CADASTRO ÚNICO: A REGISTRY SUPPORTED BY A NATIONAL PUBLIC BANK

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This paper has two main objectives:

First, it aims to introduce the reader to the Cadastro Único de Programas Sociais (Cadastro Único), showing its general characteristics and its history.

Second, it will investigate the role of the national public bank, Caixa Econômica Federal (CAIXA), responsible for the operation of the Cadastro Único nationwide.

1 INTRODUCTION

The Cadastro Único is the main registry for the purpose of programmes and policies directed at low-income populations in Brazil. It was formally created in 2001, in the context of the consolidation of four different cash transfer programmes: School Grants Programme (Programa Bolsa Escola), Cooking Gas Voucher (Vale Gás), Food Card (Cartão Alimentação) and Food Grant (Programa Bolsa Alimentação). The registry intended to unify, in a single database, the individual registries of these programmes, thus minimising the data collection effort.

At that time, registries were kept apart even within the same ministry or agency. There was a great variety of databases, with basically the same data, no quality control and scarce communication between them. Taken separately, each database was relatively small, which did not justify individual updating, inclusion and systematisation efforts. Taken together, the policies were not coordinated. As a result, some families received multiple benefits, while similar families which were never included in the databases never received any transfers or services.

Today the Cadastro Único is a unified registry, aside from education and health services, which are nearly universal and have registries for their own purposes, and the contributory pension system for formal workers, which also has another registry. The registry for a non-contributory cash transfer to elderly or disabled people living in extreme poverty, the Continuous Cash Benefit Programme (BPC), is also run with the contributory pension system for historical reasons.

Although formally created in 2001, there was a period of consolidation of the Cadastro Único as a unified registry of families living in poverty. First, it took the integration of the transfer programmes themselves into one single conditional cash transfer called the Programa Bolsa Família (PBF — Family Grant) in 2003; this programme is still the registry's main user. Second, the bold expansion of the PBF, from 6 million families in 2003 to 11 million families in 2006, brought the registry into the spotlight, together with its flaws, errors and inconsistencies. Most of them were a product of two pitfalls:

- the technical fragility of the data collection form. The first form was developed by a taskforce with representatives from several ministries, including public servants and specialists on social policies, but with limited knowledge of survey questionnaire techniques. This process was carried out in partnership with CAIXA and

- the low quality of the data inherited from the School Grant registry, which contained innumerable inconsistencies, missing values and a low level of reliability.

To overcome these challenges, between 2005 and 2007 a significant debate on changing the data collection questionnaire was coordinated by the Ministry of Social Development and Fight against Hunger (MDS) in association with the Brazilian Institute of Geography and Statistics (IBGE) and the Applied Economics Research Institute (IPEA), both agencies of the federal government. The goal was to improve the questionnaire and to increase data quality and standards, as well as to devise questionnaire manuals and training.

Isolated scandals regarding the PBF's errors of inclusion became public together with the pressure of government auditing agencies, there was effort of changing the questionnaire and database matching with other administrative records became a systematic practice. The Cadastro Único started to systematically check whether the declared income and family composition was the same as that stated in other government databases, such as of formal workers and death registries.

Today, with the consolidation of these practices and new questionnaire, the Cadastro Único, in parallel to effort of training people from municipalities, is recognised as a legitimate and good-quality database, be it within the government or among the research communities or private enterprises. Even though its usage by local-level governments is still limited to the more populated and organized locations, the understanding of the database has increased substantially. The great achievement is that, today, there are no local-, state- or national-level managers and bureaucrats trying to create a new database for populations in poverty. Instead, they are building administrative and managerial instruments to plug their policies to the Cadastro Único.

Hence, the Cadastro Único is a national reference, and it is practically a census of the Brazilian low-income population (those living on half a minimum wage per capita — US$6/day or US$170/month). The registry contains basic personal and household identification and profile data, grouped into six basic sets of data: personal identification, family identification, household characteristics, schooling, work and income information. Other supplementary data are collected, such as household expenditures, programme participation, characteristics of traditional communities, and vulnerable situations (homeless, engaged in child labour etc.).

