	
21	Frequency	61	3	3	67
21	Percentage	91.04	4.478	4.478	
22	Frequency	345	80	418	843
22	Percentage	40.93	9.490	49.58	
23	Frequency	828	290	745	1,863
23	Percentage	44.44	15.57	39.99	
24	Frequency	324	34	78	436
24	Percentage	74.31	7.798	17.89	
25	Frequency	68	16	53	137
25	Percentage	49.64	11.68	38.69	
26	Frequency	20	9	36	65
26	Percentage	30.77	13.85	55.38	
27	Frequency	96	38	410	544
27	Percentage	17.65	6.985	75.37	

### A1.3. Descriptive statistics

Table A1.3.1: Variable descriptions and summary statistics

Variable name	Description	Values	N	mean	sd	min	max
<i>Dependent variable</i>							
Hourly low pay dummy	Hourly pay is calculated as following: hourly_pay=ijob1/(pgtzeit*52). Being ijob1 the annual salary from main job, pgtzeit the weekly working hours and 52 the average number of weeks in a year.  If hourly pay is lower than 8.5€, which is 67% of the median hourly wage, it can be categorized as low pay	1= respondent is on a low-pay contract  0= respondent is not on a low-pay contract	12,871	0.24326	0.4290675	0	1
<i>Individual level independent variables</i>							
Union member	Union membership	1= union member  0= not in the union	12,500	0.129	0.335	0	1
Covered by firm agreement	Being covered by company agreements in each sector	1= being covered  0= not covered	11,468	.1097837	.3126336	0	1
Covered by sector agreement	Being covered by sectoral agreements in each sector	1= being covered  0= not covered	11,468	0.364	0.481	0	1
Covered by sector or firm agreement	Being covered by sectoral or company agreements in each sector	1= being covered  0= not covered	11,468	.4742762	.4993596	0	1

<b><i>Sectoral level independent variables</i></b>							
Sectoral bargaining coverage	Individual coverage by the sectoral agreement	1= covered by sectoral agreement  0= not covered by sectoral agreement	12,871	0.361	0.128	0.0448	0.754
Sectoral union density	% employees who are union members in each sector		12,871	0.129	0.0723	0.0125	0.368
<b><i>Individual level controls</i></b>							
Age category	Age of respondent by group	1=15-24 2=25-34 3=35-44 4=45-54 5=55-64	12,812	3.332	1.117	1	5
Occupation		1=Managers  2=Professionals  3=Technicians and Associate Professionals  4=Clerical Support workers  5=Services and Sales Workers					

		6=Skilled Agricultural, Forestry and Fishery Workers 7=Craft and Related Trades Workers 8=Plant and Machine Operators and Assemblers 9=Elementary Occupations					
Female dummy	Gender	1=female 0=male	12,871	0.521	0.500	0	1
Firm size	Firm size (number of employees)	1 = below 100 employees 2 = between 100 and 200 employees 3= above 200 employees	12,727	2.025	0.952	1	3
Job change dummy	How easy it is to find a new position at the same conditions	1= difficult/almost impossible 0 = easy	12,724	0.651	0.477	0	1
Job tenure	Tenure within the firm (years)		12,807	9.42	9.63	0	49.3
Nationality category	Nationality	1 =German 2 =old EU member	12,871	1.367	0.887	1	4

		States 3 =new EU member States 4 =others					
Sector	Sectoral dummies	1 Agriculture, Forestry and Fisheries 2 Energy and Water 3 Mining 4 Chemicals 5 Synthetics 6 Earth, Clay and Stone 7 Iron and Steel 8 Mechanics 9 Electronics 10 Wood, Paper and Print 11 Textile 12 Food 13 Construction 14Construction-related services 15 Wholesale	12,871	16.70531	6.406917	1	27

		16 Transportation 17 Finance 18 Insurance 19 Restaurants 20 Services 21 Trash Removal 22 Education and Sport 23 Health 24 Other services 25 Charities and Church 26 Private Household 27 Public Administration					
Education category	ISCED qualification	1= primary education 2= secondary education (including VET) 3= tertiary education	12,618	2.286	0.487	1	3
Part time work	Part time work	1=part time worker 0=not part time worker	12,871	.2504856	.4333095	0	1
<b><i>Sectoral level controls</i></b>							



Sectoral average female	% of female employees in each sector		12,871	0.521	0.223	0.1567	0.8293
Sectoral average job change	% of respondents who find it difficult to find a new position at the same conditions in each sector		12,871	.6507468	.0887763	.5253658	.95
Sectoral average hourly pay	Average pay in each sector		12,871	14.70457	3.754216	7.411175	25.33596
Sectoral average education	Average education in each sector		12,871	1.76071	.3226848	1.254438	2.432934
<b><i>Geographic level control</i></b>							
Eastern Germany dummy	Eastern Federal State of residence	1= Federal States which used to belong to the German Democratic Republic  0= Federal States which used to belong to the Federal Republic of Germany	12,871	0.2077	0.4057	0	1
States	Federal State of residence	1=Schleswig-Holstein  2=Hamburg  3=Lower Saxony  4=Bremen  5=North-Rhine-Westfalia	12,871	7.758838	3.746176	1	16

		6=Hessen 7=Rheinland-Pfalz 8=Baden-Wuerttemberg 9=Bavaria 10=Saarland 11=Berlin 12=Brandenburg 13=Mecklenburg- Vorpommern 14=Saxony 15=Saxony-Anhalt 16=Thuringia					
--	--	--	--	--	--	--	--

Table A1.3.2: Correlation table (correlation above 0.4 in bold)

	<b>Education</b>	<b>Job tenure</b>	<b>Female dummy</b>	<b>Job change</b>	<b>Age</b>	<b>Firm size</b>
<b>Education</b>	1					
<b>Job tenure</b>	-0.00073869	1				
<b>Female dummy</b>	-0.05661372	-0.0797486	1			
<b>Job change</b>	-0.05038926	0.22260745	-0.02364915	1		
<b>Age</b>	0.0454432	0.47990817	0.01057659	0.26517914	1	
<b>Firm size</b>	0.12534484	0.20597231	-0.09241009	0.06893411	0.045714	1
<b>Nationality</b>	-0.04891288	-0.21034389	-0.05177594	-0.06951351	-0.16936446	-0.05886641
<b>Job change (sector)</b>	0.03793465	0.20552938	-0.23759931	0.18613349	0.08005454	0.18305587
<b>Female dummy (sector)</b>	0.02092316	-0.09383147	0.44676825	-0.099133	-0.00770024	-0.05162505
<b>Covered by sectoral agreement</b>	-0.00388716	0.15775111	0.01896485	0.0524314	0.05767203	0.25521554
<b>Sectoral bargaining coverage</b>	0.13066653	0.19445494	0.02636296	0.0849539	0.10132848	0.23712922
<b>Union membership</b>	-0.01670525	0.25143143	-0.10376608	0.10461807	0.1314024	0.20471882
<b>Union density</b>	0.06339256	0.17494566	-0.26471272	0.11395121	0.06851006	0.25168727

	<b>Nationality</b>	<b>Job change (sector)</b>	<b>Female dummy (sector)</b>	<b>Covered by sectoral agreement</b>	<b>Sectoral bargaining coverage</b>	<b>Union membership</b>
<b>Nationality</b>	1					
<b>Job change (sector)</b>	-0.08485476	1				
<b>Female dummy (sector)</b>	-0.01951096	-0.53181778	1			
<b>Covered by sectoral agreement</b>	-0.03082797	0.12460544	0.01798222	1		
<b>Sectoral bargaining coverage</b>	-0.14718177	0.45740198	0.05900817	0.26867883	1	
<b>Union membership</b>	-0.08977075	0.13270764	-0.12836388	0.16915536	0.11069348	1
<b>Union density</b>	-0.07495383	0.61205329	-0.59250564	0.13424307	0.50895741	0.21657626

Table A1.3.3: Collinearity Diagnostic

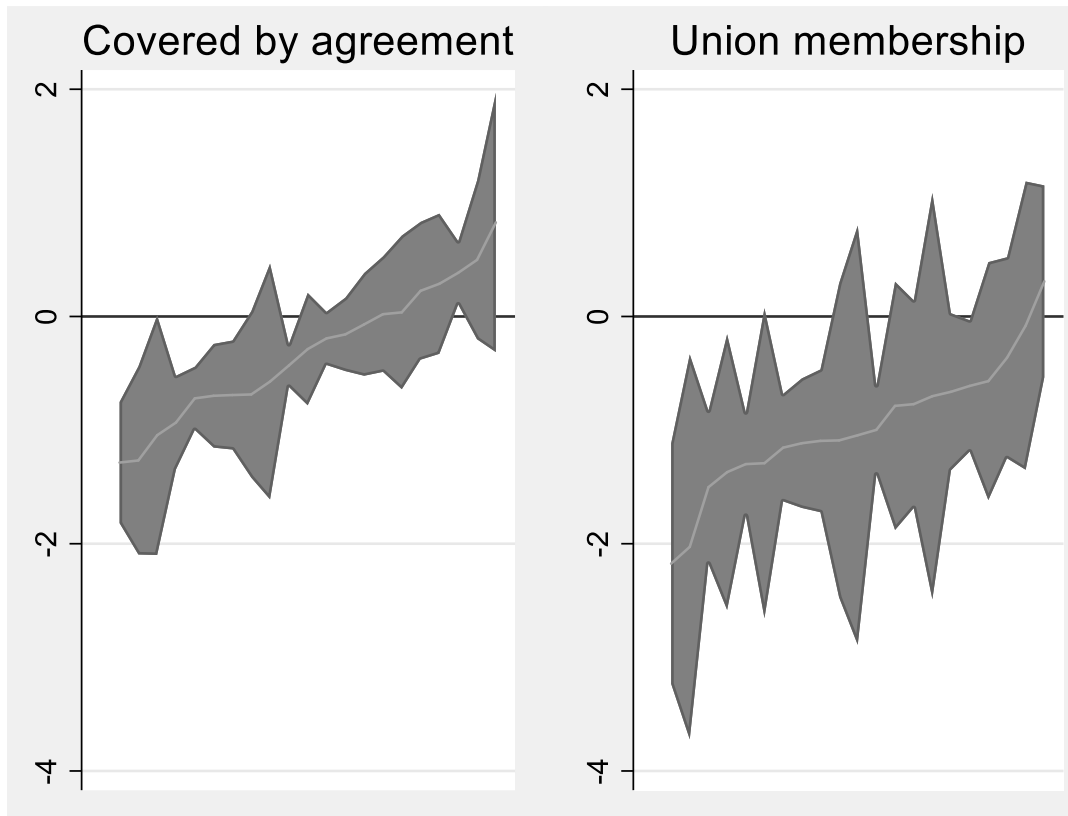
Variable	VIF	SQRT VIF	Tolerance	R-Squared
Individual covered by sectoral agreement	1.15	1.07	0.8663	0.1337
Sectoral agreement bargaining coverage	2.4	1.55	0.417	0.583
Union member	1.15	1.07	0.8689	0.1311
Sectoral union density	2.96	1.72	0.3382	0.6618
Education dummy 1	16.54	4.07	0.0605	0.9395
Education dummy 2	16.61	4.08	0.0602	0.9398
Job tenure	1.51	1.23	0.6633	0.3367
Female dummy	1.28	1.13	0.7819	0.2181
Job change	1.13	1.06	0.8851	0.1149
Age category dummy 1	4.8	2.19	0.2083	0.7917
Age category dummy 1	6.3	2.51	0.1587	0.8413
Age category dummy 3	6.72	2.59	0.1489	0.8511
Age category dummy 4	4.85	2.2	0.206	0.794
Firm size dummy 1	1.13	1.06	0.8855	0.1145
Firm size dummy 2	1.35	1.16	0.7415	0.2585
National category dummy 1	1.02	1.01	0.9765	0.0235
National category dummy 2	1.05	1.03	0.9481	0.0519
National category dummy 3	1.07	1.03	0.9381	0.0619
Sectoral average job change	2.2	1.48	0.4545	0.5455
Sectoral average female	2.97	1.72	0.3365	0.6635
<b>Mean VIF</b>	3.91			

