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INTRODUCTION

In a relatively short period of time post-socialist countries have underwent substantial structural changes concerning educational systems, economy and welfare states, and these experiences are not comparable with downturns in the business cycle known in western economies. The introduction of the market economy required radical changes in the production system as well as in the structure of the labor force. Thus, one of the major challenges for these countries has been to qualify new labor market entrants in addition to the re-qualifying a large part of the workforce to the constantly changing employment demands at the time when educational institutions are themselves being re-structured and when resources are lacking. The fact that in the last 15 years Hungary as a transition country underwent a historic transformation from a planned to a functioning market economy, simultaneously experiencing re-organization of the training system and the labor force allows us to learn more about the (changing) role institutions play in shaping school-to-work transition and early employment careers as well as underlying stratification mechanisms in post-socialist societies.

While a considerable bulk of research exists on school-to-work transition for western industrialized societies, relatively little is known about this issue in post-socialist countries, such as Hungary. A recently published analysis has claimed that the behavior of Hungarian young people was strongly influenced by economic and societal developments of the last two decades (Róbert and Bukodi, 2005). With regard to entering the labor market, they try to remain in the school system as long as possible, and this meets an endeavor that was supported by the educational policy of the different governments in the nineties concerning the

expansion of tertiary education. Although recent school-leaving cohorts attain higher education than previous ones, they have much more risk of finding an insecure job at the beginning of their occupational career (Kogan and Unt, 2005). This seems to be particularly true for poorly educated individuals who are no longer able to secure employment as quickly as before. Human capital endowments has become a more and more valuable market asset and young people appear to realize that without proper qualification their chances of succeeding in a highly competitive labor market are modest. As far as the early career process is concerned, even less has been revealed yet. Indeed, globalization and economic transformation exerted a salient impact on individuals' employment career chances (upward occupational mobility, re-entry the labor market) and risks (becoming unemployed, downward status move), and the new possibilities and restructuring processes favored (or punished) the youngest generation more than the oldest one (Bukodi and Róbert, 2006a, 2006b).

This paper aims at describing in a systematic way school-to-work transitions and the early career process in Hungary during the approximately 10-year period before and after the fall of socialism (1980-2003). One of the key research problems of the study pertains to the nature of the education-labor market linkage before and after the transformation years and to the way in which (changes in) national institutional arrangements (training systems, labor market structures, employment sustaining policies) affect the school-to-work transition process and its outcomes among the different cohorts of school-leavers. More precisely, - on the one hand - we analyze the probability that a person enters the first job in a particular year, assuming that he/she did not do so until that time; on the other hand, we investigate the quality of the first job, namely the education/occupation mismatch. With regard to the further career process, the focus is on the relationship between the labor market entry and the chances and the risks in subsequent employment career. Namely, we investigate the impact of job search process and the characteristics of first employment on the probability of status gain and status loss as well as on the odds of becoming unemployed in the first few years of a labor market career. We intend to test whether difficulties at labor market entry have long-lasting effect on career trajectories - resulting in entrapment in precarious employment forms – or not. Employment entry cohort effects (before economic restructuring, early transformation phase, stabilization period) are a focal point as well, since the early career process and outcomes appear to be largely influenced by the dynamics of economic and social changes in post-socialist countries. In addition, we are particularly interested in the role of human capital endowments in shaping early career chances and risks, since – according to the previous studies - educational attainment and qualification seems to be one of the most important factors in structuring transition from school to work in post-socialist countries.

The paper begins with a potential "list" of the influential economic and institutional factors outlining the most important discontinuities (or continuities) connected to the emerging market economy in Hungary. We also refer to other

studies and offer general predictions about how these factors might influence school-to-work transition and early career trajectories. In the next section, the data, the measures and the methods of the analysis are described. Turning to the results, first, we present the estimates from the event history analyses, which predict the probability of labor market entry, second, we display our findings concerning the quality of the first job, third, results on the hazard of upward and downward mobility as well as of becoming unemployed are shown. The chapter ends with a conclusion based on the main findings

INSTITUTIONAL CONTEXT

Educational system and its role in shaping chances and risks at labor market entry process

In consequence of the historical development of the Hungarian educational system, following a German model, two basic features can be emphasized that seem to survive the institutional transformation. First, tracking continues to be characteristic with a general and a vocational path both on the secondary and on the tertiary level. Second, vocational training combining abstract knowledge and job-related skills plays a dominating role, although there is an increase in the proportion of individuals enrolling in general education.

The 1990s brought an expansion at both the secondary and tertiary education, but especially at the latter (see Lannert, 2005). At the secondary level, relatively more students decided to continue their studies in general schooling where they expected to have better chances for going on to tertiary education. At the tertiary level the attendance increased faster in the vocational-type institutions (colleges) than in the traditional universities. Especially some fashionable market oriented colleges – in economic and business sciences - became very popular where students expected good chances for fast career promotions.

This expansion at the tertiary level might lead to a de-valuation of certain certificates and such a "credential inflation" might have negative consequences for the employment entry and the early career. Indeed, the variation in the labor market value of different diplomas has already started to widen (Galasi, 2005c), resulting in a rising uncertainty about what kinds of educational investments will provide good returns, and this makes educational decisions more risky. Moreover, expansion at the tertiary level might lead to higher rates of unemployment for the well-educated, and it would result in a decrease in wage premiums for educated employees.

In principle, in the socialist era the Hungarian society was meritocratic in the sense that the qualification prerequisites for the different jobs were well determined, and there was a strong link between education and occupation, and the mobility space was considered as qualificational in its nature. But, this characteristic of the system has been changing gradually into the direction of the so-called organisational mobility space, where the curriculum of the educational

institutions is more general and academic-oriented. In other words, the extent of occupational specificity of the educational system has been weakening. On the one hand, this might make the school-to-work transition more flexible, but on the other, job entrants are inclined to face an increasing risk of a mismatch between their type of qualifications and their type of first jobs.

However, the problem of mismatch between schooling and occupation should be interpreted in the context of economic transformation of the country. There are several studies (Galasi, 2005a) finding that after the early transformational crisis employers tended to re-define their job-requirements, that is they considered more and more jobs as requiring more educated workers than previously. Since the supply of well-educated individuals had increased a great deal to the end of the nineties, employers were to a greater extent able to hire more qualified workers for the jobs with re-defined requirements. This might have resulted in a better match between education and occupation by the second half of the nineties. This hypothesis is supported by a study done by Galasi (2005b), who found that in regard to the proportion of under- and over-educated, at the beginning of the 1990s, about one third of workers were under-educated while one tenth of them were over-educated. The share of under-educated employees has been continuously decreasing since the mid-nineties and it amounted to less than 20 percent in 2002. The incidence of the over-education started increasing around 1995, and it has exceeded the proportion of under-educated workers by the early 2000s. In other words, one of the crucial consequences of the transition appears to be that over-education rather than under-education becomes the dominant form of occupation/education mismatch.