The registry contains data on over 23 million low-income families and 78 million people.[1] Estimates based on the 2010 census data show 20 million low-income families in Brazil (67 million people) or 35 per cent of the total Brazilian population. Therefore, there is 114.5 per cent coverage.

TABLE 1

Distribution of Families Registered in the Cadastro Único According to Region and Per Capita Income per Month

	Number of Families Registered (millions)					
	Extremely poor (US$0–35)	Poor (US$36–70)	Low income (US$70–170)	Other medium income	Total number of families	%
Brazil	13.2	5.3	4.5	2.3	25.3	100
Northeast	7.2	1.7	1.4	0.7	11.0	43
Southeast	3.0	2.0	1.8	0.8	7.6	30
Northern	1.6	0.4	0.3	0.2	2.4	10
Southern	0.9	0.7	0.7	0.4	2.7	11
Centre-West	0.6	0.5	0.4	0.2	1.7	7

Source: Cadastro Único database extraction, 16 February 2013.

The main challenge is to keep this volume of data up to date and targeted at low-income populations. Local governments are responsible for spotting the poorest populations and registering activities, thus being ultimately responsible for targeting. Nevertheless, the central government also calculates periodical targeting estimates as a guideline for registering activities.

Regarding targeting, on the one hand, there is some under-notification of income; on the other, there is a high level of income volatility, especially for low-income families. Thus it is important to understand that not all of the families registered have a low income at any given time. Only 16.7 million families have updated data (66 per cent of the total number of families), and 15.2 million families (60 per cent of the total number of families) are updated and have a low income, as at the time of registration. Updated meaning that the family has given this information to Cadastro Único within the last two years.

The most important feature of the Cadastro Único, differentiating it from most targeted registries around the world, is that income is declared by the families themselves. Founded on a relationship of trust, programmes that use the Cadastro Único rely on the veracity of the declared information, and this has proven to give good results. The PBF, which today covers the whole population living in poverty registered in the Cadastro Único, is as well targeted as programmes that use other proxy measures of poverty.

2 CAIXA

As stated earlier, the national bank, CAIXA, is in charge of maintaining the Cadastro Único's systems and databases, despite its core business being financial. Following the pattern of the Brazilian commercial banking sector, CAIXA has achieved a high level of coverage and automation due to the long and hard years of high inflation throughout the 1970s and 1980s. Popularisation of banking accounts and rapid financial intermediation through automation were needed to protect the purchase value of money. Banks were able to correct the value of deposits for inflation, as the government guaranteed the offer of papers with an overnight yield much higher than inflation. Today, in a low-inflation environment, programmes such as the PBF can profit from the architecture built in the high-inflation period. At the moment, CAIXA is the second largest bank in the country (in terms of the volume of deposits), just behind another public bank, Banco do Brasil.

Furthermore, CAIXA has historically acted as an intermediary in the housing and public sanitation policies of the federal government through a forced savings mechanism called the Fundo de Garantia por Tempo de Serviço (FGTS), enabled by earmarked payroll taxation. In addition to having experience in managing social and urban policies, CAIXA was the first bank to popularise savings accounts in Brazil, and it manages the national lottery, the only game of chance officially allowed in the country. These factors give CAIXA a cumulative competitive advantage in offering large banking operations for low- to middle-income populations, and the registration and management of social funds.

There are basically two sets of services that CAIXA provides to the MDS regarding the Cadastro Único and PBF:

- services linked to family and personal registration: online data entry software, data consistency, data matching to control multiplicity levels, database information security, among others; and

- services linked to payroll and benefit payment: payroll system, magnetic card issue and delivery, monthly benefit payment through four different channels, among others.

