

A major challenge concerning the implementation of the Bolsa Família Program (BFP) is to target and reach, as efficiently as possible, more than 13 million beneficiaries of the Program scattered throughout the 5,570 municipalities of Brazil. Basically, this means that all the families who fit the profile of the Program must be included (i.e. avoiding erroneously “exclusion” of families from the Program) and those families with incomes above the poverty line who must not be included (i.e. avoiding “inclusion” errors).

The Unified Registry (CadÚnico) is a key tool employed for targeting and implementing the actions related to the selection, monitoring and granting of benefits for ‘poor’ and ‘extremely poor’ sectors of the population. The Unified Registry contains data on more than 27 million low-income families. This makes it possible to locate such families and to analyze their socio-economic situation prior to their enrolment in the BFP and other social programs.

In order to identify poor families, the Brazilian government has adopted as its main indicator families’ self-declared per capita income. Meanwhile, definition of the extreme poverty line in cash terms is based on a series of studies¹. In a predominantly urban country, ‘declared income’ is accepted as reflecting the socioeconomic situation of most families, including that of the extremely poor sectors of the population.

Table 1 shows how the eligibility cut-off lines have developed. In 2003, with the creation of the Bolsa Família, the extreme poverty line was set at R\$ 50.00 (US\$ 30.12 PPC²) and the poverty line as double that amount: R\$ 100.00 (US\$ 60.24 PPC). Over the years, adjustments have been made to the values of the poverty and extreme poverty lines in order to compensate for inflation-induced devaluation.

Table 1 Evolution of Bolsa Família eligibility lines: extreme poverty and poverty between 2003 and 2016

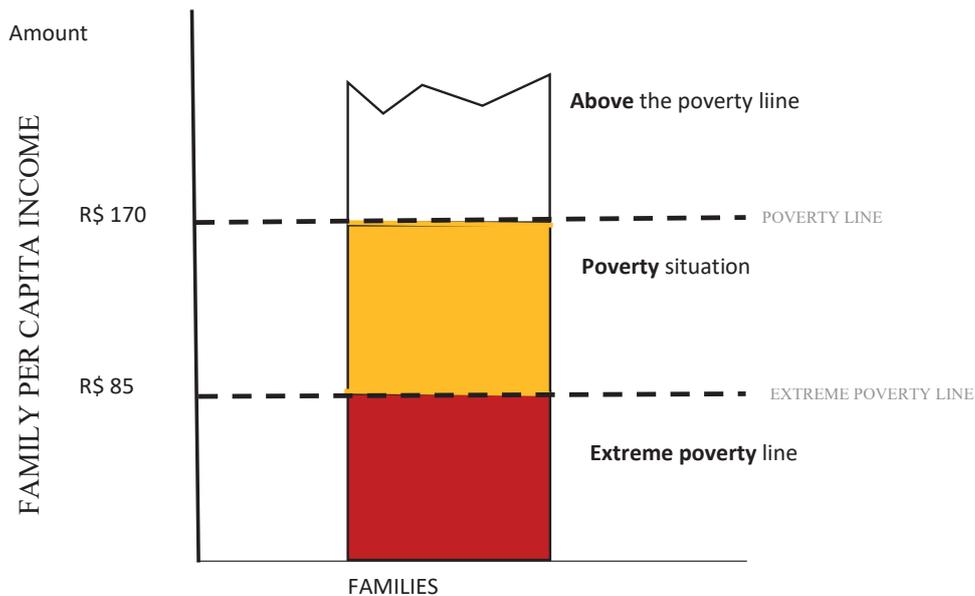
Date	Regulation	Eligibility lines	
		Extreme Poverty	Poverty
October 2003	Provisional Measure No. 132 converted into Law 10,836	Up to R\$ 50.00	From R\$ 50.01 to R\$ 100.00
April 2006	Decree nº 5,749	Up to R\$ 60.00	From R\$ 60.01 to R\$ 120.00
April 2009	Decree nº 6,824	Up to R\$ 69.00	From R\$ 69.01 to R\$ 137.00
July 2009	Decree nº 6,917	Up to R\$ 70.00	From R\$ 70.01 to R\$ 140.00
April 2014	Decree nº 8,232	Up to R\$ 77.00	From R\$ 77.01 to R\$ 154.00
June 2016	Decree nº 8,994	Up to R\$ 85.00	From R\$ 85.01 to R\$ 170.00

1 From the conceptual and methodological perspective of cash-based poverty, an individual is considered poor if his or her disposable income, or total expenditure, is less than a given normatively established monetary value - the poverty line - the value of which is the cost of all goods and services considered essential to meet a person’s survival and consumption needs. If the available resources are not sufficient to purchase the basket of foods necessary for minimum daily caloric consumption, the individual is considered to be in a situation of extreme poverty (JANUZZI et al., 2014, p.766).

