**Urban-economic inequality and justice**

Towards a policy menu for planning

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**Abstract**

Urban-economic inequality is commonly considered to be increasing and a phenomenon that needs to be combatted. However, discussions about it are generally rather unsystematic and alarmist. This compromises policy effectiveness. In this paper we put forward a decision-making framework that can be used to provide structure to the discussion and to derive policy options from. It first deals with some definitional issues by distinguishing inequality from related but distinct concepts such as poverty, segregation and justice. In addition, it discusses measurement challenges. As investigating urban inequality is not value-free but can be approached from different angles, the paper elaborates on three alternative normative perspectives that relate (in)equality to (in)justice. The first considers economic inequality to be unjust from an instrumental view: it impacts negatively on economic growth, social cohesion or other socially desirable phenomena. The second argues that relative poverty (economic inequality) in itself (intrinsically) is irrelevant and not unjust but that the focus should be on absolute poverty. The third and final perspective takes issue with the material emphasis of perspective one (relative poverty) and two (absolute poverty) and raises awareness for the importance of capabilities: people can do different things with the same amount of money because of their differences in capabilities. Each normative perspective leads to its own policy options, such as regulation or physical interventions, within different policy categories (people-based/place-based and picking ‘winners’/saving 'losers'). Through providing conceptual order and distinguishing between competing normative perspectives a policy menu is sketched.

Key words: inequality, justice, poverty, planning, planning law