All of the services rendered by CAIXA are specified in a contract with an attached Service Level Agreement. The agreement explains the exact indicators that will be monitored to approve the services rendered by CAIXA or, otherwise, apply a penalty fine. There are nine indicators of service level: three for the purpose of the Cadastro Único (multiplicity levels, timely form printing and remittance, and period to process and assign the unique identification number); three pertaining to the PBF (number of beneficiaries per paying terminal, number of municipalities without active paying terminals, number of payments in municipalities without active paying terminals); and three regarding general CAIXA services to the users of the Cadastro Único and PBF (number of calls taken by the call centre, satisfaction levels of people attended to by the call centre and satisfaction levels of persons attended by CAIXA's technical support).

Overall the relationship with CAIXA has been a two-way street. Over time, the MDS has learned how to demonstrate evidence of eventual problems affecting the data entry, processing and benefit administration. It has also learned to come up with suggestions that

are more akin to the capacities and technological solutions of CAIXA, as well as prioritising and communicating demands in such a way to avoid overwhelming CAIXA's technicians. On the other hand, CAIXA has slowly developed capacity to interact with social policy managers, be it at the local or national level, absorbing demands in a more timely fashion than before. In short, CAIXA has learned and adapted, not without conflict, to the very dynamic world of social policies.

It is noteworthy that the first set of services, more akin to the Cadastro Único, is not the core business of CAIXA. There are other important government enterprises that have historically managed registries and information technology solutions for public policies and taxation. The most important are Empresa de Tecnologia e Informação da Previdência Social (DATAPREV), linked to the Ministry of Social Security, which manages contributory social security benefits,[2] and Serviço Federal de Processamento de Dados (SERPRO), specialised in taxation and national government accounting.

Notwithstanding the competitiveness of such companies regarding data processing and systems development, for Cadastro Único and the PBF taken together, having CAIXA as the operating agent means eliminating the transaction costs between data management and benefit payment. That has surely made CAIXA more competitive. We will examine CAIXA's payment services further below.

3 REGISTRATION SERVICES

Data collection and entry for the Cadastro Único is done by the 5570 local governments of Brazil, the municipalities. The software for data entry was developed by CAIXA on request. The software's latest version was launched in 2010, together with the new data form, designed to collect much more information on families and individuals, in a format and concept as close as possible to that of data collected by the official national census and household surveys.

Besides the new fields and data entry process, the most important feature of the new software is that it is online. Data are collected and processed in real time. This has proven very important for data security and integrity, since files being uploaded and downloaded back and forth used to create innumerable consistency and synchronisation problems between what the local governments had stored in their local systems and the central government database. Today, only 2 of the total 5,570 municipalities have not yet migrated to the new version of the system. Notwithstanding, many municipalities have low velocity connections or insufficient data packages to manage de online data flow of Cadastro Único.

Still, there are problems that derive from connectivity itself. Because many local governments would complain to the MDS about system unavailability, and there was no monitoring of this by CAIXA, the MDS has created a robot to log into the software and check its availability 24 hours a day so that it can then encourage CAIXA to solve any issues.

A good measure of problems derived from connectivity is the number of accesses to the robot, to check for system availability. If the local manager is checking for system availability, it is probably because it is trying to register data right at that moment, so it can be compared with the actual number of families' registrations and updates.

On average, there were 1.2 million families registered (included and updated) per month during the first quarter of 2013. There was, during the same period, an average of 6700 visits to

the robot's site per month. Therefore, one could say that approximately 0.54 per cent of registration activity in municipalities was affected by system unavailability or other internet and link issues.

Another service rendered by CAIXA and closely monitored by the MDS is the matching of personal data to control for multiplicity levels. As mentioned above, CAIXA already manages an important registry for the FGTS. It is integrated with the Cadastro Único in what concerns personal identification documents. This has an inbuilt multiplicity check so that it does not ascribe different identifying keys to the same person. The MDS monitors both the simple multiplicity of identifying keys as well as the multiplicity of persons' names and documents.

4 CAIXA'S CONTRIBUTION TO THE INTEGRITY AND TRANSPARENCY OF THE REGISTRY AND BENEFIT PAYMENT

Helal and Neves (2010) put forward the most promising analysis of CAIXA's importance for the implementation of the PB, particularly its excellent targeting. The authors highlight CAIXA's bureaucratic insulation and put special emphasis on the role of municipal governments.