2 Conversion on the basis of Purchasing Power Parity of GDP based on the US dollar in 2011 (1 USD = 1,66 BRL) according to the World Bank (available at: <http://data.worldbank.org/indicator/PA.NUS.PRVT.PP>)

The last adjustment was made in 2016, focused on families with a monthly per capita income equal to or less than the extreme poverty line - R\$ 85.00 - and poor families with a monthly income per capita under the poverty line - R\$ 170.00³. Families receiving per capita incomes above this poverty line do not form part of the BFP target population given that they are considered to have emerged from poverty (see Figure 1).

Figure 1 - Poverty and extreme poverty lines of the Bolsa Família Program (2016)



In view of the highly unstable incomes received by the low-income population since 2009, any fluctuations in family income within a period of two years (the duration of the Bolsa Família benefit⁴) are not taken into account. This is a common situation among the poorest families, who often work in the informal sector and who from time to time may earn above the poverty line but who are not able to sustain this level of income. Such families are not excluded from the Program due to income fluctuations which do not in reality mean that they have effectively overcome poverty.

The Bolsa Família Program has adopted a targeting strategy consisting of five different stages prior to benefits being granted to families. As a first stage, MDS surveys define the number of families who are eligible to be beneficiaries of the Bolsa Família Program (i.e. families with per capita income under and up to the poverty line)⁵. The last of these analyses, conducted

3 The cutoff values adopted by the Program are equivalent to internationally-used and national research institute values. The reference to the extreme poverty line is "in line with the World Bank's international line of \$1.25 PPP / day, as well as being close to (or slightly above) the lines used by IETS in the rural Northeast and North of Brazil, where more than half of the population living in extreme poverty is concentrated" (JANNUZZI et al, 2014, p. 773).

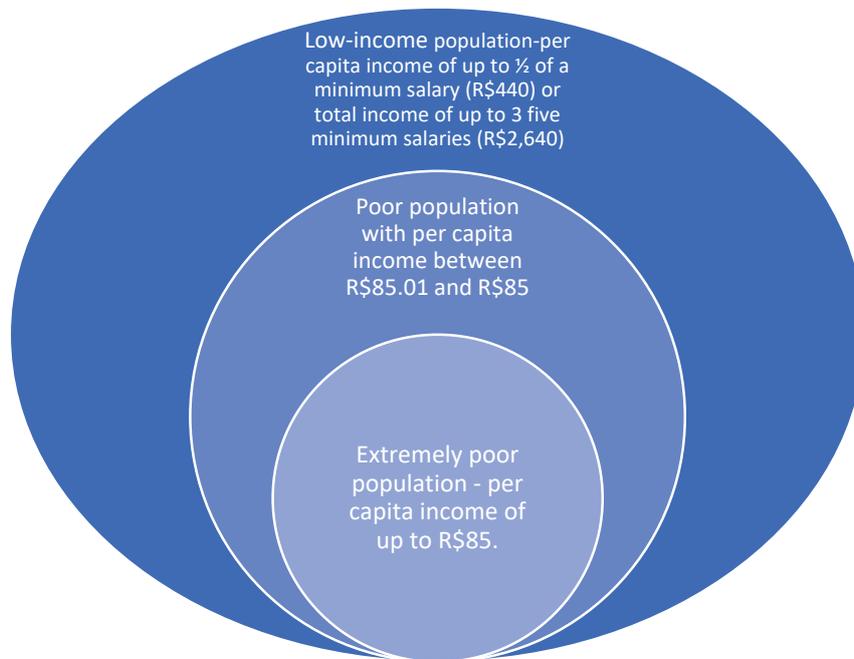
4 Regulation of the "BFP remain rule" in 2010, with the enactment of MDS Ordinance No. 617, consolidated benefit validity for 24 months. As a result, the temporary increase in the per capita income of families above the poverty line does not entail immediate cancellation of the benefit (only if it exceeds ½ of one minimum wage per capita). The calculation that includes in the PBF target audience any families that temporarily exit their situation of poverty, without effectively overcoming it, uses a coefficient of income fluctuation developed by the Institute of Applied Economic Research (IPEA), Brazil's main institution for government economic research and planning.

