Cadastro Único: a Registry Supported by a National Public Bank

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The Cadastro Único is the main registry for programmes and policies directed at low-income populations in Brazil. It was formally created in 2001, through the consolidation of a number of different cash transfer programmes. The registry intended to unify, in a single database, the individual registries of these programmes, thus minimising data collection efforts for each individual programme. Before the Cadastro Único registries were kept apart even within the same ministry or agency. There was a great variety of databases which basically housed the same data, no quality control and scarce communication between them. Taken separately, each database was relatively small, which did not justify updating them individually, or 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 cash transfers or services. Today, the Cadastro Único is a unified registry which supports all the main programmes of several ministries of the central government (at least 20) and at subnational levels.

Hence, the Cadastro Único is a national reference source, and it also practically serves as 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, as well as work and income information. Other supplementary data are collected, such as household expenditures, programme participation, characteristics of traditional communities, and conditions of vulnerability (homeless, engaged in child labour etc.).

The registry contains data on over 23 million low-income families and 78 million people. Estimates based on the 2010 census data show that there are 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. Its biggest programme is the conditional cash transfer called the Programa Bolsa Família (PBF — Family Grant), which is transferred monthly by a magnetic card to 13.9 million families throughout the country, making it the largest conditional cash transfer programme in the world in terms of the number of monthly payments. This is a huge undertaking, given that Brazil is the fifth largest country in the world (8.5 million km^2).

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, which has proven to provide good results. The PBF, which today covers the whole population living in poverty, has a targeting performance that is as good as that of similar programmes around the world that use other types of (proxy) means testing.

Data collection and entry for the Cadastro Único is undertaken by the 5570 local governments of Brazil, the municipalities. The software for data entry was developed by CAIXA Econômica Federal (a Brazilian public bank). The software's latest version was launched in 2010, together with a new data form designed to collect much more information about both 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.

CAIXA is a public bank in charge of maintaining the Cadastro Único's systems and databases, despite its core business being financial. 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. There are basically two sets of services that CAIXA provides to the Ministry of Social Development and Fight Against Hunger (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, and database information security, among others; and
- services linked to payroll and benefit payments: the payroll system, the issuing and delivery of magnetic cards, and monthly benefit payment through four different channels, among others.

CAIXA played a central role in transforming the Cadastro Único into the database it is today. 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. This capacity would be more difficult to locate or develop within a government ministry such as the MDS, founded only in 2003. As for payment services, CAIXA's contribution could not have been more welcome, as it has been able to make 13.9 million monthly payments with no delay. No less important is the fact that payments made directly to the beneficiaries through a trusted bank eliminate a great part of local clientelism, enforcing the perception of the PBF as a right instead of a favour or charity (Mostafa and Sátyro, 2013).

Reference:

Mostafa, J. and N. Sátyro (2013). 'Cadastro Único: a registry supported by a National Public Bank', IPC Working Paper, No. 126. Brasília, International Policy Centre for Inclusive Growth.

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