The paper states that CAIXA is now a typical professional bureaucracy, counting on personnel that are highly qualified, professional and hired through official examination. Besides being, on average, better paid than in the private sector, these professionals enjoy a relative stability of employment, since lay-offs have rarely happened in the past. Thus the authors conclude that CAIXA is well insulated from the pressure of interest groups — more so than the private sector. This is the first organisational element relevant to the understanding of the Cadastro Único and the PBF's successful implementation: CAIXA's bureaucratic insulation.

We find the above arguments correct, but they lack other explanations just as important to understanding the insulation of the Cadastro Único and the PBF from interest groups and other pressures. Such mechanisms as the concession process, which is clearly stated in legislative ruling and operated by an algorithm within the payroll system, guarantees that concession does not give in to arbitrary inclusions, be it by the local or national level of government.

In addition to the points made above, one can observe that the data collection and entry by municipal authorities is done in a decentralised fashion, without any intervention from the federal government. The only restriction is set by geographical targets which make it difficult for municipalities to register non-poor households to the detriment of low-income populations, at the risk of having low-income populations demanding to be included. Therefore, the design of a decentralised registry with centralised payment, through management information systems, makes it hard for any individual manager along the data flow to have control of both who is registered and who will be granted the benefit.

5 THE PROGRAMA BOLSA FAMÍLIA — THE MAIN USER OF THE CADASTRO ÚNICO

Created in 2003, in the first administration of Labour Party President Luiz Inácio Lula da Silva (Lula), the conditional cash transfer PBF is still today highly associated with the Cadastro Único

in people's minds. This is because it was the Lula administration's flagship programme, and it is still the most important and visible user of the Cadastro Único. Nevertheless, today there are a number of programmes that use the Cadastro Único in quite significant numbers.[3]

The PBF benefit is transferred monthly by a magnetic card to 13.9 million families throughout the country — making it the largest conditional cash transfer programme worldwide in terms of the number of monthly payments. Needless to say, this is a huge operation, given that Brazil is the fifth largest country in the world (8.5 million km^2). The entire payment operation is managed by CAIXA.

As of March 2013, the PBF transfers money to all the poor (US$2/day) and extremely poor (US$1/day) families identified in the Cadastro Único, which, aside from errors of inclusion and exclusion, contains all the families living in poverty in the country.

Different benefits are assigned to families depending on:

- the level of income per capita: whether the family is poor or extremely poor;

- the number of children, youth, and pregnant or breastfeeding women; and

- the level of income after benefits, with an additional benefit covering the gap between the income after the above PBF benefits and the extreme poverty line.

In March 2013, the average PBF transfer was US$75 per month per family, and total transfers represented 0.6 per cent of the Brazilian 2012 gross domestic product (GDP). Although it does not represent much government expenditure, it has had a massive impact on the recent reduction in inequality and poverty in Brazil. Being highly concentrated on low-income populations, the PBF was responsible for 21 per cent of the recent drop in inequality in Brazil. The Brazilian GINI coefficient dropped from 0.58 in 2003 to 0.53 in 2010.[4]

Because the Cadastro Único is very well targeted, the PBF is also well targeted. Inclusion and exclusion errors are close to those of other conditional cash transfers in Latin and Central America, such as Mexico's Oportunidades and Chile Solidário.[5]

6 PAYMENT SERVICES FOR THE PROGRAMA BOLSA FAMÍLIA

The MDS and CAIXA have developed a system to manage payroll operations for the PBF. The system specifies the rules for programme access and the calculation of all benefits. It reads the Cadastro Único's data and automatically identifies families that fulfil the programme's targeting requirements and other supplementary conditions. The central government then adds the geographical targeting and overall programme budget conditions and organises the queue to effectively assign new benefits. Although local governments manage registration in the Cadastro Único's, from then on they have no other influence on the enrolment of families in the programme.