It should be emphasized, that in spite of great educational expansion in the last decade, the poorly educated still represent a large share in the (young) population, which can be explained by the fact that after a decade of steadily declining proportions of those who left school with very low educational attainment, this long-term trend had halted in the second half of the 1980s (Kertesi and Varga, 2005). It means that there is a significant part of school-leavers without any 'marketable' qualification, for whom finding a job becomes more and more difficult[1]. Moreover, the rapid expansion at secondary, post-secondary and tertiary level might lead to the situation when a part of the well-educated school-leavers has to accept less attractive jobs – if they intend to enter the labor market -, further reducing the employment chances of persons with low education.

Structural changes in the labor market and their impact on career entry

After the collapse of socialism, privatization was one of the most salient economic phenomena resulting in substantial changes in ownership structure. Job creation rates had increased during the 1990s, while job destruction had decreased (Commander and Köllő, 2004). Fazekas (2005) claims that the number of unskilled and skilled jobs initially decreased by 35 percentage-points, between

1989 and 1993. However, during the economic recovery, the number of skilled jobs began to rise again, exceeding the initial level of 1990 by the year 2000. Simultaneously, the destruction of unskilled jobs continued, though with less intensity, so that the number of unskilled jobs remained at less than 60 percent of the pre-transformation level by 2002. Notably, these rates varied with different ownership types: job creation rates were significantly higher in new private firms, resulting in positive net job growth. In contrast, state-owned and privatized firms with old equipment experienced high rates of job destruction. Kézdi (2002) confirmed that job creation and job destruction varied in extent in different phases of the transition. Major destruction of low-skilled jobs and large inter-sectoral re-allocation - partly toward skill-intensive industries - was strongest during the transitional crises and the subsequent economic recovery period. After 1996, employment started to rise, and a pervasive skill upgrade has been seen in all sectors ever since.

Kertesi and Köllő (2002) found that one of the principal changes in labor market relations during the transition was a sizeable increase in the return to skill, but a marked decrease in return to employment experience, as the labor market experience which had accumulated through the years of the old regime devaluated after 1990. An important consequence is that the initial wage disadvantage of young people relative to older cohorts diminished. The transition therefore resulted in a strong discrimination against older unskilled workers who disproportionately lost employment in comparison to their skilled younger counterparts. Furthermore, job creation in new firms tended to be biased against employees with low educational attainments. Demand for unskilled labor had already started to diminish at the end of the socialist period, and it dropped significantly in the years following the regime change. The number of jobs available to people with primary school education or vocational training fell by 48 percentage-points between 1990 and 1995, and subsequently did not rise. In addition, skill expectations in manual work also shifted upwardly thereby resulting in disappearing of the traditional white- and blue-collar divide (Commander and Köllő, 2004). The labor market demand for people with secondary and college education also dropped by 11 percentage-points in the early 1990s, but throughout the years of economic recovery, newly created jobs equaled the number of those that disappeared after the downfall of socialism (Köllő, 2003).

Among others, due to the above mentioned facts, there were substantial changes in occupational class distribution of labor market entrants in the last two decades. A relative majority of young men started to work in manual jobs both in 1980s and in 1990s, but there was a decline from 43 to 32 percent over time (Róbert, 2005). While the overall proportion of manual workers declined across the eighties and the nineties, it is noteworthy that there is an increasing share of men entering the labor market as unskilled workers – in spite of the fact that the recent generation of school-leavers is more educated than previous ones. Also, the proportion of those who started to work in routine service jobs has doubled for men in the last two decades, and almost one in five of the young women had

such an entry job in the nineties. It also should be emphasized that in the nineties a higher share of young people entered the labor market as self-employed or own account workers than in the eighties. It indicates that due to the increasing uncertainties concerning transition from school to work, more and more young people had difficulties finding a first job and they could only enter into the labor force as self-employed.

Another important feature of the changing labor market structure is the rising share of temporary employment. In 2003, overall, 7,5 percent of employees had fixed-term jobs, and these kinds of employment contracts have been increasing, especially for labor market entrants (in 2003 16 percent of workers aged 15-24 had temporary jobs). It is also revealed by prior research that fixed-term jobs are over-represented among young unskilled employees in Hungary (Róbert and Bukodi, 2005).

The fact that entry job means something different now than it meant in the eighties is supported by the tendency that the share of young people starting to work during their studies has been increasing Hungary (Róbert and Bukodi, 2005). In addition, entry jobs appeared to be shorter in the nineties than they used to be in the eighties (Róbert, 2005). In the last decade of socialism the majority of the labor market entrants spent more than two years in their first employment. This share fell to 40 percent in the nineties and the proportion of those who left their first job after 6 months doubled, indicating declining first job stability.

In sum, structural changes in labor market entry positions indicate some unfavorable tendencies concerning the quality of the first job. Increasing share of young Hungarian are unable to get secure, permanent employment; moreover, in more and more cases they have to accept a routine service or a routine industrial job if they intend to enter the labor market, increasing the qualification/occupation mismatch – as referred to above.

Labor market regulations

Undoubtedly, in modern societies there is a common trend towards deregulation of the labor market (Esping-Andersen and Regini, 2000). One of the most apparent indicators of the extent of this 'deregulation' is the strictness of employment protection legislation (EPL) in a given country. EPL is an important element of labor market policies with a general purpose to stabilize of existing employment relationships. To fulfil this outcome, EPL comprises a set of rules governing the hiring and firing process, and can be provided through labor legislation and collective bargaining agreements. It refers to the protection of regular employment and the regulation of temporary work. The overall measure of EPL-strictness suggested and used by OECD (2004), relies on three main components: protection of regular workers against (individual) dismissal, specific requirements for collective dismissals and regulation of temporary forms of employment.