5 Household statistical surveys conducted by the Brazilian Institute of Geography and Statistics (IBGE) and analyses by the Institute of Applied Economic Research (IPEA) and the MDS.

in 2012, set a target of 13.8 million poor and extremely poor households to be considered as beneficiaries of the Bolsa Familia Program⁶. In addition to the number of families forecast at national level, estimates are also made of the beneficiary target population at municipal level. For example, it was estimated that of the 30.8 million families in Brazil who fitted the BFP profile, 500,686 lived in the São Paulo municipality, 79,528 in Belo Horizonte, 177,158 in Fortaleza, etc. Using this type of data, the MDS sets municipal quotas to be used as baselines for selecting beneficiaries in each municipality.

The second stage of the targeting strategy consists of municipalities being instructed to register all low-income families who fit the Unified Registry's 'broader profile', i.e. per capita income of up to ½ minimum salary or a total family income of up to 3 minimum salaries. This target audience obviously falls within the potential audience of the Bolsa Familia Program given that the maximum income under the Unified Registry is greater⁷ (see Figure 2).

Figure 2 Target population categories in the Unified Registry (2016)



6 Previous studies have been conducted to define the target audience: the first, done in 2003, defined the audience in 11.2 million households. In 2006, based on the 2004 National Household Survey, the audience was adjusted to 11.1 million. In 2009, a new survey and review of income levels and aspects of income volatility set a new target of 12.9 million families. Finally, in 2012, with the results of the 2010 Census, the estimated target audience for the Bolsa Familia Program was updated to 13.8 million families.

7 The Unified Registry records information for low-income families (with per capita income of up to ½ of a minimum salary or family income of up to 3 minimum salaries). However, registration of families with higher incomes is accepted providing they are eligible for selection by some type of social program.

At the third targeting stage, families are selected as beneficiaries of the BFP grants. Selection is carried out by the MDS via a computerized system managed by the Federal Mortgage Bank (Caixa Econômica Federal - CAIXA). In individual municipalities, the families are selected from those who possess valid and up-to-date registration in the Unified Registry⁸ and who have properly-declared incomes. The number of cash awards must be in line with the municipal quota⁹.

The process of municipal quotas is designed to ensure that there are no regional asymmetries in the granting of benefits, and that the levels of poverty in a given municipality's area are aligned with the number of benefits granted. This approach also encourages better local control over Unified Registry data since poverty estimations in a given municipality must equal the number of poor families registered there. If this is not the case, it falls to the federal and municipal management to conduct checks on the registration process.

The fourth stage consists of a Cadastral Survey to check data contained in the Unified Registry. Since 2005, Unified Registry and BFP payroll data are cross-checked with other databases and administrative registries in order to discover any evidence of registration inconsistencies¹⁰. The checking routines are constantly improved by incorporating new technologies, methodologies and databases, in cooperation with surveillance and monitoring bodies. This results in the socio-economic data of millions of families being updated¹¹. The Cadastral Survey routines enable inconsistencies such as any signs of omission or under declaration of income to be identified before benefits are granted. It also ensures that only those families who fit the eligibility criteria of the Program are included.

The fifth and final stage in the targeting process consists of the Cadastral Review, aimed at updating the registration data of beneficiary families that have not been updated for more than 24 months¹². This process enables the identification of families whose profile does not permit them to remain beneficiaries of the Program.

The Cadastral Survey and Review processes have enhanced the Bolsa Familia targeting process by reducing the Program's 'inclusion and exclusion' errors. The Cadastral Survey ensures that only families with compatible income profiles are enrolled in the program, while the Cadastral Review means that families with incomes above the poverty line will have their benefits interrupted. These two approaches make it possible to maintain the payroll within the limits established by the government's annual budget laws, as well as permitting the gradual inclusion in the Program of all the families with the appropriate income profile and no data registration constraints.

8 Family data registration is considered to be valid if it meets the following requirements: (i) completion of all required fields; (ii) the person responsible for the Family Unit (RF) is 16 or over; (iii) presentation of at least one of the IDs required in the Main Registration Form for all family members; (iv) the RF to present CPF or Voter's ID number, except in 'differentiated registration' cases, where any ID provided for in the Main Registration Form is allowed; (v) all the registered CPF numbers with a valid fingerprint and correct ownership of the CPF; and (vi) no overlapping or repeat data in the national Unified Registry database.

9 For example, the city of Arapiraca (in Alagoas) has a quota of 24,098 families with a BFP profile, according to the 2012 survey. In December 2014, there were 24,559 BFP beneficiary families in Arapiraca. If the number of registered poor families exceeds the municipal quota, priority is given to new grantees, families who have lower incomes and larger numbers of children and adolescents up to the age of 17.