The only possibility for non-automated benefit assignments is the inclusion of traditional and vulnerable populations, informed monthly by the MDS based on very specific registration activities. These are populations such as poor indigenous tribes, poor Afro-descendants of slaves, persons freed from activities akin to slavery, and families with identified child labour.

Such families have preferential access to the programme, and their inclusion in the programme is the exclusive responsibility of national government. Notwithstanding the non-automated inclusions and exclusions, the great majority of benefit management is done automatically by the software that generates the payroll monthly. In the first quarter of 2013, 98 per cent of benefits were assigned automatically by the payroll system. After the payroll is generated, it commands the transfer of cash from the MDS to individuals' accounts for withdrawal.[6] For new beneficiaries, cards are issued and sent through the mail.

BOX 1
Programa Bolsa Família: Organising the Queue

If the number of families eligible to enter the PBF hits the overall programme budget or family inclusion limits, be it at the national or the local level (geographical targeting), then the queue will be organised according to the following criteria:

- Prioritised populations (indigenous, child labour, ex-slave communities etc.);
- Municipalities with less coverage;
- Lower self-declared income; and
- Greater number of children up to 17 years old.

Legislation allows the possibility of organising the queue according to a vulnerability measure, such as an income prediction method or a vulnerability index, but this has never been used by the MDS. This is because, until now, income self-declaration has worked to the benefit of targeting, as all families may face income instability, even those with a medium income profile.

The targeting of the PBF, measured by the exclusion error has oscillated between 60 per cent and 70 per cent, which is similar to the targeting levels of Oportunidades in Mexico, and other programmes in Latin America that utilize a vulnerability proxy measure to prioritize beneficiaries or check eligibility.

Benefits are also automatically cancelled if families fail to meet the programme's income criteria or for some reason do not withdraw their accumulated benefit after six months. But there are non-automated cancellation rounds during a given year to account for auditing processes, benefit revisions for outdated registries, repercussions for non-compliance with conditionalities, and particular judicial cases. All of these non-automated processes are, again, regulated and controlled by the central government. Nonetheless, local governments can, in specific cases, block or cancel benefits. The data flow from registration to benefit payment is represented in Figure 1.