*Note: "As a rule of thumb, a variable whose VIF values are greater than 10 may merit further investigation. Tolerance, defined as  $1/VIF$ , is used by many researchers to check on the degree of collinearity. A tolerance value lower than 0.1 is comparable to a VIF of 10". See*

<https://stats.idre.ucla.edu/stata/webbooks/reg/chapter2/stata-webbooksregressionwith-statachapter-2-regression-diagnostics/>

#### A1.4. Sector specific logistic regressions

Figure A1.4.1: Effect of being covered by agreement and union membership on low pay probability in series of sector specific logistic regressions



## A2. Regression results – direct effects

### A2.1. Figures showing results from multilevel logistic regressions

Figure A2.1.1: Multilevel logistic regression

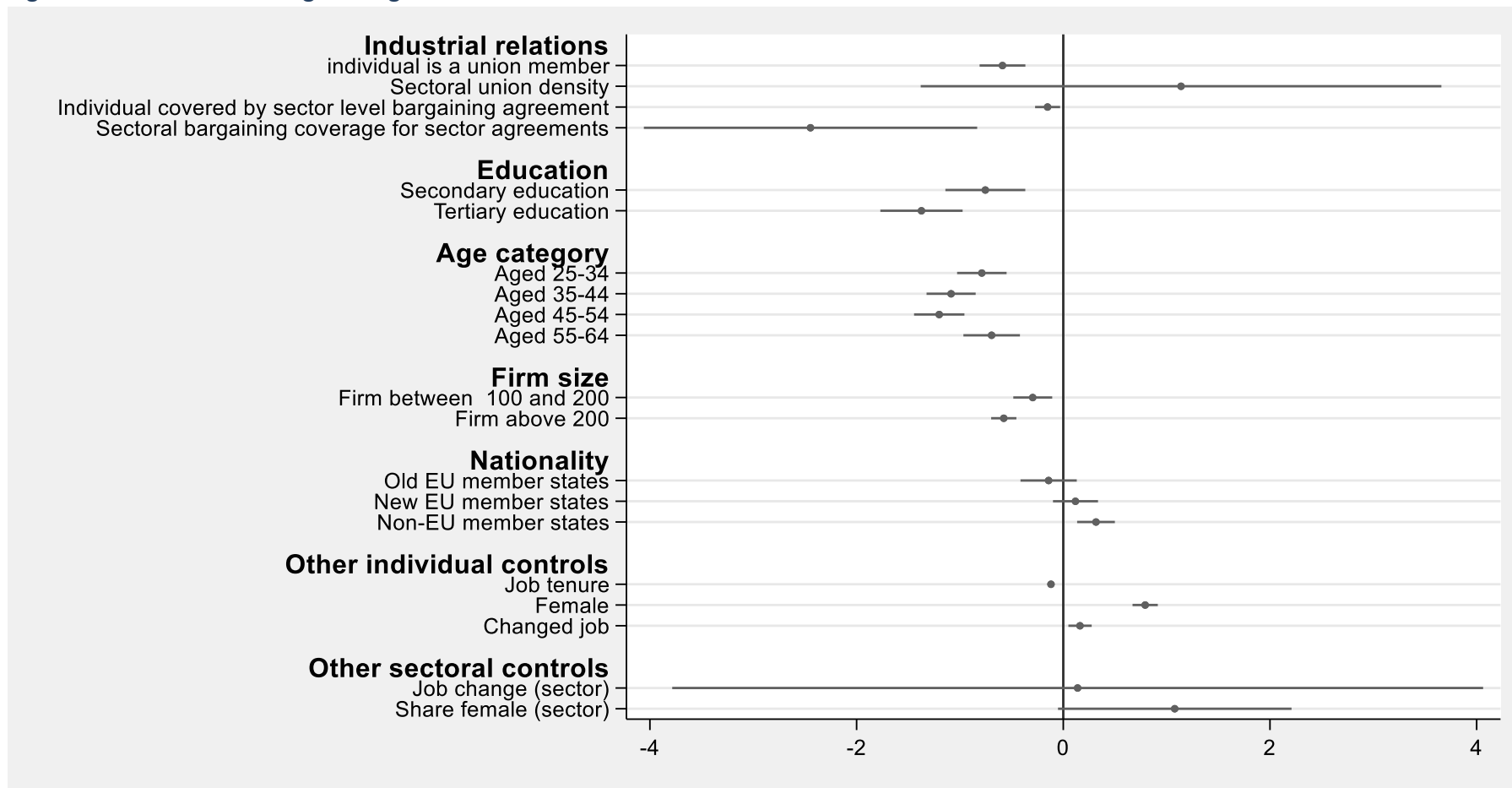
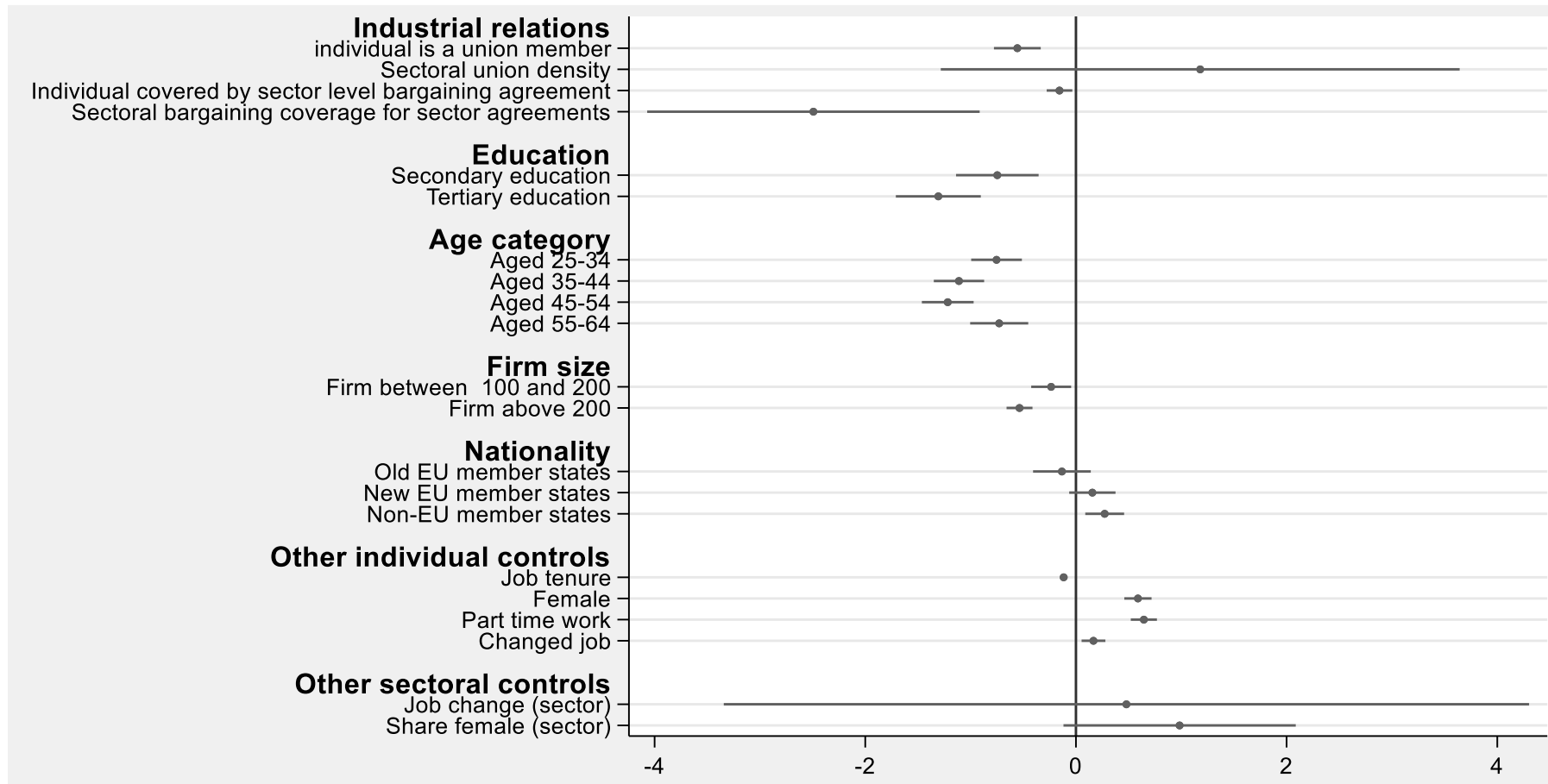


Figure A2.1.2: Multilevel logistic regressions with part time work control



## A2.2. Alternatives to multilevel logistic regressions

Figure A2.2.1: Comparing normal standard errors with and without robust clustered SE in multilevel mixed-effects models