The strength of EPL does influence school-leavers' employment chances and their subsequent work history: the stricter EPL is reflected in fewer labor market changes, less job mobility. In these circumstances employers find it more difficult to terminate jobs and therefore employees tend to experience higher level of job security. In addition, as Gangl (2003) stresses, EPL might have an impact on status mobility as well: the strict legislation, by stabilizing the existing job-person matches, may reduce the risk of downward mobility associated with involuntary job changes. However, as it is also emphasized by Gangl, if strict EPL tends to stabilize existing job-person matches, this implies a relatively low vacancy levels in external labor markets, generally reducing employees' upward occupational mobility chances. Analyzing the early career patterns in numerous European countries, Gangl reports findings which work in favor with these hypotheses: the overall amount of occupational status mobility, and especially upward shifts, proved to be negatively related to the strictness of EPL for young labor market entrants.

After the collapse of the communism, countries belonging to the former Soviet-block have developed their labor market institutions into quite different directions. However, one of the most important commonalties of the transformation economies relevant for employment mobility is the increased flexibility of the labor markets. The average index of employment flexibility (the EPL) in post-socialist countries is quite similar to the EU-15 average with most transition countries settling in the middle of the scale (Cazes and Nesporova, 2003), but of course there is a remarkable inner variation in this respect. The EPL shows the lowest values for Hungary; in other words, the Hungarian labor market seems to be the most flexible in the former Soviet-block (OECD, 2004). Moreover, in the reality, it is even more flexible, due to the fact that employers, especially in the private sector, appear to be unwilling to follow the legal employment regulations (Köllő and Nacsa, 2005). The growing extent of different flexible forms of employment discussed above also increased employers' freedom to adjust their workforce to the changing labor market conditions. For instance, in case of new entrants, even the permanent job contracts can be terminated by employers quite easily and practically with no expenses in the early period of employment and especially in the private sector. Wage arrangements are also left to large extent to – in some cases informal - negotiations between employees and private employers. The closed employment relationship – in its strict form - has survived only in the public sphere.

The role of employment sustaining policies

Apart from employment protection legislation, labour market risks and insecurities are channelled and influenced by the employment sustaining policies. As Gangl (2004) pointed out, in countries with strongly transfer-oriented (or passive) labour market measures (e.g. high unemployment benefits and assistance), income support provides financial resources for unemployed workers to eliminate some of the immediate material strains of non-employment.

It means that workers can afford to search more selectively for an adequate employment in terms of education-occupation match or of income, rather than being forced to accept the suddenly available, but less rewarding job offers. In other words, due to the low level of opportunity costs of search, selective job search is promoted for unemployed persons, leading to a relatively low rate of job and occupational mobility. However, in nations with moderate or lacking income transfers for unemployed, workers are forced to take the less attractive jobs, resulting in increasing level of mismatch between qualification and occupation as well as reinforcing both downward and upward occupational mobility. It is also to be stressed, that in countries where a large emphasis is put on developing and using active employment sustaining policy measures (re-training, mobility grants, etc.), the rate of job and occupational mobility might be relatively high.

Compared to the rest of the EU, post-socialist countries spend significantly less on employment sustaining measures (Riboud, Sánchez-Páramo and Silva-Jáuregui 2002). However, in this respect – similarly to the labor market regulations - substantial cross-national variation can be detected. The share of GDP spending on active labor market policies is lowest for Estonia and is highest for Slovenia and Hungary. In the mid-1990s, Köllő (1995) found that the per-GDP expenditures for active policy in Hungary were in line with those at the OECD countries. Costs of training programs accounted for about 20 percent of the total expenditure of the active measures. Generally, these programs focus on younger unemployed people with higher education and relatively favorable labor market outlook and try to re-integrate them into the labor force, but tend to disregard people without good qualifications or any potential of employment success. Another important part of the Hungarian active labor market policy is the subsidized employment program aiming at improving employment opportunities for unemployed people. A further element of this kind of policy is the so-called start-up scheme providing financial help to the unemployed who intend to start their own businesses. For the less-skilled people, there is a public work program organized by local governments offering simple unskilled jobs that pay the minimum wage level. While various programs clearly aim at making the transition from school to work easier and smoother as well as increasing job stability among the most disadvantaged young people, there is no significant empirical evidence on their success (ILO 1999). It should be noted, that recently new measures were introduced to promote the employability of disadvantaged people (Fazekas, 2004). However, these initiatives tend to favor older, experienced workers, and the primary aim of them is not to promote young people's (re)integration into the labor market.

From the early nineties until 1996 the proportion of economically active population had decreased substantially; however, since then it has been slightly increasing. The activity rate is lower for younger people, and the pace of its temporal decrease was also the largest for them, due to the educational expansion, on the one hand, and to the growing difficulties concerning career entry, on the other. Right after the economic transformation the unemployment

rate climbed up to 13 percent, but since 1993 it has been decreasing (in 2003 it was 5.9 percent). Youth unemployment rate had also declined between 1993 and 2000, but after the millennium it started to rise again (in 2003 it was 13.4 percent).

As in other post-socialist countries, in Hungary, over the last decade, unemployment insurance systems have increasingly become less generous. This tendency can be demonstrated by the reduction of the level of benefit payments in real terms and in their duration, as well as the tightening of eligibility conditions (Cazes and Nesporova 2003). These characteristics of employment/unemployment regulations can contribute to the strengthening of the insider-outsider labor market in Hungary, and in these circumstances the youth might be extremely vulnerable, particularly at employment entry.

RESEARCH PROBLEMS AND HYPOTHESES

Labor market entry: strengthening inequalities?

According to our hypothesis educational attainment exerts a substantial effect on school-to-work transition. We would expect to have smaller differences between school leavers with different levels of education at entry to first significant employment in the early transformation period. During the stabilization, after the mid-nineties, education should become a more valuable asset with stronger signaling power for employers, which should increase its importance for securing initial significant employment. For school-leavers acquiring occupational qualifications - either in vocational schools or in more theoretically oriented technical secondary schools -, the transition to the labor market is expected to be smoother than for their counterparts leaving education without any valuable qualifications. Since in Hungary in the last decade the share of individuals with general education has increased substantially, the matching between schooling and jobs is expected to be more difficult, perhaps leading to a longer search period for school-leavers seeking employment. For individuals without appropriate human capital endowments the probability of finding a job might be extremely low – among others because the number of jobs available for them has dropped dramatically since the early nineties -, and if they manage to do it, the majority of their positions are expected in the "periphery" of the labor market (e.g. unskilled, occasional jobs), which is the area exposed to the risk of becoming unemployed to the most extent.

The quality of the first employment: increasing over-education for well-educated?