FIGURE 1

Data Flow between Registration in the Cadastro Único and Receipt of the Programa Bolsa Família (Family Grant)
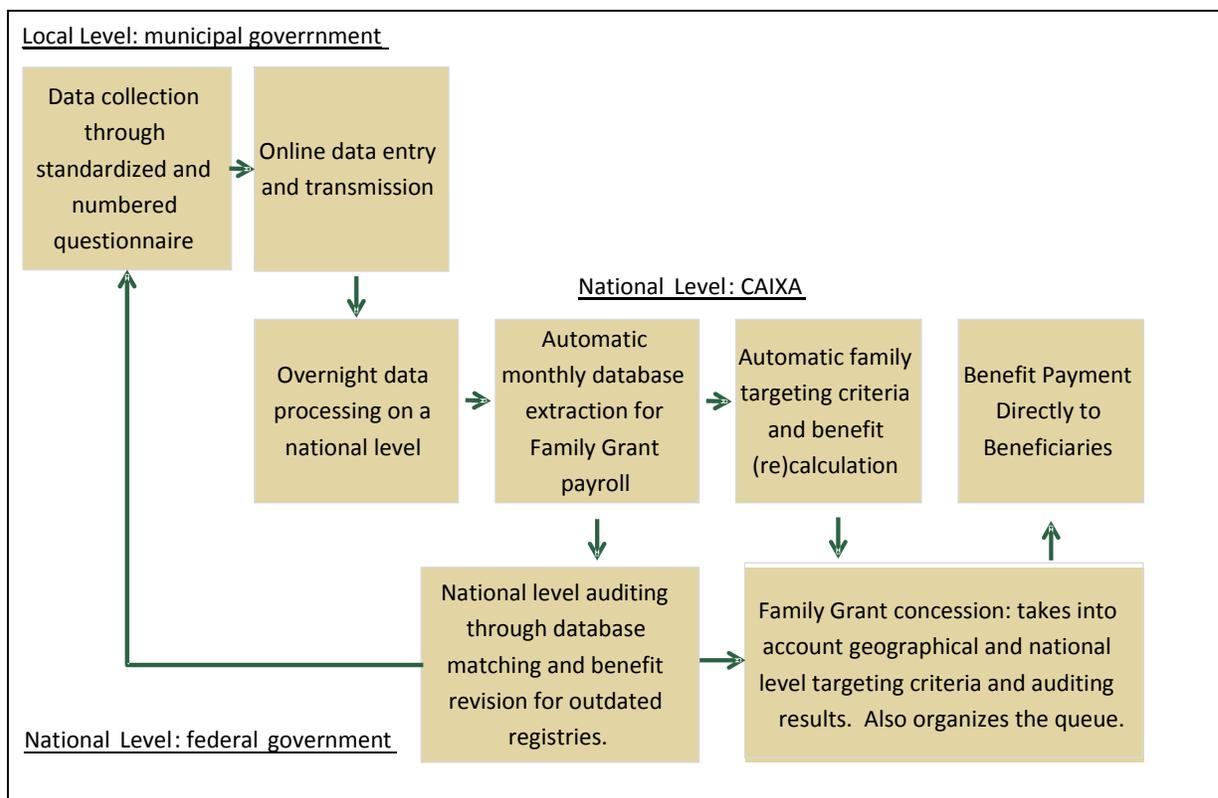
Currently, 98 per cent of benefits are withdrawn in the same month that they are made available to the beneficiary through one of CAIXA's many payment channels. Table 2 shows the importance of lottery shops for benefit withdrawals. They are also simplified banking structures that allow people to perform certain transactions, such as paying bills and making withdrawals and deposits.

TABLE 2

Programa Bolsa Família Withdrawals by Payment Channel (%), January 2013

Channels	% of Withdrawals
Lottery Shops	54
Banking Account	21
Agencies	17
Banking Correspondents (CAIXA Aqui)	7
Total	**100**

Surprisingly, transfers to proper banking accounts come in as the second most used payment channel. This shows a quite high level of financial inclusion of low-income populations.

CAIXA also works with banking correspondents, which are normal commercial establishments which certify themselves to perform simple banking transactions for CAIXA. They are usually located in rural or remote areas where the nearest bank or lottery shop is still too far. Only 7 per cent of the withdrawals are made through this channel. But what of those families who do not manage to withdraw their benefit at all? Is the distance to a payment channel a determining factor? A clue can be found in the analysis of the benefits cancelled because of non-withdrawal.

On average, over 65,000 families are removed from the programme each month because they have not withdrawn benefits for over six months. This is explained by a number of factors.

Address problems affect 41 per cent of the families that are cancelled for repeated non-withdrawals. These families did not even receive the card that was sent to their homes, so they did not know they had been granted the benefit. This may be due to inexact addresses of households in rural areas, temporary or uncertain residence and actual displacement, with recipients having changed address without updating the Cadastro Único. But it can also be the result of inaccurate data entry in the Cadastro Único address information, which is notably frail, having little quality control on data entry.

For extremely poor families, the data show that not receiving the card is a relatively less important determinant of non-withdrawal than for the less poor families. On average, undelivered cards represent 29 per cent of extremely poor families' failure to withdraw their benefits, meaning that there are even more important reasons why they do not access the benefits. Here, of course, the cost of transportation and of leaving their children with a carer might be prohibitive. Furthermore, for extremely poor people, the possibility of the cultural challenge that might be involved in going to 'town', demanding a 'right' and withdrawing the benefit using a magnetic card and a password cannot be ruled out. Evidence to back these hypotheses has not yet been collected though.