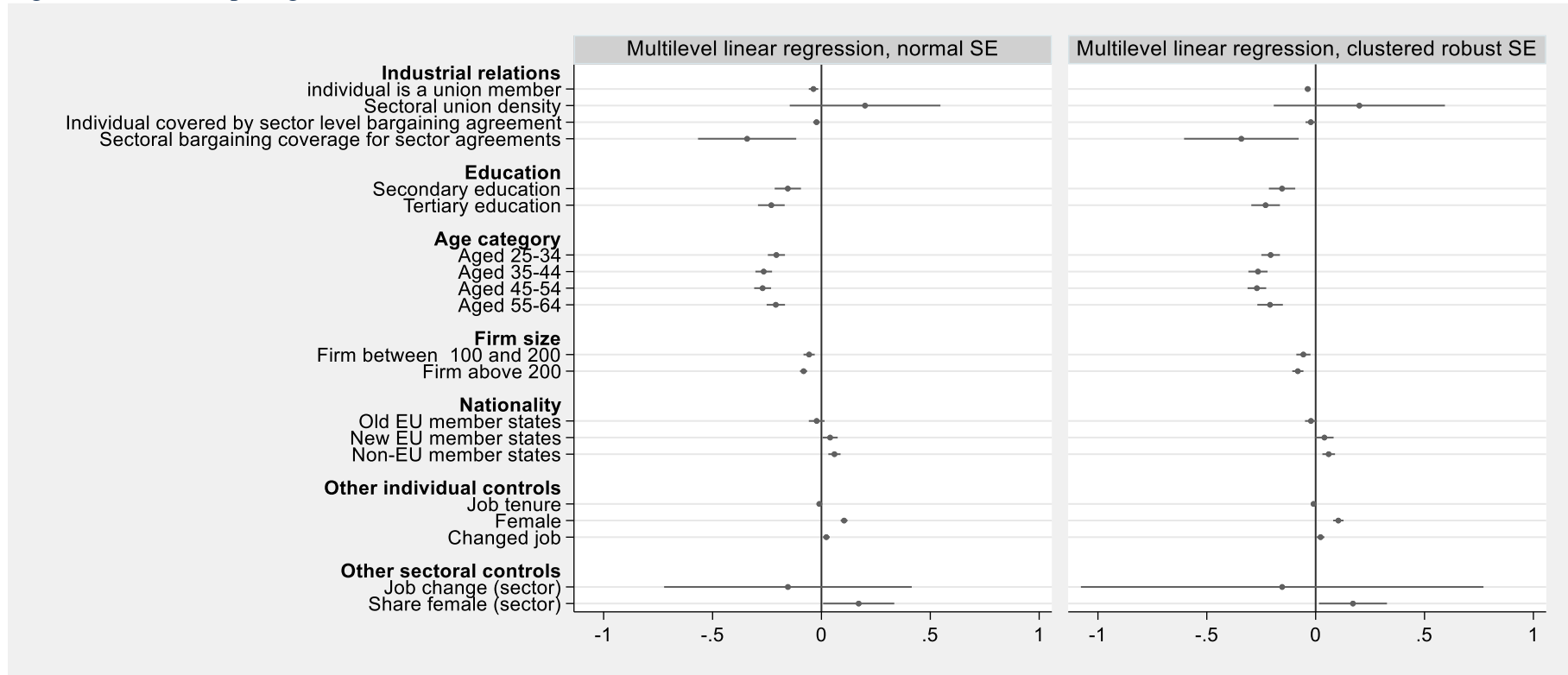
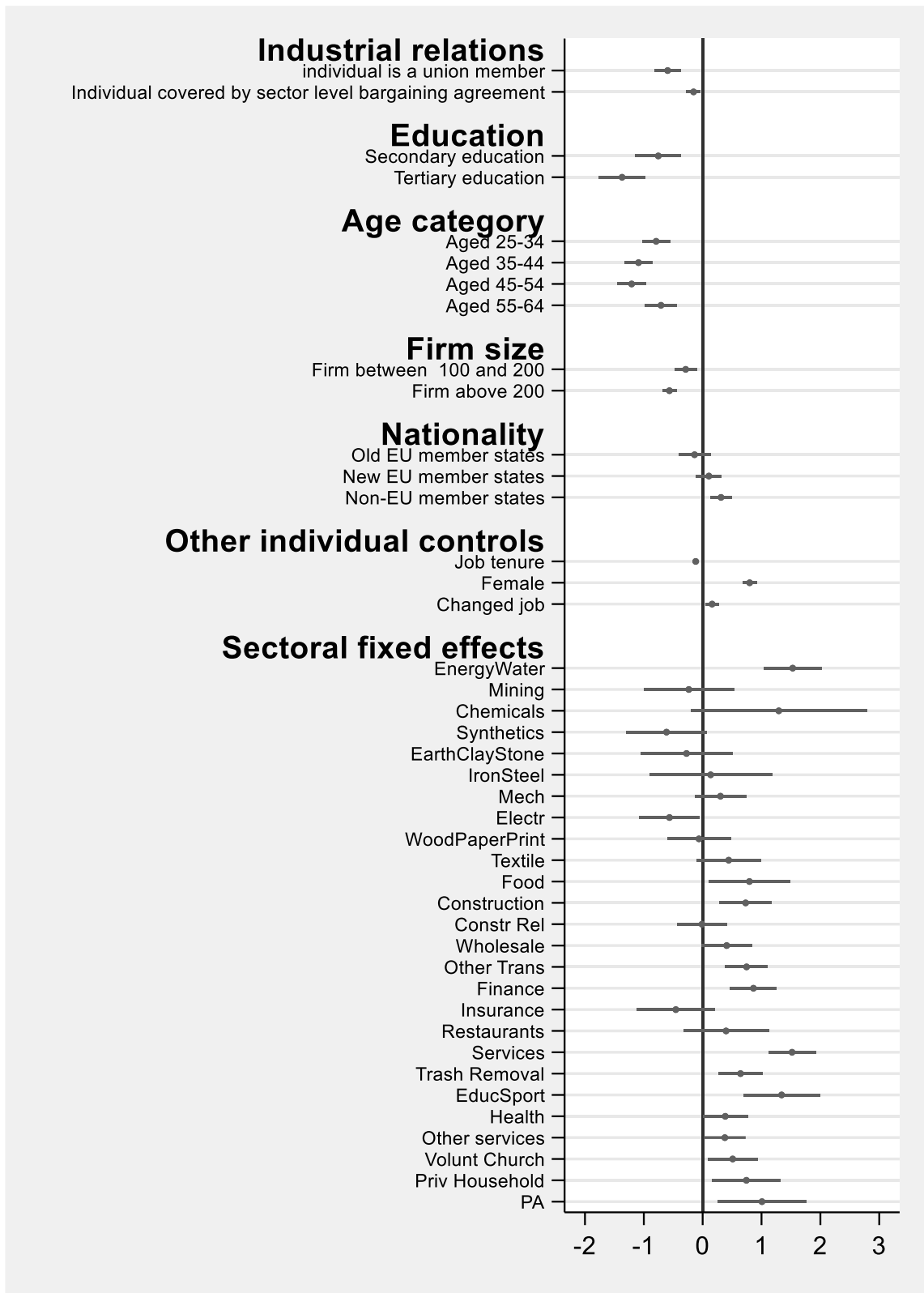




Figure A2.2.2: Logistic regression with sector fixed effects



### A2.3. Controlling for East Germany as dummy and for States

Table A2.3.1: Tabulation of States

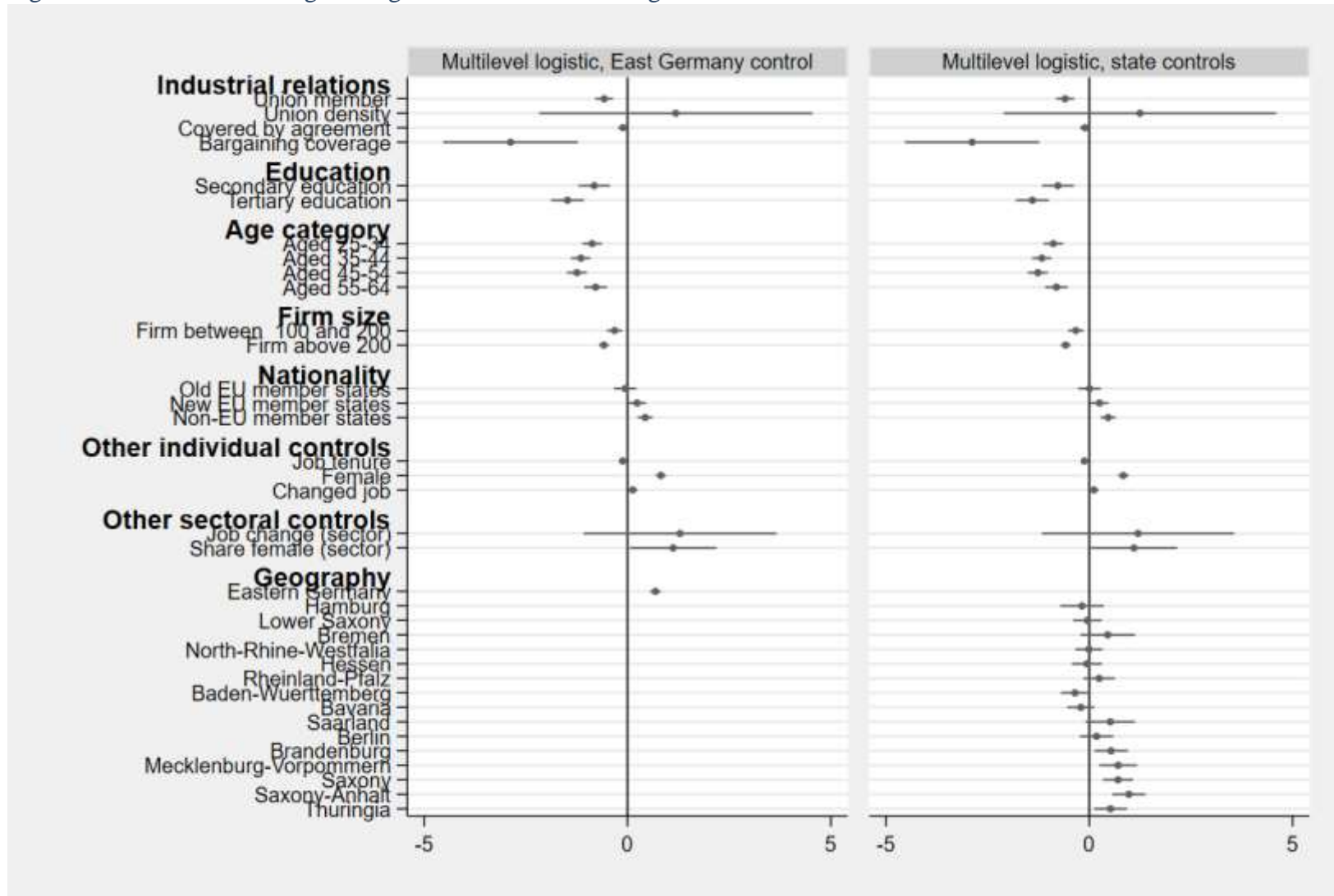
State of Residence		Freq.	Percent	Cum.
[1] Schleswig-Holstein	1	395	3.07	3.07
[2] Hamburg	2	213	1.65	4.72
[3] Lower Saxony	3	1,212	9.42	14.14
[4] Bremen	4	82	0.64	14.78
[5] North-Rhine-Westfalia	5	2,564	19.92	34.70
[6] Hessen	6	967	7.51	42.21
[7] Rheinland-Pfalz	7	640	4.97	47.18
[8] Baden-Wuerttemberg	8	1,699	13.20	60.38
[9] Bavaria	9	2,308	17.93	78.32
[10] Saarland	10	117	0.91	79.22
[11] Berlin	11	426	3.31	82.53
[12] Brandenburg	12	413	3.21	85.74
[13] Mecklenburg-Vorpommern	13	236	1.83	87.58
[14] Saxony	14	728	5.66	93.23
[15] Saxony-Anhalt	15	395	3.07	96.30
[16] Thuringia	16	476	3.70	100.00
Total		12,871	100.00	

Table A2.3.2: Tabulation of Eastern Germany

. tab East\_dummy

East_dummy	Freq.	Percent	Cum.
0	10,197	79.22	79.22
1	2,674	20.78	100.00
Total	12,871	100.00	