Due to the fact that there has been a huge educational expansion since early nineties and, generally, the job creation rate was lower than the increase in the

number of highly educated persons, a part of well-educated employees are supposed to be forced into the relatively low-skill jobs. In other words, for them over-education is assumed to be increasing. In addition, we believe, that the probability of mismatch between qualification and occupation in the first job is influenced by the school-to-work process. Namely, the risk of these insecure positions is higher for those who have taken longer to find their first employment. In other words, longer and more difficult labor market entry is assumed to go hand in hand with lower quality of the first job. In addition, we expect that there are clear and strong educational and class differences in the probability of qualification/occupation mismatch, especially in the incidence of over-education.

Early career: increasing mobility rate?

We expect a huge increase in the amount of career shifts and a significant decrease in job stability in the first half of the nineties for young labor market entry cohorts. According to our prediction, after the mid-nineties employment movements might be stabilized resulting in relatively low career mobility rates. However, since the late nineties – due to the increasing flexibilazition of the Hungarian labor market, the less generous employment sustaining policies and the lower occupational specificity of the educational system as well as general economic growth - more job and status mobility is expected.

Based on the findings of previous research (e.g. Köllő, 2001; Bukodi and Róbert, 2006a), we believe that job stability, the chances of upward mobility and the risks of downward shifts are strongly structured by human capital endowments. Young low-educated individuals are expected to be entrapped in 'bad' employment positions; namely, the probability of job stability might be very low for them, they can become unemployed easily. In other words, they might constitute the group of outsiders as compared to highly qualified young individuals with secured employment who might constitute the core of the labor force.

Non-optimal entry: 'trap' or 'bridge'?

As it was mentioned, one of the central questions of this research is whether a non-optimal career entry – represented by the incidence of education/occupation mismatch – has a detrimental effect on the subsequent employment trajectories (e.g. the lack of chances of any upward mobility) or it has a transitory character leading to a stabilisation of the career (in other words, to a 'career-type' labour market position). There are two major lines of theoretical approaches to this problem: the stepping-stone and the entrapment hypothesis. The former emphasises the temporal character of the first occupation(s) and assumes upward shifts during the first phase of the career; on the contrary, the latter emphasises

that a 'bad entry' has salient negative consequences for further upward mobility chances (see Bukodi et al., 2006) .

   Due to the fact that the flexibility of Hungarian labor market is increasing and this is coupled with a relatively low degree of occupational specificity of the training system as well as with the less generous (passive) labor market policies – resulting in a rise in the incidence of over-education for the relatively well-trained -, we might expect that the educationally inappropriate labor market entry has a moderately negative effect on the future career trajectory. In other words, we believe that for the highly qualified, the bad entry has a transitory character in Hungary, and they can "correct" it by moving upwardly on the occupational ladder (and getting a secure job with good promotional prospects) in the first few years of their employment career.

DATA AND METHODS

One of the key dependent variables of this chapter is the transition to first significant employment, which is the conditional probability that a person enters first significant job in a particular year, assuming that this person did not do so until that time. The first significant employment includes all jobs of at least 20 hours per week that have lasted for at least 3 months. In the analysis of the quality of the first job, the focus is on the (mis)match between education and occupational status, namely the probability of finding matching employment versus entering into the labor market as over-educated or as under-educated. In this chapter the variable on over- and under-education is constructed as follows. The definition of educational requirements for a job is based on the schooling of workers within occupations disaggregated at a 3-digit ISCO level for the total population aged 15-64 (based on Census data). Adequately educated workers are those whose educational attainments equal to the modal value within each occupation. Workers with educational attainments greater than the modal educational level for their occupation are defined as over-educated; those whose educational attainments are below the mode in the occupation are defined as under-educated (see Kiker et al., 1997).

   In the second part of the paper the early career process is studied. In this case we have three dependent variables. Two variables concern the chance of upward occupational status mobility and the risk of downward occupational status mobility in the first five years of an employment career. The third variable is on the risk of unemployment after entry into the labor market. The status mobility is defined as follows: moves are taken into account if they are accompanied by a) changes in occupational standing defined by ISEI-scores (Ganzeboom and Treiman, 1996), and/or b) alteration in supervisory status. It considered upward mobility, if the move occurred in this schema and it entails at least 10 percent status gain. When the move leads to at least 10 percentage-point decrease in the ISEI-score, it constitutes downward mobility. In the case of self-employment the definition of status mobility is also based on changes in ISEI-score or in the

number of employees. It should be noted that in this paper only the first events (upward/downward mobility, unemployment) after the employment entry are considered.

During the years individuals were not in the labor force, the variables on status mobility have no values (these records are omitted from the analysis), because in these periods individuals were not at risk of making any occupational moves. This rule was also applied in the case of upward and downward mobility when the score of the job was at the top or at the bottom of the occupational hierarchy. Individuals with this kind of job status are unable to move further up (or down) on the occupational ladder.

In order to investigate transition to the first significant employment as well as to explore the quality of the first job, three data sets are being used, all of them taken from the Hungarian Central Statistical Office. The Way of Life and Time Use Survey, carried out in 1999-2000, is based on a random sample of individuals aged 15-85 years. The General Youth Survey, fielded in 1995 and 2000 respectively, is based on a random sample of respondents aged 15-29 years. All three data-sets contain retrospective information on the educational and employment histories of the individuals up to the time of interview. According to the research design applied here, the respondents' life-course is followed until they reach the age of 29 (or till the time of interview). Our analysis is restricted to those who left full-time education after 1980. The three data sets have been pooled together resulting in a file of exactly 13,390 cases.

For exploring the characteristics of early career mobility, data from the survey MONITOR 2003 are used. This survey conducted by the TÁRKI Social Research Centre. This is a cross-sectional study with a retrospective employment history starting in 1988. The survey based on a random sample of households where all members above 15 years old were interviewed. The data allows us to reconstruct individuals' labor market spells between 1988 and 2003 on yearly basis. For this analysis only respondents who entered the labor market after 1988 were selected, and they were followed during their first five years of employment (N=997). One of our key explanatory variables is the labor market entry cohort, the definition of it is based on the information on the economic performance of the country and the most salient institutional changes. Since one of the most important research questions here is whether or not non-optimal entry position has a detrimental effect on subsequent labor market career, one other chief explanatory factor of this analysis is the variable on education/occupation (mis)match.