7 THE IMPORTANCE OF MUNICIPALITIES: A PRACTICAL EXAMPLE

The literature that analyses federal arrangements and decentralisation suggests, on the one hand, that the "dispersal of the ability to legislate among the federal units reduces the scope of the central government in terms of policy execution, enabling the creation of a limited central government". On the other hand, the strength of sub-national federal units may turn them into stakeholders with veto power and may limit the capabilities of the central government. Nevertheless, in reality we observe that the central issue is not the excessive veto power of local governments — actually, it is administrative and bureaucratic restrictions that hinder policymaking. In the case of Brazil, it is important to understand not only the relevance of municipalities but also the incentives developed for them by the central government by means of institutional mechanisms.

Ever since the creation of the PBF, the MDS has established benefit quotas for each municipality based on a simple and easily understood indicator: the ratio of poor people per municipality (geographical targeting). To adequately grasp the meaning of this mechanism, it is important to clarify that the MDS has always worked with two quotas: a national one, and a municipal one. In 2003 the national quota was equivalent to 11.1 million families[7] — that is, the sum of the number of poor people in all Brazilian municipalities. However, there was also a municipal quota, and every municipal manager worked with this parameter.

The national quota, which was set as the PBF target, was reached by the end of 2006. Until then, the common understanding was that the quota was an action parameter based on an estimate and, therefore, did not always correspond to reality: there were municipalities where the quota was rapidly surpassed, and others that were far from reaching the target. Among the latter there was a continuum. Consequently, until the national quota was reached, there was a period in which, in practical terms, the municipal quota was not configured as the ceiling (upper threshold). This only happened after the national quota was met.[8] Barros et al. (2008) demonstrated the importance of local quotas to improving the targeting of social programmes, especially the PBF.

In the PBF the common understanding was that managers did not have mechanisms to guarantee the 'provision' of benefits. In a country where there are different perceptions about public affairs and the public interest, and where many people have a clear idea of what accountability is, while others rely on a tradition of political patronage, it is important to emphasise that this was a significant step forward for the programme. This learning experience was assimilated both by the citizens, who came to understand how a significant share of their rights was granted, and by the governments, which were used to a culture of cronyism in social policies. This rule, this understanding, certainly enabled local managers to enforce a registration system targeting the poorest groups among poor populations. We know that a more efficiently targeted registry increases the likelihood of admitting citizens from a given location and guaranteeing their eligibility to receive benefits through a national ranking. In other words, the rules that define the use of a national rank, rather than a municipal one, determined a behaviour primarily focused on public interest at the local level.

Initially, the federal government did not create incentive mechanisms for municipal action. Due to the poor quality of the registry records in the first two years, in May 2005 the MDS created a Term of Agreement, a type of contract used to determine the role of each party, as well as to define which municipal agent would be held accountable for the programme (Soares and Sátyro, 2010). This worked as a learning process. Nonetheless, there was still a lack of real enforcement instruments, positive incentives or restrictions. Therefore, in 2006 the MDS created a financial support instrument for municipalities contingent on the improvement of the quality of registry information. Hence, a part of the index focuses on the quality of the registry for purposes of programme coverage and targeting, and the other part refers to the monitoring of conditionalities, which falls under municipal responsibility. According to Soares and Sátyro, "the formula for this financial support is simple: a maximum value of R$2.50 per family in the Registry, assuming that the first 200 families from any given municipality pay twice as much" (Lindert et al., 2007).

This maximum value is then multiplied by the Decentralised Management Index (IGD), which is the simple average of four percentages:

1)   the percentage of families in the Cadastro Único who possess
        coherent and complex records — that is, the quality of the registry;

2)   the percentage of families in the Cadastro Único whose last visit
        or update occurred less than two years ago;

3)   the percentage of child recipients who have complete records
        referring to educational requirements; and

4)   the percentage of recipient families who have complete records
        referring to health requirements.

This index ranges from 0 (minimum value) to 1 (maximum value); as such, it measures the effectiveness of municipal management considering its two main dimensions.