Figure A2.3.1: Multilevel logistic regression when controlling for States



## A2.4. Controlling for productivity

Figure A2.4.1: Histogram average hourly pay

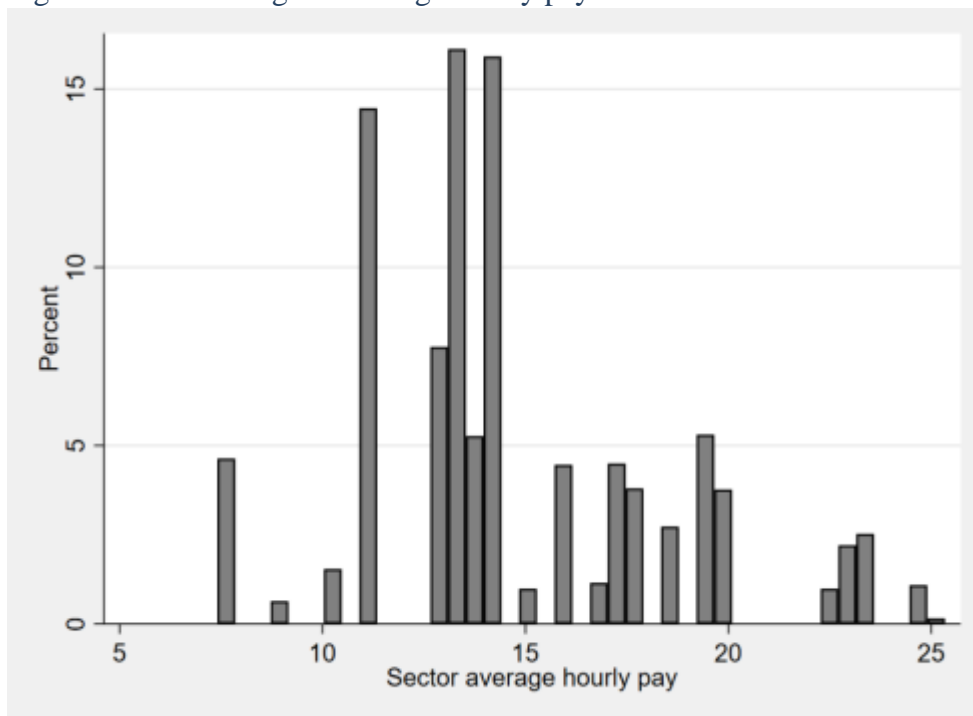


Table A2.4.1: Tabulation of education

```
. tab pgisced11
```

ISCED-2011-Klassifikation	Freq.	Percent	Cum.
[-1] keine Angabe	209	1.62	1.62
[0] in school	44	0.34	1.97
[1] Primary education	206	1.60	3.57
[2] Lower secondary education	1,118	8.69	12.25
[3] Upper secondary education	6,068	47.14	59.40
[4] Post-secondary non-tertiary education	1,415	10.99	70.39
[5] Short-cycle tertiary education	217	1.69	72.08
[6] Bachelors or equivalent level	2,595	20.16	92.24
[7] Masters or equivalent level	843	6.55	98.79
[8] Doctoral or equivalent level	156	1.21	100.00
Total	12,871	100.00	

Figure A2.4.2: Histogram sectoral average education

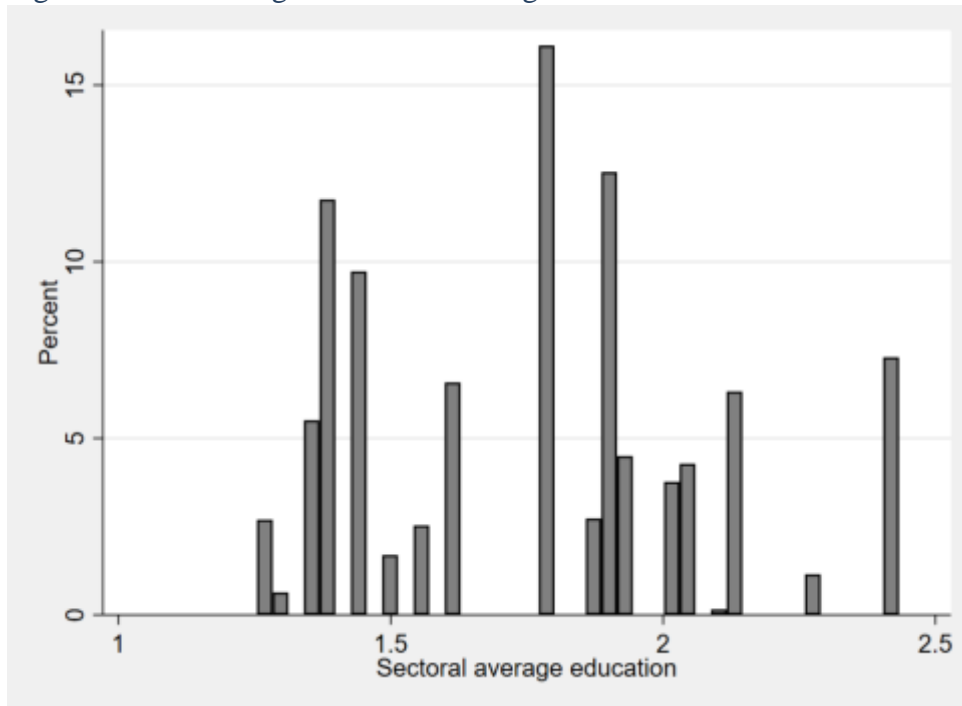


Figure A2.4.2: Scatterplot of average hourly pay and education

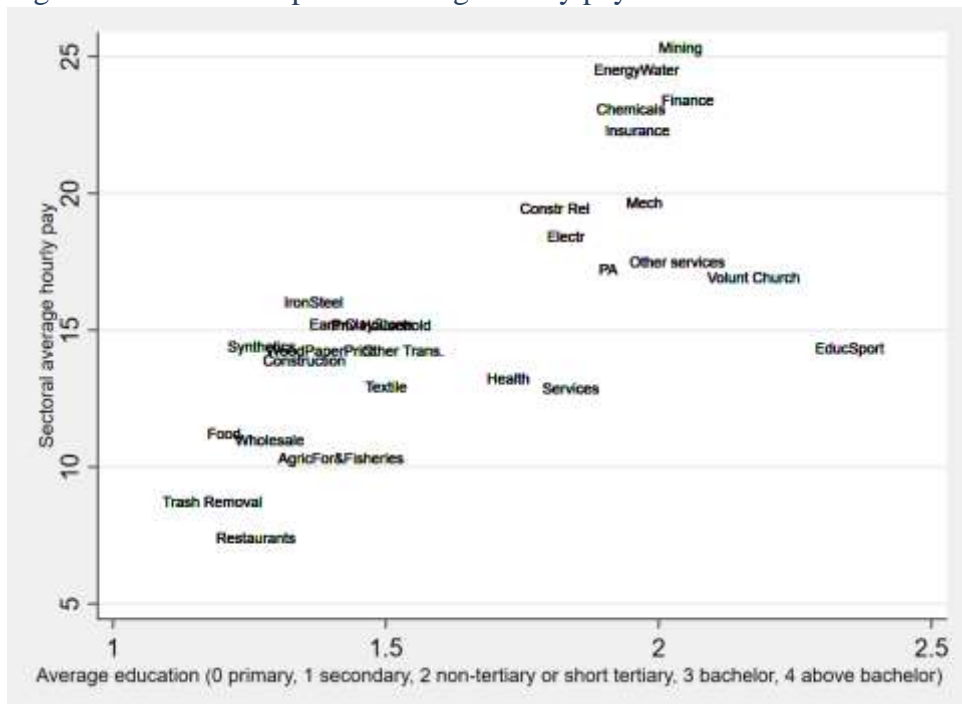
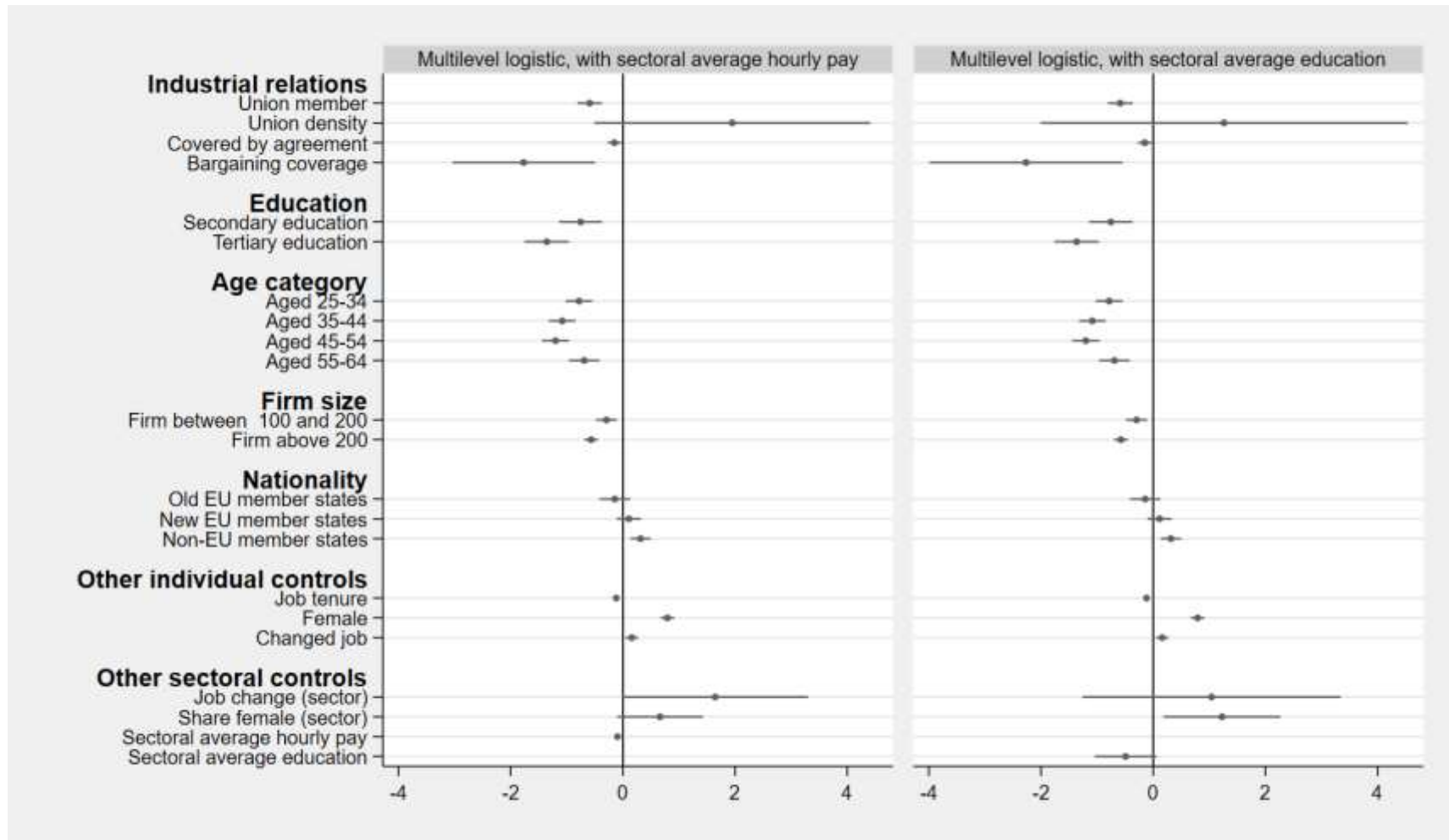