The discrete-time method of event-history analysis has been applied to investigate transition rates to and out of first employment, as well as to analyze the odds of career moves (Yamaguchi, 1991). This is done because events of interest are tied: Several individuals experience the events investigated at the same time (in fact in the same year). In the case of employment entry, the observation (risk) period for each respondent begins at the year of first exit from full time education (which was not followed by a re-entry into the schooling system within, at least, two years) and continues either up to the year in which

he/she enters the labor market or up to the year of the interview. As far as early mobility chances and risks are concerned, the observation (risk) period for each respondent begins at the year of employment entry and continues up to the year in which he/she experienced the investigated events (upward and/or downward occupational status mobility and/or unemployment) or until the 5th year of the employment career. For all cases the dependent variables are the occurrence of a given (mobility) event (coded as 1 for occurrence and 0 for non-occurrence), and logistic regression method is applied. To assess the match of the first significant job and educational attainment, multinomial logistic regression analysis is conducted.

RESULTS

Labor market entry

To get an insight into the speed of entry the first significant employment, survivor functions are applied, which can be interpreted as the proportion of young people who still have not found a first significant job at time *t* after leaving education. The findings of the analyses for various educational levels and school-leaver cohorts are not shown here (they are available from the author upon request), but the most striking results can be summarized as follows.

First of all, it should be emphasized that university and college graduates in all cohorts have quicker entry to the labor market, while those with general secondary education and primary education without any qualifications have more difficulties in finding employment. It is noteworthy that school-leavers with vocational school certificates (not leading to any further studies) or with technical secondary school diplomas (providing access to further education) are much better off than their counterparts with general education with respect to entry into the labor market. It is also important to stress that for earlier cohorts the differences between school leavers with various educational levels in the timing and the probability of the entry the first significant employment are relatively small, however, these differences have widened in the later cohorts of school leavers. It is quite clear from these descriptive results that with regard to acquiring the first significant job, three groups of school-leavers appear to be differentiated. The first one includes those with compulsory education as well as individuals with general secondary education. These persons had the most difficulties in finding significant employment in the late nineties. The second group consists of individuals with vocational qualifications not leading to any further education and those who graduated in technical secondary schools (which provide access to tertiary education). Finally, the third group of school-leavers with the quickest entry to the labor market are tertiary educated. In this case there are practically no differences between those with more vocationally oriented tertiary education and those having diploma from traditional university system.

To get a deeper knowledge on how different individual and labor market characteristics affect the timing and the probability of entry the first significant employment after leaving school, a discrete-time event history analysis is applied, which includes covariates pertaining to educational level, school-leaver cohort, marital status, age at departure from the educational system (Model 1) and interaction of education with the school-leaver cohort (Model 2). The results are reported in Table 9.1, separately for males and females.

Those with only grammar school or primary education have the least chance for a smooth transition to the labor market. There is a significant cohort effect for both sexes, implying that the chances of entering employment is higher for school leavers who left education prior to 1995. In addition, it is noticeable that the probability of finding a job is somewhat higher in the pre-transformation cohorts. Marital status also strongly influences the odds of finding the first significant employment, but differently for men and women. While males living in a stable union have higher chances of finding a job, single females have a greater probability of entering the labor market after leaving education than their married or cohabited counterparts. The rational explanation behind this pattern might be as follows: Married or cohabited men are "forced" to find any job since they have (financial) responsibilities for their family. However, women with uncertain employment prospects have another option by choosing the secure career of being a housewife. In addition, Hungarian employers tend to choose single women rather than married females for a given job, supposing that women in the latter group may interrupt their career in the close future due to family matters.

In Model 2 the interaction of education and cohort is included to examine whether the effect of education has changed during the last two decades. Results show that the impact of educational level on the chances of attaining the first significant employment has changed substantially in the time period investigated. The 'winners' of economic transformation are undoubtedly tertiary educated males; in this group – as compared to their vocationally educated counterparts - the chance of rapid employment entry was particularly high for those left the school after the mid-nineties, in the so-called stabilization period. In case of females the 'greatest losers' are those with academic secondary education; for them the probability of finding any kinds of job had declined significantly and strongly during the last decade. Similarly to males, the odds of smooth transition into the labor market had increased substantially for university educated (but not for college educated).

Table 9.1.1   Unstandardized coefficients of the discrete-time event history analysis of the transition to the first significant employment, males

	1		2	
Timing of the labor market entry				
(after the first exit from education)				
0 year (ref.)	0		0	
1 year	-0.305	**	-0.312	**
2 years	-0.205	**	-0.193	**
3 years	-0.410	**	-0.401	**
4 years	-0.433	**	-0.428	**
5 years	-0.594	**	-0.593	**
6 years	-0.621	**	-0.620	**
7 years	-1.169	**	-1.171	**
8 years	-1.178	**	-1.185	**
9 years	-1.211	**	-1.213	**
10 years	-1.518	**	-1.530	**
Marital status				
single	-0.266	*	-0.310	*
married (ref.)	0		0	
cohabiting	0.092		0.046	
Age at first exit from full time				
education	0.212	**	0.217	**
School-leaver cohort				
1980-1981	0.570	**	0.651	**
1982-1983	0.561	**	0.664	**
1984-1985	0.866	**	0.919	**
1986-1987	0.738	**	0.801	**
1988-1989	0.676	**	0.742	**
1990-1991	0.484	**	0.548	**
1992-1993	0.229	*	0.285	*
1994-1995	0.067		0.106	
1996-1997	0.074		0.093	
1998-1999 (ref.)	0		0	
Education				
Primary	-0.845	**	-0.955	**
Vocational school (ref.)	0		0	
Technical secondary	-0.446	**	-0.511	
Academic secondary	-1.285	**	-1.008	**
Lower tertiary	-0.548	**	0.012	
Higher tertiary	-1.188	**	-0.562	

Table 9.1.1   continued

	1		2	
Education*cohort[a)]				
Primary			-0.024	
Vocational school (ref.)			0	
Technical secondary			-0.020	
Academic secondary			-0.081	
Lower tertiary			0.190	**
Higher tertiary			0.179	**
Constant	-4.629	**	-4.753	**
Log-likelihood	-7844.22		-7826.50	
Number person-years		13603		
Number of events		4711		

Table 9.1.2   Unstandardized coefficients of the discrete-time event history analysis of
the transition to the first significant employment, females

	1		2	
Timing of the labor market entry				
(after the first exit from education)				
0 year (ref.)	0		0	
1 year	-0.367	**	-0.367	**
2 years	-0.501	**	-0.500	**
3 years	-0.747	**	-0.748	**
4 years	-0.850	**	-0.849	**
5 years	-0.979	**	-0.983	**
6 years	-1.389	**	-1.394	**
7 years	-1.571	**	-1.573	**
8 years	-1.674	**	-1.680	**
9 years	-2.238	**	-2.269	**
10 years	-2.686	**	-2.713	**
Marital status				
single	0.639	**	0.615	**
married (ref.)	0		0	
cohabiting	0.548	**	0.537	**
Age at first exit from full time				
education	0.250	**	0.255	**

