

# A Tale of Two Cities: Occupational Change in London 1991 to 2021

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## Abstract

Amid growing evidence that national occupational change trends mask substantial subnational heterogeneity, the author uses census data to visualize how the occupational structure changed within the 33 London borough between 1991 and 2021. The visualization documents a tale of two cities. The story in Inner London is one of clear upgrading: the proportion of residents employed in high-paying occupations increased by approximately 20 percentage points, while the proportion of residents employed in low- and midpaying occupations decreased markedly. In Outer London, the story is rather one of occupational polarization. Although the proportion of residents employed in high-paying jobs increased by 10 percentage points, the rate of growth was much slower, and growth at the top was generally accompanied by an increase in employment in low-paying jobs. These findings have important implications for the socioeconomic composition of schools, income inequality dynamics in London boroughs and potentially also for inequality beliefs and political behavior.

## Keywords

London, spatial inequality, occupational change, upgrading, polarization, segregation

Amid growing evidence that national occupational change trends mask substantial variation below the country level (Avola et al. 2024; Henning and Eriksson 2021; Hurley et al. 2019; Morris and Oesch 2025; Vera-Toscano, Fana, and Fernández-Macías 2022; Xu 2023), we use aggregated 1991 and 2021 census data to explore occupational change dynamics within London over a long time period. We ask, has the occupational structure upgraded or polarized in the same way within different parts of London?

Our sample comprises all employed and self-employed residents 16 years and older with known detailed occupation, and our spatial units are the 33 London boroughs. The 1991 and 2021 censuses use different Standard Occupational Classification (SOC) schemes, which has limited previous research on London to comparing the evolution of large (and unequally sized) occupational classes, usually over shorter time frames (Butler, Hamnett, and Ramsden 2008; Cunningham and Savage 2017; Hamnett 2015, 2024; Manley and Johnston 2014). We develop and implement a novel approach to circumvent this occupational discontinuity, which permits analysis across a 30-year period and yields a simple percentage-point change interpretation.<sup>1</sup>

We first harmonize to SOC20 using dual-coded Understanding Society data (University of Essex, Institute for Social and Economic Research 2024) and then follow Wright and Dwyer's (2003) job quality method to explore change over time. This involves (1) ranking SOC20 occupations by mean hourly pay using 1993–1997 Quarterly Labour Force Survey data; (2) dividing ranked occupations into equally sized national terciles in 1991 so that tercile 1 and tercile 3 constitute one third of employment in the lowest and highest paid occupations, respectively; and (3) tracing employment change in percentage points over the subsequent decades. These steps are described in full in the accompanying Supplementary Materials, and the income ranking and tercile classification of SOC20 occupations are listed in Table S1. Ranking detailed occupations by income yields a narrower focus on income-based upgrading or polarization compared

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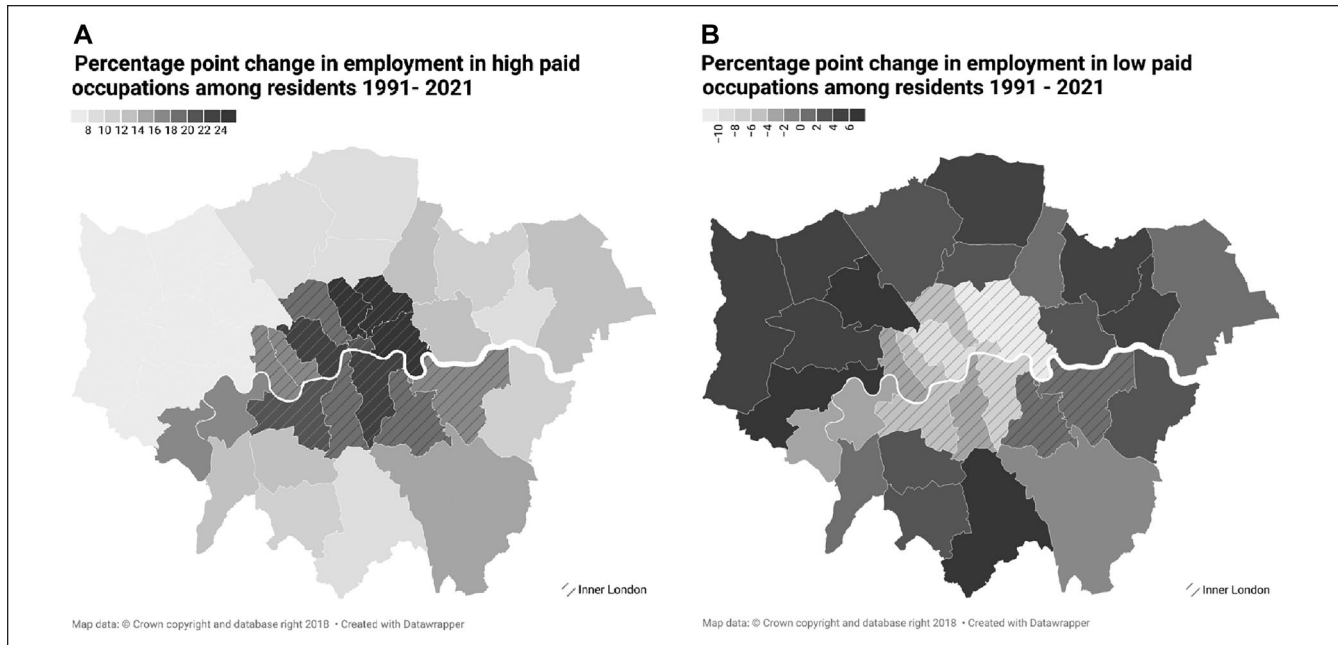
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<sup>1</sup>Replication files are available at <https://osf.io/ywztp/>.