Table A2.4.2: Correlation sectoral average hourly wage and sectoral education

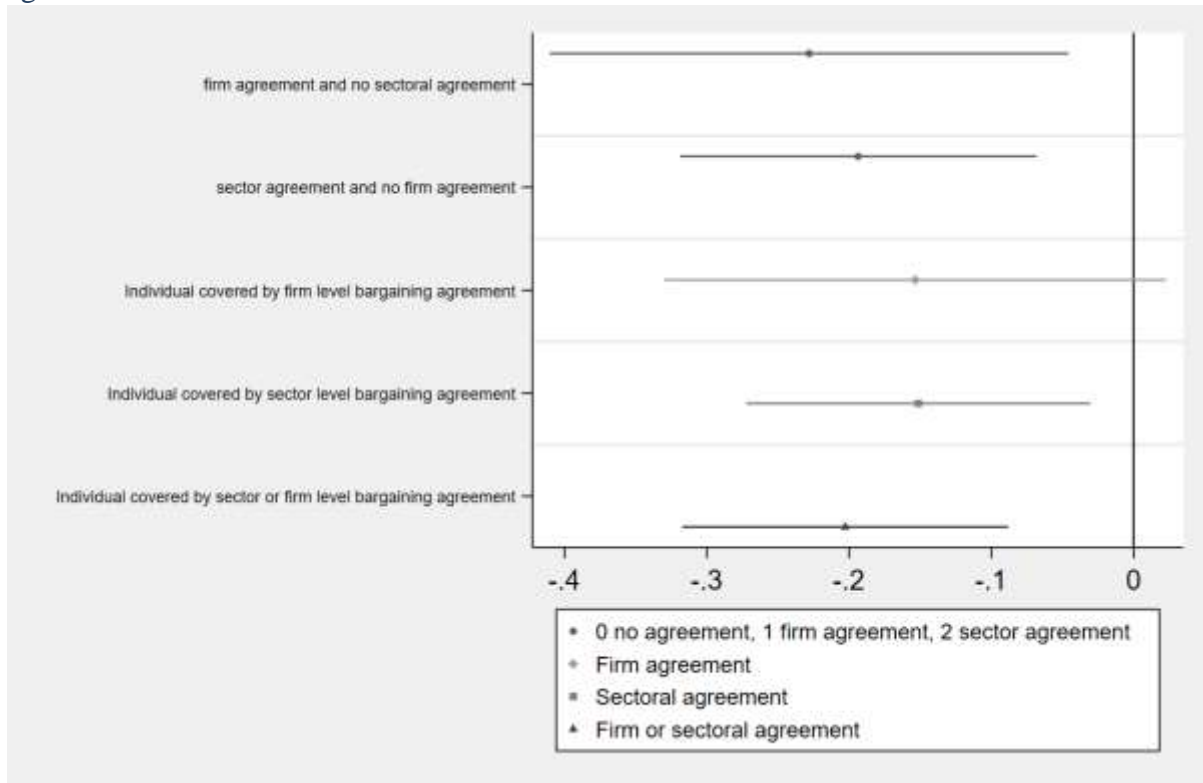
	hourly~my	av_ho~ay
hourlylowp~y	1.0000	
av_hourly~y	-0.2574	1.0000
	0.0000	

Figure A2.4.3: Multilevel logistic regression controlling for sectoral average hourly pay and sectoral average education



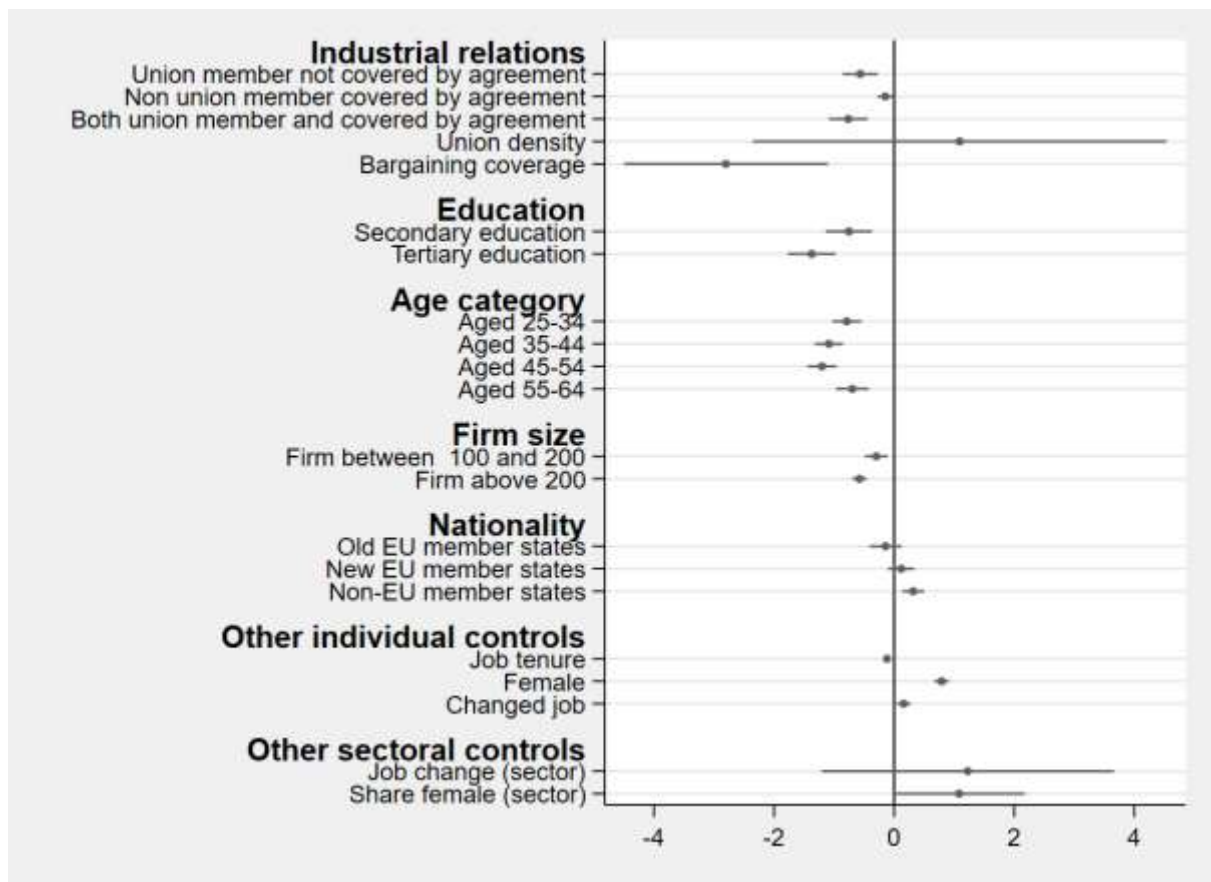
## A2.5. Different operationalisation of bargaining coverage and union membership

Figure A2.5.1: Multilevel logistic regression controlling for different measures of bargaining agreement



*Note: the graph shows the effect of different measures of bargaining agreement using multilevel random intercept logistic regressions of hourly low pay dummy controlling for the same variables as in baseline model. The first two rows plot the effect of having a firm agreement versus a sector agreement where a categorical variable is included which is coded 0 no agreement, 1 just firm agreement and 2 just sector agreement. The third row shows the effect of being covered by a firm level agreement, the fourth row by a sectoral level agreement and the fifth row by either a firm or a sectoral agreement.*

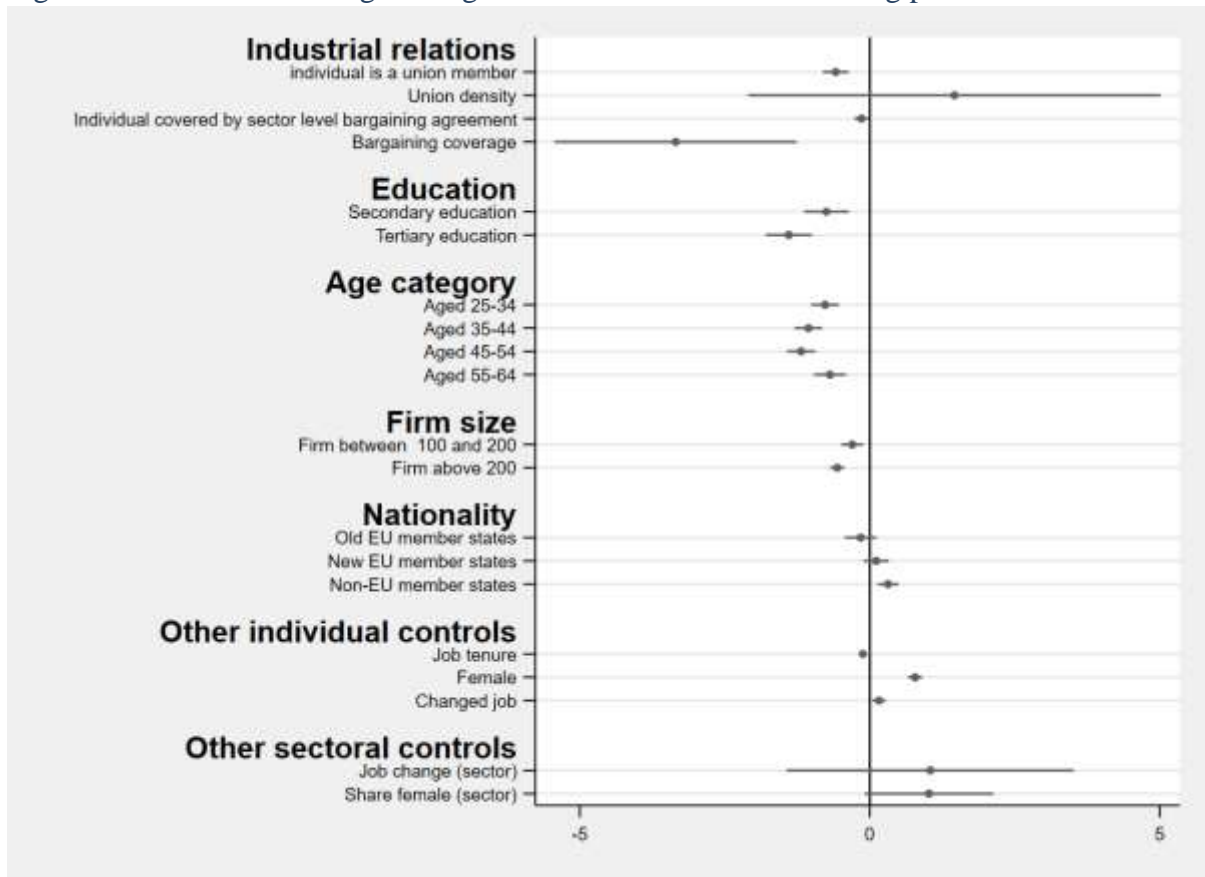
Figure A2.5.2: Multilevel logistic regression changing two variables “individual union membership and individual wage bargaining coverage” into three variables





## A2.6. Excluding public sector workers

Figure A2.6.1 Multilevel logistic regression - Results when excluding public sector