Table 9.1.2   continued

	1		2	
School-leaver cohort				
1980-1981	0.725	**	0.451	**
1982-1983	1.027	**	0.838	**
1984-1985	0.809	**	0.659	**
1986-1987	0.637	**	0.534	**
1988-1989	0.598	**	0.547	**
1990-1991	0.593	**	0.584	**
1992-1993	0.404	**	0.412	**
1994-1995	0.021		0.033	
1996-1997	-0.062		-0.041	
1998-1999 (ref.)	0		0	
Education				
Primary	-0.995	**	-1.361	**
Vocational school (ref.)	0		0	
Technical secondary	-0.247	**	-0.210	
Academic secondary	-1.038	**	-1.277	**
Lower tertiary	-0.583	**	-0.475	
Higher tertiary	-0.961	**	-0.544	
*Education*cohort[a)]*				
Primary			-0.082	**
Vocational school (ref.)			0	
Technical secondary			0.015	
Academic secondary			-0.096	**
Lower tertiary			0.051	
Higher tertiary			0.148	*
Constant	-5.353	**	-5.417	**
Log-likelihood	-7005.71		-6991.69	
Number person-years		13264		
Number of events		4483		

Source: Own calculations based on the pooled data of Time Use Survey 2000 and General Youth Survey 1995, 2000

Note:
a): In the interaction term cohort is a continuous variable and is coded as follows:
    1980-81: -9, 1982-83: -8, 1984-85: -7, 1986-87: -6, 1988-89: -5, 1990-91: -4, 1992-93: -3,
    1994-95: -2, 1996-97: -1, 1998-99: 0
** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

The quality of the first job

In this sub-section the quality of the first job is investigated by applying a multinomial logistic regression technique for those who entered the labor market. Findings for entry the first job as over-educated or under-educated compared to entry into adequately matching employment are displayed in Table 9.2. Explanatory variables are as follows: duration of search for the first significant employment, school-leaver cohort, education, first occupational class and branch of the first employment as well as gender.

With regard to the cohort effect, it appears that the risk of over-education has increased and the odds of under-education has decreased substantially in the last two decades in Hungary. It is evident from the parameter estimates that highly qualified school leavers are more likely to enter the gainful employment as over-educated, and the odds of being under-qualified is greatest for primary-educated individuals – as it would be expected. Controlling for other explanatory variables, it appears that young Hungarian men are more disadvantaged with respect to entry into the labor market in a job to which they are over-qualified, but the risk of entering as under-educated is lower for them than for females. The coefficients support our prediction that a longer search period before finding the first significant employment results in higher risk of over- and under-education. As far as the effect of the occupational class is concerned, - compared to skilled workers – the probability of over-education is higher for unskilled workers and routine service employees. Entrants in service and routine non-manual jobs are more likely to be under-educated than the skilled-workers and especially so, when compared to the unskilled workers. It appears that the probability of mismatch between education and occupation is lowest for entrants in social services, where the skill requirements of jobs are determined quite strictly, and in distributive services (in sales, transport, communication, etc.).

In order to investigate whether the temporal changes in the incidence of education/occupation mismatch in the first employment were identical for all schooling and occupational groups as well as for all branch categories, interaction terms are included in Model 2. It is apparent from the corresponding coefficients that – compared to individuals with vocational training - the risk of being over-qualified has increased the most for secondary educated school-leavers without any qualification. It means that for them not only the transition to the labor market has became longer and longer (as it was shown in the prior sub-section), but also they have more and more troubles in finding an appropriate and optimal first employment. The odds of being under-qualified has been decreasing in all schooling categories, except for college-educated. A possible explanation for this pattern can be found in the sudden rise of labor market value of certain new – especially business and economic - college certificates around the mid-nineties. The changing recruitment process to higher professional, administrative and managerial positions strengthens this trend. Namely, these positions are now more often filled in directly among highly educated school-leavers, who might be more creative, more appropriate to the challenges of the new technologies, the

new management techniques, etc. and who, in this way, 'push-out' their older and more experienced, mostly university-educated, counterparts from these positions.

It appears that the odds of being over-educated at the first job has been increasing steadily for 'middle-ranked' occupational groups, namely for lower service class, routine non-manuals and routine service workers.

Table 9.2   *Unstandardized coefficients of the multinomial logit predicting the odds of mismatch between education and occupational status in the first significant job (only for dependent workers) (ref.: adequate match)*

	1				2			
	Under-educated		*Over-educated*		*Under-educated*		*Over-educated*	
Duration of search for the first employment								
0 year (ref.)	0		0		0		0	
1 year	0.394	**	0.070		0.387	**	0.049	
2 years	0.427	**	0.606	**	0.441	**	0.605	**
3 years	0.455	**	0.859	**	0.464	*	0.821	**
4 years	0.671	**	0.817	**	0.663	*	0.767	**
5 years	0.841	**	1.560	**	0.849	*	1.604	**
6 years	0.399		1.613	**	0.391		1.687	**
7 years	0.304		2.183	**	0.309		2.284	**
8 years	0.639		2.631		0.579		2.587	
9 years	0.827		2.327		0.825		2.658	
10 years	-0.253		2.432		-0.294		2.785	
Sex								
Male	-0.383	**	0.273	**	-0.385	**	0.254	**
Female (ref.)	0		0		0		0	
School-leaver cohort								
1980-1981	0.538	+	-1.806	**	1.527	*	-2.025	**
1982-1983	0.566	+	-1.552	**	1.383	*	-1.789	**
1984-1985	0.299	+	-1.785	**	1.048	*	-1.843	**
1986-1987	0.488	+	-1.516	**	1.179	**	-1.539	**
1988-1989	0.229	+	-1.554	**	1.034	**	-1.577	**
1990-1991	0.480	+	-.997	**	0.861	*	-0.963	**
1992-1993	0.076		-1.065	**	0.575	+	-1.033	**
1994-1995	0.096		-.760	**	0.499		0.743	**
1996-1997	0.186		-.489	**	0.450		-0.503	**
1998-1999 (ref.)	0		0		0		0	
Education								
Primary	3.740	**	..		4.064	**	..	
Vocational school	0		0		0		0	
Technical secondary	-3.032	**	4.611	**	-0.320	**	4.307	**
Academic secondary	-2.779	**	3.980	**	-2.880	**	3.780	**
Lower tertiary	-2.701	**	6.576	**	-1.922	**	5.911	**
Higher tertiary	..		6.413	**	..		5.365	**