**Figure 1.** Percentage-point change in employment in tercile 3 (A) and tercile 1 (B) occupations among residents, 1991 to 2021.

with more complex occupational class measures, while the fact that occupational terciles are equally sized in 1991 renders change over time easier to interpret than change among very differently sized occupational classes.

Figure 1 plots percentage-point change in tercile 3 (Figure 1A) and tercile 1 (Figure 1B) employment among London residents between 1991 and 2021,<sup>2</sup> where black always denotes strong tercile growth. What emerges is a tale of two cities: of strong upgrading in Inner London<sup>3</sup> and polarization in almost all Outer London<sup>4</sup> boroughs. Across Inner London as a whole, Figure S2 in the Supplementary Materials shows that the proportion of residents employed in high-paying jobs increased by approximately 20 percentage points, while the proportion of residents employed in low- and mid-paying jobs decreased markedly. In Outer London, the overall story is rather one of occupational polarization, despite the

variation among boroughs shown in Figure 1. On average, the proportion of residents employed in high-paying jobs increased by only 10 percentage points (a rate similar to that of England and Wales as a whole), and growth at the top was accompanied by a 4 percentage point increase in employment in low-paying jobs.

Figure 1 also shows that tercile 3 and tercile 1 employment growth in London is strongly negatively correlated: tercile 1 grew almost exclusively in boroughs with weaker tercile 3 growth. Occupational polarization was particularly pronounced in the northwestern boroughs of Brent, Ealing, Harrow, Hillingdon and Hounslow, as well as Barnet, Haringey, and Enfield in north London and Croydon in south London. Meanwhile occupational upgrading was strongest in the Inner London boroughs of Hackney, Islington, Southwark, Tower Hamlets, and Westminster, where the proportion of residents employed in high-paying occupations increased by more than 22 percentage points.

London housing market dynamics are a central player within this tale of two cities. Over the period in question, census data show that the employed population of London increased by more than 1.5 million (56.4 percent), while housing supply increased much more slowly (Gallent, Durrant and May, 2017). The mismatch of demand and supply contributed to “explosive” (Petris, Dotsis, and Alexakis 2022) increases in rent and house prices, particularly in Inner London. The very strong growth of tercile 3 employment among Inner London residents depicted in Figure 1 and

<sup>2</sup>For maps in which London boroughs are labeled, see Figure S1 in the Supplementary Materials.

<sup>3</sup>We follow the statutory definition of Inner London as the City of London and the boroughs of Camden, Greenwich, Hackney, Hammersmith and Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham Southwark, Tower Hamlets, Wandsworth, and Westminster.

<sup>4</sup>Outer London consists of the boroughs of Barking and Dagenham, Barnet, Bexley, Brent, Bromley, Croydon, Ealing, Enfield, Haringey, Harrow, Havering, Hillingdon, Hounslow, Kingston upon Thames, Merton, Newham, Redbridge, Richmond upon Thames, Sutton, and Waltham Forest.

Figure S2 reflects both the location of new high-paying jobs and the increasing unaffordability of Inner London to those who are not at the top of the occupational hierarchy (Hamnett 2003; Edwards 2016).

In addition to shaping income inequality dynamics within London boroughs (Vizard et al. 2015), the overall pattern of pure occupational upgrading in Inner London and polarization in most of Outer London has important implications for levels of consumption spending and the composition of local high streets, in terms of the shops and amenities that contribute to community life (Klinenberg 2018). It also has direct consequences for the socioeconomic composition of state primary and secondary schools and for the probability of residential interactions across income groups. Existing research suggests differential exposure in Inner and Outer London could influence a wide array of life domains, including educational aspirations and attainment (Dupriez et al. 2012; Gašević, Zouaq, and Janzen 2013), meritocratic beliefs and redistribution preferences (Christensen, Dinesen, and Sønderskov 2024; Morris et al. 2022), and political behavior (Jöst 2023).

The question of whether this tale of two cities is specific to London, common to cities in Anglophone countries that expanded housing supply much more slower than in continental Europe (Burn-Murdoch 2023), or common across global cities remains open. We hope that this visualization will spur further research that not only provides answers to this question, but also investigates the wider consequences of marked subnational differences in occupational change patterns.

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## Supplemental Material

Supplemental material for this article is available online.

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