## A2.7. Controlling for occupations

Figure A2.7.1. Histogram

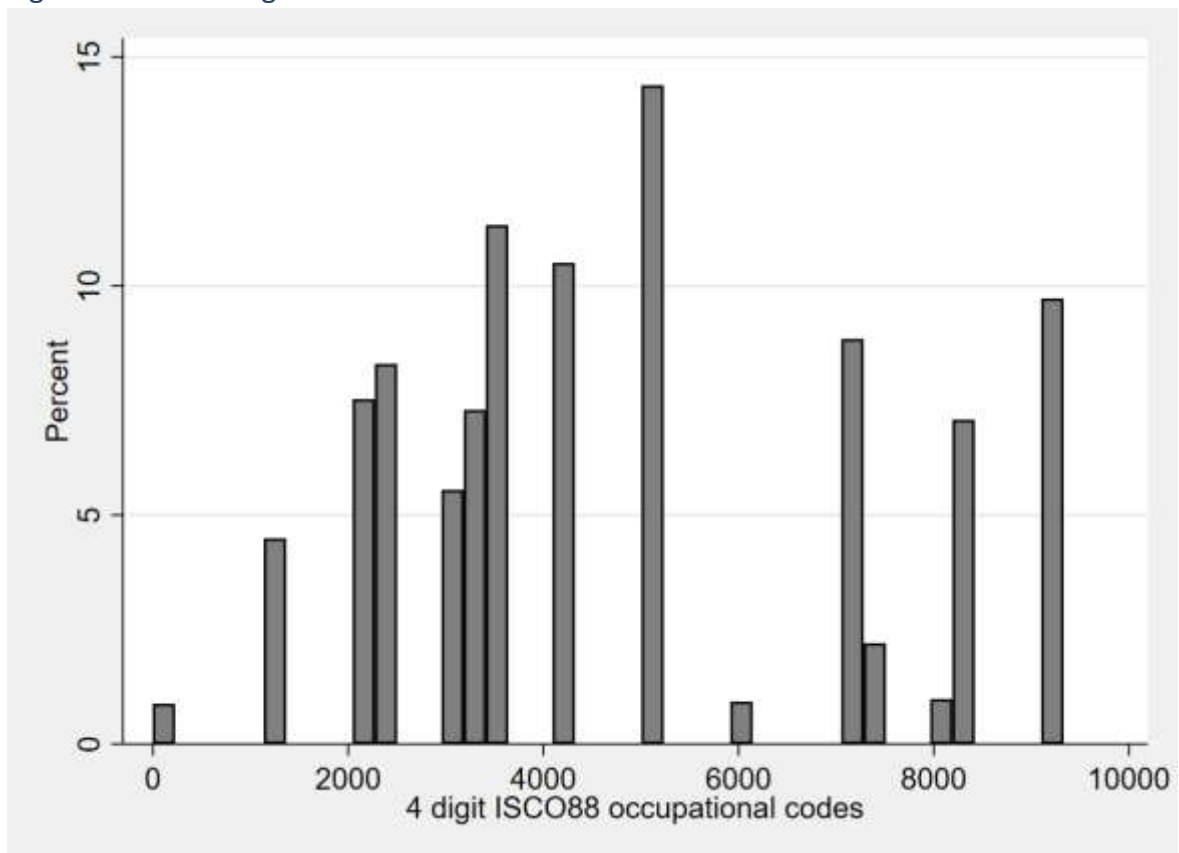
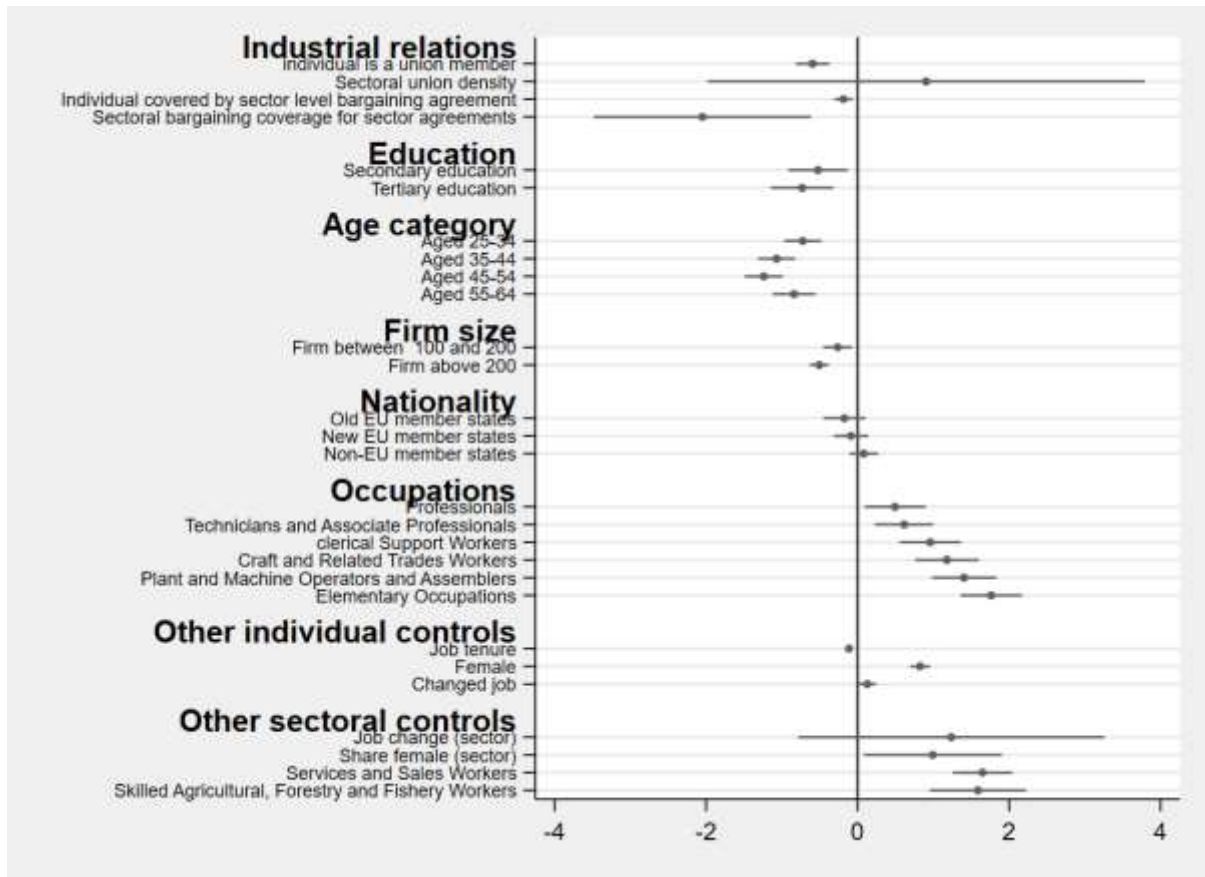


Figure A2.7.2. Results from multilevel logistic regression



## A2.8. Results from multilevel logistic regressions in table format

Table A2.8.1. Reporting results from section A2 in table format

<i>Model</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
Dependent variable	Hourly low pay dummy	Hourly low pay dummy	Hourly low pay dummy	Hourly low pay dummy
Estimation method	Multilevel logistic regression, random intercept	Mixed effects regression, random intercept	Mixed effects regression, random intercept, robust standard errors clustered by sector	OLS regression, with sector fixed effects
<i>INDUSTRIAL RELATIONS - INDIVIDUAL LEVEL</i>				
Union membership	-0.588*** (0.113)	-0.0363*** (0.0110)	-0.0363*** (0.00658)	-0.0369*** (0.00658)
Covered by a sectoral agreement	-0.151** (0.0617)	-0.0222*** (0.00790)	-0.0222* (0.0125)	-0.0225* (0.0125)
<i>INDUSTRIAL RELATIONS - SECTORAL LEVEL</i>				
Sectoral level bargaining coverage of sectoral agreements	-2.800*** (0.866)	-0.420*** (0.120)	-0.420*** (0.0813)	
Sectoral union density	1.091 (1.757)	0.124 (0.241)	0.124 (0.258)	
<i>OTHER INDIVIDUAL LEVEL CONTROLS</i>				
<b>Education</b> (ref: below secondary)				
Secondary education	-0.754*** (0.197)	-0.154*** (0.0308)	-0.154*** (0.0308)	-0.154*** (0.0309)
Tertiary education	-1.372*** (0.203)	-0.230*** (0.0313)	-0.230*** (0.0335)	-0.229*** (0.0336)
<b>Age</b> (ref: under 25 years)				
Aged 25-34	-0.787*** (0.122)	-0.207*** (0.0200)	-0.207*** (0.0217)	-0.206*** (0.0219)
Aged 35-44	-1.086*** (0.121)	-0.265*** (0.0195)	-0.265*** (0.0224)	-0.264*** (0.0227)
Aged 45-54	-1.201*** (0.124)	-0.270*** (0.0198)	-0.270*** (0.0218)	-0.269*** (0.0220)
Aged 55-64	-0.694*** (0.140)	-0.209*** (0.0215)	-0.209*** (0.0298)	-0.210*** (0.0300)

<b>Firm size</b> (ref: under 100)				
Firm between 100 and 200	-0.295*** (0.0960)	-0.0564*** (0.0131)	-0.0564*** (0.0165)	-0.0551*** (0.0163)
Firm above 200	-0.577*** (0.0622)	-0.0820*** (0.00840)	-0.0820*** (0.0131)	-0.0802*** (0.0131)
<b>Nationality</b> (ref: German)				
Old EU member states	-0.142 (0.139)	-0.0215 (0.0185)	-0.0215 (0.0138)	-0.0211 (0.0141)
New EU member states	0.118 (0.111)	0.0402** (0.0176)	0.0402* (0.0213)	0.0379* (0.0217)
Non-EU member states	0.318*** (0.0930)	0.0600*** (0.0143)	0.0600*** (0.0149)	0.0590*** (0.0144)
Job tenure	-0.119*** (0.00532)	-0.00958*** (0.000452)	-0.00958*** (0.000928)	-0.00955*** (0.000933)
Female dummy variable	0.792*** (0.0624)	0.104*** (0.00803)	0.104*** (0.0121)	0.104*** (0.0121)
Job change	0.161*** (0.0574)	0.0223*** (0.00792)	0.0223** (0.00892)	0.0222** (0.00894)
<b>SECTOR LEVEL CONTROLS</b>				
Job change (sectoral average)	1.227 (1.241)	0.167 (0.176)	0.167 (0.179)	
Female (sectoral average)	1.082* (0.557)	0.177** (0.0796)	0.177** (0.0712)	
State Fixed Effects	No	No	No	No
Sector Fixed Effects	No	No	No	Yes
Constant	0.582 (0.872)	0.651*** (0.124)	0.651*** (0.105)	0.878*** (0.0394)
Var(constant)	0.1540586	0.0033663	0.0033663	
ICC	0.0447334	0.0243179	0.0243179	
Observations	10,741	10,741	10,741	10,741
Number of groups	27	27	27	27

Note: Standard errors in parentheses \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

<i>Model</i>	5	6	7
Dependent variable	Hourly low pay dummy (with bonus)	Hourly low pay dummy (with bonus)	Hourly low pay dummy
Estimation method	Multilevel logistic regression	Multilevel logistic regression, robust standard errors clustered by sector	Multilevel logistic regression, controlling for part time work
<i>INDUSTRIAL RELATIONS - INDIVIDUAL LEVEL</i>			
Union membership	-0.601*** (0.115)	-0.601*** (0.0829)	-0.556*** (0.113)
Covered by a sectoral agreement	-0.162*** (0.0624)	-0.162* (0.0978)	-0.156** (0.0620)
<i>INDUSTRIAL RELATIONS - SECTORAL LEVEL</i>			
Sectoral level bargaining coverage of sectoral agreements	-2.688*** (0.868)	-2.688*** (0.522)	-2.733*** (0.853)
Sectoral union density	1.078 (1.760)	1.078 (2.173)	1.094 (1.727)
<i>OTHER INDIVIDUAL LEVEL CONTROLS</i>			
<b>Education</b> (ref: below secondary)			
Secondary education	-0.754*** (0.197)	-0.754*** (0.207)	-0.746*** (0.200)
Tertiary education	-1.354*** (0.203)	-1.354*** (0.182)	-1.306*** (0.206)
<b>Age</b> (ref: under 25 years)			
Aged 25-34	-0.826*** (0.122)	-0.826*** (0.0934)	-0.753*** (0.123)
Aged 35-44	-1.104*** (0.121)	-1.104*** (0.100)	-1.110*** (0.122)
Aged 45-54	-1.243*** (0.125)	-1.243*** (0.0976)	-1.217*** (0.125)
Aged 55-64	-0.712*** (0.140)	-0.712*** (0.185)	-0.729*** (0.141)
<b>Firm size</b> (ref: under 100)			
Firm between 100 and 200	-0.298*** (0.0968)	-0.298*** (0.108)	-0.235** (0.0968)
Firm above 200	-0.603*** (0.0629)	-0.603*** (0.0893)	-0.536*** (0.0628)
<b>Nationality</b> (ref: German)			
Old EU member states	-0.132 (0.140)	-0.132 (0.102)	-0.133 (0.140)
New EU member states	0.155 (0.111)	0.155 (0.125)	0.156 (0.112)
Non-EU member states	0.333*** (0.0933)	0.333*** (0.0685)	0.274*** (0.0941)
Job tenure	-0.122*** (0.00547)	-0.122*** (0.00655)	-0.116*** (0.00534)
Female dummy variable	0.760*** (0.0629)	0.760*** (0.0938)	0.589*** (0.0661)
Job change	0.163*** (0.0578)	0.163*** (0.0575)	0.165*** (0.0578)
Part-time worker			0.644*** (0.0634)
<i>SECTOR LEVEL CONTROLS</i>			