Helal and Neves (2007) accurately highlight the importance of what they call 'coercive isomorphism', which derives from formal and informal pressures to standardise actions. The authors, however, dwell only on the capability of NOB/SUAS standardisation, since this specific norm effectively created several mechanisms, responsibilities and procedures, standardising the actions adopted by the municipalities. Nonetheless, at no time do the authors focus on the Municipal Decentralised Management Index (IGD-M) or the State Decentralised Management Index (IGD-E), both created by the MDS. The IDG-M is clearly a mechanism to improve the quality of the registry, in exchange for financial support for municipalities.

8 FINAL REMARKS

The Cadastro Único is, without a shred of doubt, an exceptional managerial experience for the implementation and management of social policies — first and foremost because it is a census of Brazilian populations living in poverty, which, for a country with continental dimensions, is a real achievement. In addition, the Cadastro Único achieved a formidable level of informational value, as it collects, in addition to the complete address and location of each family, socio-demographic data such as:

(i)   family composition, including the presence of pregnant and breastfeeding women;

(ii)   formal education;

(iii)   labour market participation;

(iv)   disposable income — income and expenditures;

(v)   child development;

(vi)   housing conditions; and

(vii) the presence of persons with disabilities and elderly persons.

On a more operational level, the Cadastro Único has greatly improved the ability of local and central government to formulate and implement policies for poor households. All policies, even universal ones, can now include distributive mechanisms, as populations in poverty are now well identified and profit from a single entry point to access public policies. Furthermore, local governments that lack administrative tools to manage public policies have been provided with an array of instruments to do so, as the Cadastro Único is not only a management information system but also provides skills development for data collection and transfers money to subnational governments to support registration activity. This is important because administrative capacity varies considerably among the 5,570 local governments of Brazil.

Nevertheless, it is important to establish that the quality of the Cadastro Único seen today is a historical achievement built over 10 years of institutional learning and cooperation between CAIXA, the MDS and the local governments of Brazil. CAIXA played a central role in transforming the Cadastro Único into the database it is today. As stated earlier, its relevance derives from its bureaucratic insulation, its geographic reach and its proven technical capacity to deal with the challenges posed by such a large and dynamic data flow. Such capacity would hardly be found or built within such a new ministry as the MDS, founded in 2003. As for payment services, CAIXA's contribution cannot have been more welcome, as it was able to make 13.9 million monthly payments with no delay. No less important is the fact that payments made directly to the beneficiary through a trusted bank eliminates a great part of local clientelism, enforcing the perception of the PBF as a right instead of a favour owed to the local big shots.

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NOTES

1. The official number of 'active records' excludes the families that have not updated their records in the last 48 months. Taking that into account, there were exactly 20 million low income families registered in Cadastro Único by December 2013.

2. DATAPREV also manages the registry and payment of the non-contributory cash benefit to persons with disabilities and elderly persons who have a monthly per capita income of one quarter of the minimum salary. This is the BPC, which dates back to 1988, becoming effective only in 1993. It is today the second largest non-contributory cash transfer programme after the PBF. By December 2012, it benefited over 4 million people, of which 1.8 million elderly and 2.2 million persons with disabilities.

3. Notably the Tarifa Social de Energia Elétrica (Social Electricity Tariff) which grants over 12 million energy bill discounts, all of which must be registered in the Cadastro Único to receive the discount. All the programmes included in the Brazil Without Extreme Poverty strategy of Lula's successor, President Dilma Rousseff, use the Cadastro Único to identify the targeted population.

4. See Soares, Sergei (2012).

5. See Soares, Fabio et al. (2007).

6. The Brazilian Central Bank legislation allows for the creation of bank accounts with very limited services: only the deposit and withdrawal of the benefit.

7. An estimate of the number of poor families per municipality was developed based on the methodology devised by the Institute for Applied Economic Research (Ipea), using information from the National Household Survey (PNAD), conducted every year by the Brazilian Institute of Geography and Statistics (IBGE). It is important to highlight that the estimate of the number of families became the PBF target.

8. Notwithstanding, since this is an arbitrary calculation, the quota increased progressively to expand programme coverage.