Table 9.2   continued

	1			2			
	Under-educated		*Over-educated*		*Under-educated*		*Over-educated*
Education* cohort[a)]	-		-				
Primary					0.073		..
Vocational school					0		0
Technical secondary					-0.041		-0.085
Academic secondary					-0.026		0.061 +
Lower tertiary					0.229 +		-0.221
Higher tertiary					..		-0.291
Occupational class							
Upper service	6.492 **		-4.465 **		5.957 **		-3.886 **
Lower service	4.638 **		-2.985 **		5.449 **		-1.788 **
Routine non-manual	2.665 **		-3.381 **		3.012 **		-2.302 **
Routine service	.0979		0.243 +		-0.053		0.957 **
Skilled worker (ref.)	0		0		0		0
Unskilled worker	-2.282 **		2.610 **		-2.165 **		2.329 **
Occupational class* cohort[a)]	-		-				
Upper service					0.119		0.138
Lower service					0.183		0.355 **
Routine non-manual					0.075		0.336 **
Routine service					-0.039		0.205 **
Skilled worker (ref.)					0		0
Unskilled worker					0.021		-0.084
Branch							
Extractive	-0.118		-0.051		-0.355		-0.114
Transformative (ref.)	0		0		0		0
Distributive services	0.038		-0.580 **		0.103		-1.103 **
Producer services	-0.186		-0.213		-0.611		-0.035
Social services	0.443		-0.646 **		0.233		-1.013 **
Personal services	0.370		-0.578		-0.367		-0.924
Branch * cohort[a)]	-		-				
Extractive					-0.045		-0.010
Transformative (ref.)					0		0
Distributive services					0.015		-0.147
Producer services					-0.094		0.130
Social services					-0.046		0.101
Personal services					-0.095		0.097
Constant	-3.328 **		-1.150 **		-3.911 **		-1.139 **
Log-likelihood		-4682.396				-4631.359	
Number of cases				8770			

Source: Own calculations based on the pooled data of Time Use Survey 2000 and General Youth Survey 1995, 2000

Note:

a): In the interaction term cohort is a continuous variable and is coded as follows:
   1980-81: -9, 1982-83: -8, 1984-85: -7, 1986-87: -6, 1988-89: -5, 1990-91: -4, 1992-93: -3,
   1994-95: -2, 1996-97: -1, 1998-99: 0

** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Early career

What role do the attributes of the first employment – as well as the characteristics of the process from school to work - play in the potential for status gain and the risk of status loss in the first five years of the career? Table 9.3. shows the estimates from the multivariate causal analysis of upward and downward occupational career moves of young people who entered the labor market after 1988.

With regard to the period effect, since the end of the 1990s, the hazard of upward shifts – as well as the risk of downward mobility - has been increasing. It implies that – after the stabilization of mobility rates in the mid-nineties – the increasing flexibilization of Hungarian labor market as well as the economic growth - has led to higher status (job) shift rates. As far as the cohort trend is concerned, individuals entered the labor market between 1990 and 1993 - when the official unemployment rate was the highest in the last 15 years - were more likely to experience downward career mobility later on. It implies that they had to face an increasing risk of forced job changes that could easily lead to a downward move. The chance of upward shift proved to be highest for those entered the labor market after the mid-nineties, in the economic reconstruction period.

With regard to career insecurities, more involvement in paid employment does increase the odds of upward move, but does not influence the probability of downward move on the career ladder – taking the effects of other covariates into account. Unemployment experience during the early career phase exerts a positive impact on the risk of downward mobility, implying that unsecured transition from school to work makes it more difficult to be successful in the labor market in the future. The duration of search for the first job has a positive impact on the odds of downward shifts, which means that the more time elapsed between school completion and labor market entry, the higher the risk of status loss in the first five years of the employment career. If one had a job before leaving school, he/she has more chances to experience upward status moves in his/her early career. It indicates that for young people it is worth cumulating employment experiences during their educational career, because it increases their chances for upward movement on the occupational ladder later on in their career.

As far as the effect of educational attainment is concerned - compared to vocationally educated - individuals with academic secondary education and college degrees have the highest chance of status gain. It implies that employers may consider these types of schooling as guarantees for possessing the appropriate abilities and skills needed to get further (on-the-job) training, which may lead to the higher probability of upward movement. Taking the effect of different covariates into account, the college education exerts slightly significant negative effect on the odds of status loss in the first five years of career. As it would be expected, the initial occupational status level has a negative impact on the chance of further upward shift, indicating a ceiling effect. Similarly, as a

consequence of a bottom effect, the higher the occupational status, the lower the risk of any downward move.

Models also include the effect of the education/occupation mismatch in the first employment, as it was operationalized in the previous sub-section. Compared to adequately educated, over-qualified seem to be more likely to move to a higher-ranked job – taking different attributes of the individual into account -, than their counterparts whose first occupational status is better compared to their educational level (under-educated). It implies that – for relatively well-educated people – the over-education is not a persistent labor market status, these employees have good chances of moving to an occupation which is more appropriate to their qualification. The odds of downward occupational move seems to be the lowest for those entered the labor market as under-educated, taking other characteristics of the individual into account. We can speculate that this pattern of results might be explained by the changing inner composition of the group of under-qualified. As was shown in the prior sub-section, the likelihood of belonging to this category has been increasing only for the relatively well-educated college graduates, for whom, probably, the risk of status loss is modest. In addition, following, for instance, Büchel and Merten's (2004) arguments, under-educated workers tend to possess above-average abilities and motivations that do not commensurate necessarily with their education, indicating that they can avoid the risk of downward shifts.

9.4 shows the estimates of the discrete-time event history analysis predicting the probability of getting unemployed after labor market entry. Time elapsed since employment entry exerts a negative effect on the odds of unemployment. In other words, individuals with less labor force experience have higher risk of becoming unemployed compared to those who have more job-specific human resources. Similarly to the odds of downward mobility, the longer the search period till labor market entry, the greater the probability of losing the job in the first few years of the employment career. If one was employed during his/her schooling career, then he/she has a slightly lower risk to experience unemployment later on. Individuals who entered the labor market in the early nineties – in the time of deep economic recession - had the greatest odds of becoming unemployed. With educational attainment, college graduates have significantly lower risks of becoming unemployed than their counterparts with vocational training. As for the effect of education/occupation mismatch in the first job is concerned, the dummy for under-education is negative and slightly significant; the similar underlying arguments can be mentioned here as in the case of downward status mobility.