Job change (sectoral average)	1.052 (1.243)	1.052 (1.103)	1.252 (1.219)
Female (sectoral average)	1.022* (0.557)	1.022** (0.496)	0.924* (0.548)
State Fixed Effects	No	No	No
Sector Fixed Effects	No	No	No
Constant	0.707 (0.873)	0.707 (0.673)	0.497 (0.858)
Var(constant)	0.1526551	0.1526551	0.1441225
ICC	0.044344	0.044344	0.0419694
Observations	10,741	10,741	10,741
Number of groups	27	27	27

*Note: Standard errors in parentheses \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .*

<i>Model</i>	8	9	10	11
Dependent variable	Hourly low pay dummy	Hourly low pay dummy	Hourly low pay dummy	Hourly low pay dummy
Estimation method	Multilevel logistic regression; Eastern Germany dummy	Multilevel logistic regression; state fixed effects	Multilevel logistic regression, control for hourly pay (sectoral average)	Multilevel logistic regression, control for education (sectoral average)
<b>INDUSTRIAL RELATIONS - INDIVIDUAL LEVEL</b>				
Union membership	-0.572*** (0.113)	-0.594*** (0.114)	-0.591*** (0.113)	-0.588*** (0.113)
Covered by a sectoral agreement	-0.111* (0.0622)	-0.106* (0.0625)	-0.152** (0.0616)	-0.151** (0.0617)
<b>INDUSTRIAL RELATIONS - SECTORAL LEVEL</b>				
Sectoral level bargaining coverage of sectoral agreements	-2.873*** (0.846)	-2.879*** (0.843)	-1.769*** (0.649)	-2.268*** (0.878)
Sectoral union density	1.188 (1.714)	1.245 (1.709)	1.952 (1.256)	1.263 (1.670)
<b>OTHER INDIVIDUAL LEVEL CONTROLS</b>				
<b>Education</b> (ref: below secondary)				
Secondary education	-0.817*** (0.199)	-0.770*** (0.200)	-0.755*** (0.197)	-0.755*** (0.197)
Tertiary education	-1.475*** (0.205)	-1.398*** (0.206)	-1.358*** (0.202)	-1.365*** (0.203)
<b>Age</b> (ref: under 25 years)				
Aged 25-34	-0.869*** (0.123)	-0.882*** (0.124)	-0.782*** (0.122)	-0.786*** (0.122)
Aged 35-44	-1.146*** (0.122)	-1.165*** (0.123)	-1.082*** (0.121)	-1.085*** (0.121)
Aged 45-54	-1.243*** (0.125)	-1.263*** (0.126)	-1.200*** (0.124)	-1.200*** (0.124)
Aged 55-64	-0.785*** (0.141)	-0.805*** (0.142)	-0.691*** (0.139)	-0.692*** (0.140)
<b>Firm size</b> (ref: under 100)				
Firm between 100 and 200	-0.319*** (0.0967)	-0.328*** (0.0972)	-0.293*** (0.0959)	-0.296*** (0.0960)
Firm above 200	-0.580*** (0.0627)	-0.580*** (0.0630)	-0.566*** (0.0621)	-0.576*** (0.0622)
<b>Nationality</b> (ref: German)				



Old EU member states	-0.0527 (0.140)	0.00790 (0.142)	-0.144 (0.139)	-0.144 (0.139)
New EU member states	0.235** (0.113)	0.249** (0.113)	0.107 (0.111)	0.114 (0.111)
Non-EU member states	0.435*** (0.0944)	0.463*** (0.0948)	0.315*** (0.0929)	0.315*** (0.0930)
Job tenure	-0.120*** (0.00535)	-0.121*** (0.00538)	-0.119*** (0.00532)	-0.119*** (0.00532)
Female dummy variable	0.821*** (0.0629)	0.837*** (0.0633)	0.794*** (0.0623)	0.793*** (0.0624)
Job change	0.131** (0.0579)	0.114* (0.0582)	0.159*** (0.0573)	0.160*** (0.0574)
<i>SECTOR LEVEL CONTROLS</i>				
Job change (sectoral average)	1.292 (1.209)	1.199 (1.206)	1.644* (0.847)	1.042 (1.175)
Female (sectoral average)	1.123** (0.543)	1.100** (0.541)	0.664* (0.391)	1.226** (0.533)
Hourly pay (sectoral average)			-0.0956*** (0.0190)	
Education (sectoral average)				-0.491* (0.282)
Eastern Germany dummy variable	0.688*** (0.0647)			
State Fixed Effects	No	Yes	No	No
Sector Fixed Effects	No	No	No	No
Constant	0.487 (0.851)	0.607 (0.863)	1.473** (0.644)	1.293 (0.922)
Var(constant)	0.1447447	0.142555	0.0613594	0.1535993
ICC	0.042143	0.0415319	0.0183095	0.044606
Observations	10,741	10,741	10,741	10,741
Number of groups	27	27	27	27

Note: Standard errors in parentheses \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

<i>Model</i>	<i>12</i>	<i>13</i>	<i>14</i>	<i>15</i>
Dependent variable	Hourly low pay dummy	Hourly low pay dummy	Hourly low pay dummy	Hourly low pay dummy
Estimation method	Multilevel logistic regression, distinguishing firm and sector bargaining coverage	Multilevel logistic regression, replacing sector with firm bargaining agreement	Multilevel logistic regression, firm and sector level agreement both coded as 1, no agreement 0	Multilevel logistic regression, distinguishing being just a member from being a member and covered, or just covered
<i>INDUSTRIAL RELATIONS - INDIVIDUAL LEVEL</i>				
Union membership	-0.576*** (0.113)	-0.604*** (0.113)	-0.575*** (0.113)	
Covered by a firm level agreement		-0.154* (0.0900)		
Covered by a firm and/or sectoral level agreement			-0.203*** (0.0585)	
<b>Sectoral and firm level bargaining agreement (ref: no agreement)</b>				
Firm agreement and no sectoral agreement	-0.228** (0.0930)			
Sector agreement and no firm agreement	-0.194***			
Just union member dichotomous variable				-0.565*** (0.151)
Just covered by a sectoral agreement dichotomous variable				-0.148** (0.0640)
Dichotomous variable for both union member and covered by sectoral agreement				-0.763*** (0.164)
<i>INDUSTRIAL RELATIONS - SECTORAL LEVEL</i>				
Sectoral level bargaining coverage of sectoral agreements	-2.782*** (0.872)	-2.935*** (0.864)	-2.772*** (0.871)	-2.801*** (0.866)
Sectoral union density	1.109 (1.768)	1.154 (1.754)	1.103 (1.767)	1.089 (1.757)
<i>OTHER INDIVIDUAL LEVEL CONTROLS</i>				
<b>Education (ref: below secondary)</b>				
Secondary education	-0.760*** (0.197)	-0.768*** (0.197)	-0.759*** (0.197)	-0.754*** (0.197)
Tertiary education	-1.386*** (0.203)	-1.385*** (0.203)	-1.384*** (0.203)	-1.372*** (0.203)
<b>Age (ref: under 25 years)</b>				

Aged 25-34	-0.786*** (0.122)	-0.790*** (0.122)	-0.786*** (0.122)	-0.788*** (0.122)
Aged 35-44	-1.085*** (0.121)	-1.090*** (0.121)	-1.085*** (0.121)	-1.086*** (0.121)
Aged 45-54	-1.197*** (0.125)	-1.199*** (0.124)	-1.198*** (0.125)	-1.201*** (0.124)
Aged 55-64	-0.694*** (0.140)	-0.698*** (0.140)	-0.694*** (0.140)	-0.695*** (0.140)
<b>Firm size</b> (ref: under 100)				
Firm between 100 and 200	-0.278*** (0.0963)	-0.302*** (0.0960)	-0.278*** (0.0963)	-0.296*** (0.0960)
Firm above 200	-0.554*** (0.0629)	-0.598*** (0.0612)	-0.554*** (0.0629)	-0.577*** (0.0622)
<b>Nationality</b> (ref: German)				
Old EU member states	-0.142 (0.139)	-0.147 (0.139)	-0.142 (0.139)	-0.142 (0.139)
New EU member states	0.129 (0.111)	0.109 (0.111)	0.129 (0.111)	0.118 (0.111)
Non-EU member states	0.324*** (0.0931)	0.316*** (0.0930)	0.323*** (0.0931)	0.317*** (0.0930)
Job tenure	-0.119*** (0.00533)	-0.120*** (0.00532)	-0.119*** (0.00532)	-0.119*** (0.00533)
Female dummy variable	0.791*** (0.0624)	0.788*** (0.0624)	0.791*** (0.0624)	0.792*** (0.0624)
Job change	0.162*** (0.0574)	0.164*** (0.0574)	0.162*** (0.0574)	0.161*** (0.0574)
<b>SECTOR LEVEL CONTROLS</b>				
Job change (sectoral average)	1.235 (1.249)	1.239 (1.240)	1.234 (1.249)	1.226 (1.241)
Female (sectoral average)	1.095* (0.561)	1.094** (0.557)	1.094* (0.561)	1.081* (0.557)
State Fixed Effects	No	No	No	No
Sector Fixed Effects	No	No	No	No
Constant	0.589 (0.877)	0.605 (0.871)	0.587 (0.877)	0.583 (0.872)
Var(constant)	0.1564538	0.1538324	0.1540586	0.1563389

ICC	0.0453973	0.0446707	0.0447334	0.0453655
Observations	10,741	10,741	10,741	10,741
Number of groups	27	27	27	27

*Note: Standard errors in parentheses \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .*