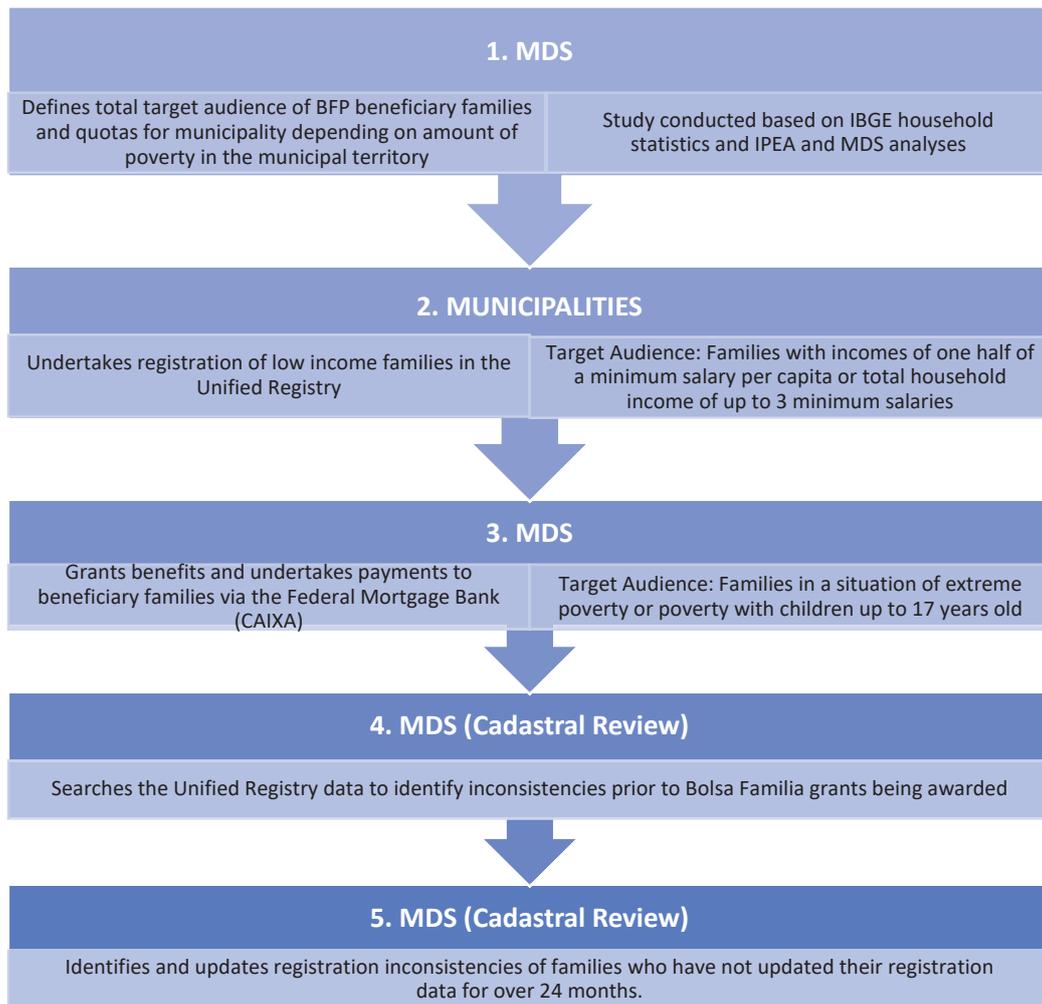
10 In general, the databases use formal labor market data (Annual Social Information Report - RAIS), INSS benefits data, death notification data and cross-checking exercises performed by official oversight bodies (CGU and TCU).

11 The Cadastral Survey process is governed by GM / MDS Decree No. 94 of 4 September 2013.

12 The Cadastral Review process is governed by GM / MDS Decree No. 617 of 11 August 2010.

This Bolsa Familia Program’s targeting process is illustrated at Figure 3. Studies indicate that the high targeting result of the Bolsa Familia is better than the Conditional Cash Transfer Programs (CCTPs) of other countries, as well as of other social programs in Brazil aimed at the low-income population. According to Barros et al. (2010), 75% of beneficiaries are among the 25% poorest people in Brazil, the Bolsa Familia Program performs as well as the Chilean and Mexican CCTPs, and almost as well as the Panamanian CCTP, with 80% of the beneficiaries being among the country’s poorest 20%.

Figure 3 - Targeting Stages of the Bolsa Família



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