Table 9.3   Unstandardized coefficients of the discrete-time event history analysis of status mobility in the first five years of labor market career

	Upward		Downward	
Period				
1988-1989	..		..	
1990-1991	-0.490		-0.232	
1992-1993	-0.287		-1.476	
1994-1995 (ref.)	0		0	
1996-1997	0.332		-0.393	
1998-1999	0.835	+	0.455	
2000-2001	1.256	*	0.843	
2002-2003	2.314	**	1.748	*
Labor market entry cohort				
1988-1989 (ref.)	0		0	
1990-1993	0.768		1.264	*
1994-1996	2.331	**	0.395	
1997-2002	1.894	*	0.061	
Duration of job search (in years)	-0.129		0.122	+
Employed before school completion (dummy)	1.528	**	-0.374	
Age at labor market entry	0.161		0.001	
Employment experience (in years)	0.036	*	0.098	
Previous unemployment exp.(dummy)	-0.280		0.042	*
Male	-0.032		0.320	
Education				
Primary	0.535		..	
Vocational school (ref.)	0		0	
Technical secondary	0.379		-0.175	
Academic secondary	1.215	**	0.167	
Lower tertiary	0.955	+	-0.469	+
Higher tertiary	0.788		-0.123	
First ISEI	-0.087	**	0.071	*
Match between education and first occupation				
Under-educated	0.196		-0.446	+
Adequate match (ref.)	0		0	
Over-educated	0.571	+	-0.125	
Constant	-10.06	**	-11.876	**
Log-likelihood	-305.078		-245.531	
Number of person-years	3360		3295	
Number of events	88		65	

Source: Own calculations based on the MONITOR 2003.
Note:
** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Table 9.4   *Unstandardized coefficients of the discrete-time event history analysis of the transition to unemployment after labor market entry*

	Unemployment	
Time elapsed since employment entry		
0 (ref.)	0	
1 year	0.180	
2 years	0.316	
3 years	0.341	
4 years	-0.208	+
5 years	-0.710	*
Labor market entry cohort		
1988-1989 (ref.)	0	
1990-1993	0.530	*
1994-1996	-0.121	
1997-2002	0.264	
Duration of job search (in years)	0.110	+
Employed before school completion (dummy)	-0.644	+
Age at labor market entry	-0.171	*
Male	0.104	
Education		
Primary	-0.235	
Vocational school (ref.)	0	
Technical secondary	-0.341	
Academic secondary	-0.137	
Lower tertiary	-0.827	+
Higher tertiary	-1.303	
First ISEI	0.009	
Match between education and first occupation		
Under-educated	-0.868	+
Adequate match (ref.)	0	
Over-educated	0.097	
Constant	-0.304	*
Log-likelihood	-567.107	
Number of person-years	4073	
Number of events	173	

Source: Own calculations based on the MONITOR 2003.

Note:
**Effect significant at p < 0.01; * effect significant at p < 0.05;
+ effect significant at p < 0.10.

SUMMARY AND CONCLUSIONS

The aim of this study was to investigate school-to-work transition as well as the early career processes in Hungary between 1980 and 2003, in the pre- and post-transitional period. In the first step the transition to employment after leaving education was analyzed, then we studied the quality of the first job, which was followed by an analysis of employment stability and early careers for those who succeeded in entering the labor market.

Our results show that young people face increasing difficulties at labor market entry since the early nineties, but especially since 1995. It means that it takes longer for them finding their first job, and an increasing share of them are forced to experience unemployment right after leaving school. In addition, for a growing portion of the young people, the quality of their first employment has been worsening: the risk of over-education is increasing.

It appears that the difficulties at labor market entry do influence both the quality of the first job and the pattern of the early career. Namely, a longer search period before finding initial employment has led to a higher risk of education/occupation mismatch. In addition, our analysis revealed that the risk of unemployment as well as the odds of downward status mobility in the first few years of the career is greater for those whom employment entry took more time.

In line with previous results (Bukodi and Róbert, 2006a), our analysis on early career indicates that the incidence of occupational status mobility was high in the early transformational period, then it declined to some extent, but since the late nineties it has been rising again. There is a clear cohort trend in the probability of upward and downward employment mobility. The risk of the latter is higher for individuals who started working between 1990 and 1993. This is true for the odds of becoming unemployed as well. It implies that in times when economic structural changes push out a lot of people from the labor market, then career promotions are restricted and career risks are stronger even for young insiders.

As far as social inequality structures are concerned, human capital endowments have became increasingly important for young cohorts. For earlier cohorts of school-leavers (in pre-transformation period and in the early phase of transformation) education influenced to a lesser extent the speed of finding the first job. In other words, the differences between those with at most primary education and those with higher schooling (especially with tertiary diploma) were much smaller than now. In fact, regarding job entry, three groups of school-leavers appear to be differentiated. The first one includes those with only compulsory or general secondary education (without any qualifications). These persons have the most difficulties in finding significant employment. The second group consists of individuals with vocational qualifications not leading to any further education and those who graduated in technical secondary schools; for them the school-to-work transition is quite smooth. Finally, the third group of school-leavers with the quickest entry to the labor market are the tertiary educated. With regard to early career patterns, individuals with academic secondary education and college diplomas have the highest chances of

experiencing status gain. It indicates that in spite of the fact that finding the first job takes quite a long time for grammar school graduates, and the odds of being over-educated at labor market entry is gradually increasing for them, employers may consider this type of education as a kind of guarantee for possessing abilities to obtain on-the-job training, which may result in a higher upward mobility rate in the first few years of the career.

Our analysis showed that education/occupation mismatch has an important role in early career process in Hungary. The odds of getting a higher-ranked job is greater for entrants with relatively low status in their first employment. Namely, youngsters with bad occupational status in their first job – based on the modal educational level for their occupational category - appear to be more likely to change jobs for a more rewarding position, than entrants whose first employment is in an occupation that is appropriate to their educational level. It indicates, that over-education is not a persistent employment status – at least for some of the entrants with relatively high education -; these people have chances experiencing status gain and "correcting" their qualification/occupational mismatch in the few years after labor market entry. We can speculate that for employers it is a bad signal if one could not find a job for a lengthy period, so it means that accepting even a "bad job" as a first employment can be a useful strategy because well-educated entrants can continue to search for a better job during their employment; moreover, employers appreciate employees with more labor market experience.

NOTES

[1] In fact, about 20-23 percent of all-time 20-year-old cohorts have attained at most vocational school qualification (without maturity diploma) since 1985 (Kertesi and Varga, 2005).

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