Table A2.8.2. Stepwise insertion of variables in multilevel logistic regressions

Model	1	2	3	4	5	6	7	8	9	10	11
Covered by sectoral agreement	-0.431***				-0.361***	-0.354***	-0.252***	-0.261***	-0.269***	-0.148**	-0.154**
Union member		-1.170***			-1.163***	-1.156***	-0.724***	-0.695***	-0.697***	-0.605***	-0.593***
Sectoral bargaining coverage			-4.195***			-3.114***	-2.462**	-2.830***	-2.832***	-2.440***	-2.373***
Sectoral union density				-5.720***		-2.171	-1.833	-0.653	-0.704	-0.343	-0.313
Job tenure							-0.132***	-0.132***	-0.133***	-0.129***	-0.127***
Female								0.788***	0.794***	0.746***	0.761***
Job change									0.111**	0.126**	0.124**
<i>Firm size (ref: under 100)</i>											
Firm size between 100 and 200										-0.307***	-0.310***
Firm size above 200										-0.597***	-0.597***
<i>Nationality (ref: German)</i>											
Old EU member state											-0.259*
New EU member state											0.0756
Non-EU country											0.343***
Occupation dummies	No	No	No	No	No	No	No	No	No	No	No
Constant	-1.372***	-1.274***	0.0863	-0.590**	-1.247***	0.180	0.774**	0.343	0.283	0.308	0.243
Observations	11,468	12,500	12,871	12,871	11,154	11,154	11,100	11,100	11,038	10,965	10,965
Number of groups	27	27	27	27	27	27	27	27	27	27	27

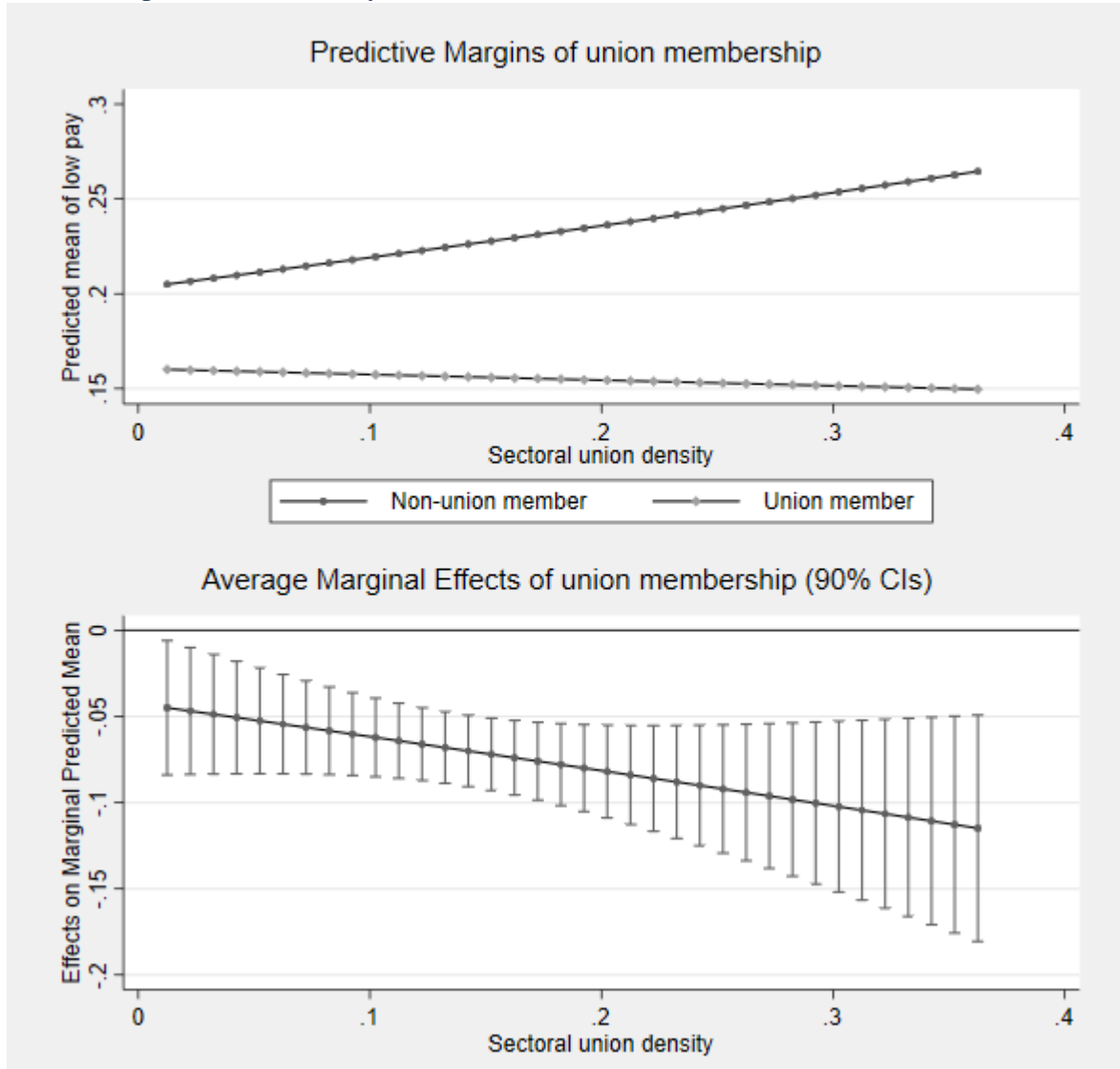
Note: \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

Model	12	13	14	15	16	17
Covered by sectoral agreement	-0.146**	-0.152**	-0.156**	-0.187***	-0.187***	-0.187***
Union member	-0.585***	-0.589***	-0.557***	-0.568***	-0.566***	-0.569***
Sectoral bargaining coverage	-2.336***	-2.055**	-2.053**	-1.337*	-1.488**	-1.769**
Sectoral union density	-0.359	-0.335	-0.0396	-0.220	-0.647	1.318
Job tenure	-0.118***	-0.119***	-0.116***	-0.111***	-0.111***	-0.111***
Female	0.811***	0.804***	0.599***	0.685***	0.685***	0.674***
Job change	0.187***	0.161***	0.166***	0.136**	0.134**	0.138**
<i>Firm size (ref: under 100)</i>						
Firm size between 100 and 200	-0.290***	-0.295***	-0.234**	-0.212**	-0.212**	-0.214**
Firm size above 200	-0.617***	-0.573***	-0.533***	-0.469***	-0.470***	-0.472***
<i>Nationality (ref: German)</i>						
Old EU member state	-0.202	-0.143	-0.134	-0.171	-0.170	-0.170
New EU member state	0.110	0.114	0.152	-0.0473	-0.0467	-0.0447
Non-EU country	0.363***	0.318***	0.274***	0.0596	0.0610	0.0586
<i>Age group (ref: under 25)</i>						
Aged 25-34	-1.125***	-0.788***	-0.754***	-0.700***	-0.699***	-0.700***
Aged 35-44	-1.391***	-1.085***	-1.110***	-1.084***	-1.084***	-1.085***
Aged 45-54	-1.491***	-1.199***	-1.216***	-1.246***	-1.246***	-1.248***
Aged 55-64	-1.009***	-0.692***	-0.727***	-0.851***	-0.850***	-0.854***
<i>Education (ref: primary)</i>						
Secondary education		-0.753***	-0.745***	-0.530***	-0.531***	-0.529***
Tertiary education		-1.369***	-1.303***	-0.719***	-0.721***	-0.719***
Part time work			0.646***	0.514***	0.514***	0.511***
Occupation dummies	No	No	No	Yes	Yes	Yes
Sectoral average job change					0.884	
Sectoral average female						0.778*
Constant	1.334***	1.855***	1.696***	0.172	-0.325	-0.241
Observations	10,919	10,741	10,741	10,665	10,665	10,665
Number of groups	27	27	27	27	27	27

Note: \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

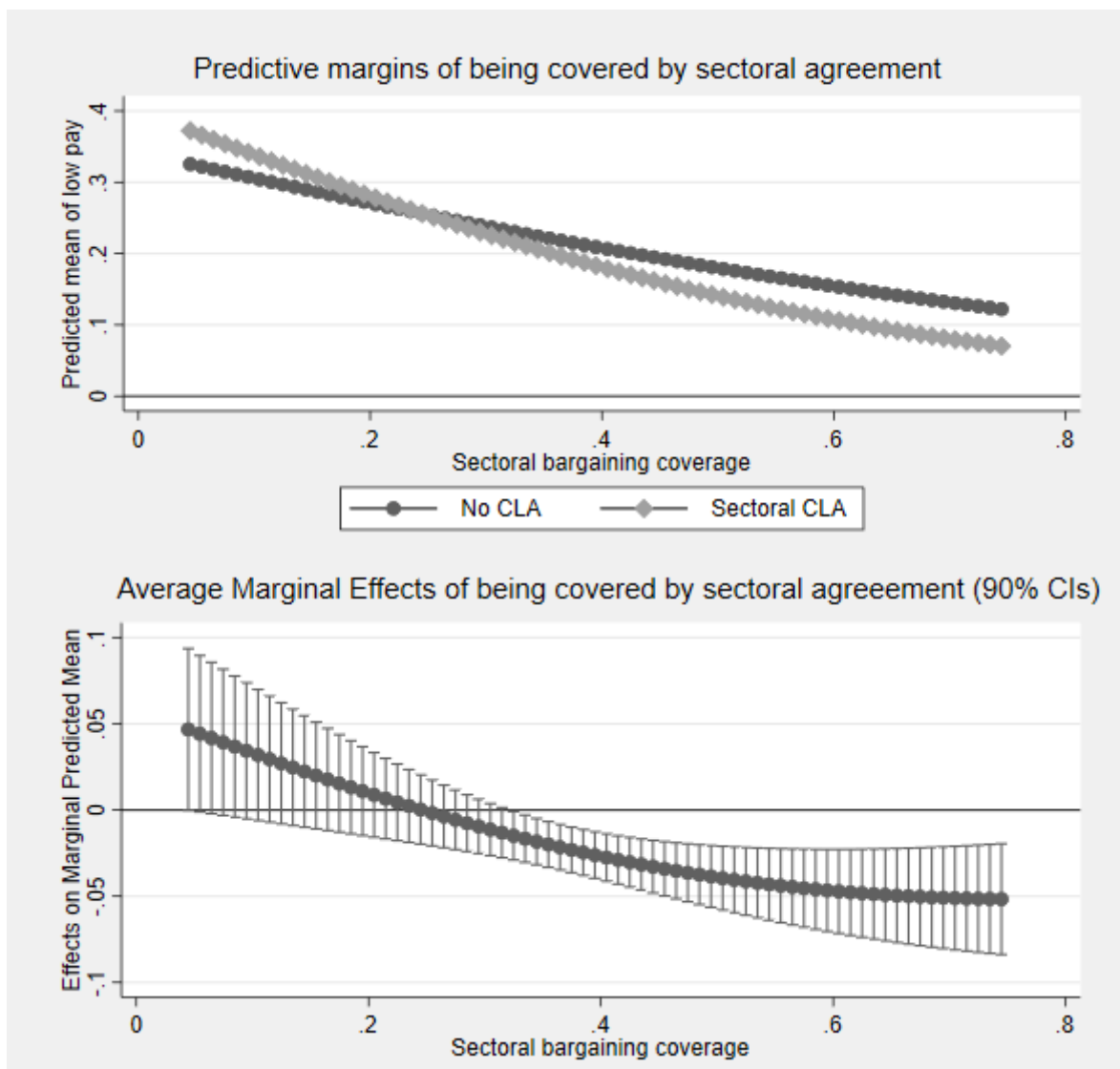
### A3. Regression results – indirect effects

Figure A3.1: Results from multilevel logistic regression, with interaction between union membership and union density



Note: the results were estimated using the same variables and model as in column 1 in section A2.9 but also include an interaction between individual union membership and sectoral union density.

Figure A3.2: Results from multilevel logistic regression, with interaction between sectoral bargaining agreement and sectoral bargaining coverage



*Note: the results were estimated using the same variables and model as in column 1 in section A2.9 but also include an interaction between sectoral bargaining agreement and sectoral bargaining coverage.*