INTRODUCTION

Poor municipal fiscal management presents significant risks to inclusive urban development. The 2008–2009 global financial crisis brought some of the most obvious dangers into abrupt focus. Slower growth, higher borrowing costs, and lower revenues placed local governments under significant fiscal stress, limiting their ability to provide key services and invest in much needed infrastructure.

But there are more subtle, less dramatic dangers of fiscal mismanagement: lack of transparency, waste, fiscal mismanagement; lack of ability to provide key services, and invest in much needed urban development. The significant risks to inclusive urban development. The introduction


CREDITS AND LINKS

CONCLUSION

Despite these reservations, it is hard to see the process in Porto Alegre as anything but a success. The considerable improvements in service outcomes are joined by evidence suggesting that participation is not limited to the middle class or supporters of the incumbent party, and that the poor do take part, at least to some extent. Most encouragingly, as the concept has spread, it has been refined and improved. The use of internet voting allows participation on a much larger scale. And budget literacy campaigns and web-based budget monitoring tools have increased the effectiveness of the deliberative process.

Participatory budgeting is now probably one of the most widely studied, praised, and emulated innovations in municipal fiscal management. While not a panacea, it has contributed to improved public service outcomes where it has been implemented. Just as importantly, perhaps, it dramatically illustrates how, in today's interconnected world, a single innovative idea can be quickly recognized and imitated on a global scale.
PORTO ALEGRE, Brazil

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