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United States General Accounting Office

**GAO**

Briefing Report to the Chairman,  
Committee on Agriculture, Nutrition, and  
Forestry, U.S. Senate

June 1988

# FOOD ASSISTANCE

## A Swedish Case Study



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Resources, Community, and  
Economic Development Division

B-230189

June 23, 1988

The Honorable Patrick J. Leahy  
Chairman, Committee on Agriculture,  
Nutrition, and Forestry  
United States Senate

Dear Mr. Chairman:

This briefing report responds to your June 12, 1987, letter requesting that we obtain information on European food assistance programs and the role of agricultural surpluses in such programs. In subsequent discussions with your office, we agreed to focus our work on (1) identifying Sweden's food assistance programs and explaining how they operate, (2) describing Sweden's social welfare system and determining whether agricultural surpluses are used in food assistance programs to reduce welfare costs, and (3) discussing whether Sweden employs any surplus disposal techniques in ways that do not improve the nutrition of its citizens.

In an earlier report, Food Assistance: Practices of the European Community and Selected Member Nations (GAO/RCED-88-102, Mar. 15, 1988), we provided information on the food assistance programs of the European Community and four member nations--France, Great Britain, Ireland, and West Germany. In general, we found that although the European Community has sponsored programs to assist the needy and dispose of agricultural surpluses, they are small in comparison with those of the United States. Our review also showed that the four European countries prefer to distribute financial aid, rather than food aid, as a way of helping their needy citizens.

Because of time constraints, we agreed with your office not to include Sweden's food assistance programs in our earlier work, but to provide this information later. This briefing report provides the results of our review of Sweden's food assistance programs. Specifically, we found the following:

- Sweden does not have domestic food assistance programs operated at the central-government level. Local governments provide some food assistance programs for the general population, including the needy, such as free school lunches for all children and subsidized meal services for the elderly. Like other European nations that we visited, Sweden prefers to aid its needier citizens through financial means, which it believes do not stigmatize the recipients in the way that direct distribution of food might.
- Sweden does not use its agricultural surpluses in food assistance programs in order to reduce welfare costs. None of the Swedish surplus is distributed domestically as part of its social welfare program. Rather, Sweden has a comprehensive, cash-based welfare system that is funded and administered by the central and local governments. The financial benefits are calculated, in part, on the basis of food costs. (App. II provides a sample monthly household budget for a family of four.)
- Sweden disposes of its surplus commodities primarily through subsidized export sales and contributions to international food aid programs. Although Sweden does have some agricultural surpluses, it does not have large quantities that require storage, as do the European Community and the United States. Sweden makes an effort, which Swedish officials told us is largely successful, to eliminate its surplus each year. This has been accomplished, in part, by subsidizing consumer and institutional purchases of some surplus food items. While Sweden provides commodities as part of its international food aid program, it views this program as addressing humanitarian concerns, not as a principal means of disposing of agricultural surpluses.

Section 1 of this briefing report provides background information on Sweden. Sections 2 through 4 provide greater details on the issues discussed above. Section 5 provides our overall observations.

To accomplish our work for the Committee, we reviewed available literature on Sweden's approach to food assistance and income maintenance and discussed these programs with officials at the U.S. Embassy in Stockholm and the Swedish Embassy in Bonn, West Germany. We also conducted telephone interviews with experts on Sweden in Brussels, Belgium, and Munich, West Germany, and with Swedish officials in Bonn. To produce this report we relied on data provided by the

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Swedish government. We did not independently verify the accuracy of these data, although we discussed them with cognizant spokesmen holding varying points of view. (App. I discusses our objectives, scope, and methodology in more detail.)

We submitted drafts of this report to the Swedish government and the U.S. Embassy in Stockholm for their comment and made changes to the report as appropriate.

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We are sending copies of this report to the Secretaries of Agriculture and Health and Human Services and to other interested parties. Copies will be made available to others upon request. Should you need further information, please contact me at (202) 275-5138.

Major contributors to this report are listed in appendix III.

Sincerely yours,



Brian P. Crowley  
Senior Associate Director

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ABBREVIATIONS

GAO  
RCED

U.S. General Accounting Office  
Resources, Community, and Economic, and Development  
Division

## SECTION 1

### BACKGROUND

Sweden has a population of about 8.4 million and a land area of about 255,000 square miles, which is approximately the size of Texas. The country is heavily wooded, with 56 percent of Sweden's land covered with forests. Only about 8 percent of Swedish land is under cultivation, providing employment in agricultural work for about 4 percent of the population. Swedish farms, which average about 67 acres, principally produce food and feed grains, potatoes, oil seeds, and sugar beets. Other agricultural production includes beef, veal, milk, pork, and poultry. Most of Sweden's agricultural production is consumed domestically.

For fiscal year 1985, the latest year for which data were available, the Swedish central-government budget was \$36.2 billion, including \$8.5 billion for health and social affairs (the largest share, 23 percent) and \$720.1 million for agriculture (2 percent).<sup>1</sup> Per capita social welfare expenditures in 1984 were about \$3,376. The Swedish budget is supported by strongly progressive federal income taxes. In 1986 federal taxes ranged from 4 to 50 percent, with local income taxes averaging an additional 30 percent of income. By law, federal and local income taxes cannot exceed 80 percent of income.

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<sup>1</sup>Monetary figures in this report were collected in Swedish krona (plural = kronor). Where practical, we have converted these figures to U.S. dollars using annual conversion rates in effect during the time period to which the data pertain. In January 1988, the exchange rate was \$1 U.S. = 5.8 Swedish kronor.

## SECTION 2

### FOOD ASSISTANCE PROGRAMS

Sweden, unlike the United States, does not have food assistance programs that are administered by the central government. The five food assistance programs that do exist--school lunch, child care food, summer camp food, elderly food assistance, and consumer and institutional subsidies--are administered by local governments.<sup>1</sup> None of these programs involves the distribution of surplus commodities. These programs differ from most of the food assistance programs of the United States and the European Community in that participation is open to all citizens. The universality of these food assistance benefits exists because of the comprehensive nature of Sweden's social welfare system, which seeks to provide a high standard of nutrition for all regardless of need, and the relatively high income tax structure that supports this system. Where food is served free, as in schools, it is made available to all citizens in order to enhance national health and nutrition.

In the past, the Swedish government provided food to the poor in emergencies. Swedish officials told us that today food distribution to the needy is considered dehumanizing and is no longer used. Rather than distributing food, Sweden uses financial aid to support its needy population because it believes that less shame is attached to this form of assistance (see section 3 for a discussion of social assistance benefits). In some localities local governments have attempted to reduce the stigma attached to this financial aid by referring to it as "social wages" rather than social assistance.

While the central government does not administer any food assistance programs, it does provide financial support for some programs. In addition, both central and local governments fund nutrition education programs, and local governments fund five food assistance programs. The government support for food assistance programs is cash based; that is, it supports specific programs by providing financial support to sponsoring organizations--for example, local school or day care authorities--who use the cash to purchase food from retail markets. This food is then prepared by the sponsoring organization in meals that are served through the program. Surplus commodities are not provided for use in prepared meals or for free distribution or used in any way in Swedish

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<sup>1</sup>In this report we have employed a broad definition of "food assistance" in order to report on as many Swedish programs as possible. We have defined a food assistance program as any program that has as a primary or secondary goal enhancing or upgrading the nutritional well-being of any portion of the population.

domestic food assistance programs. The food assistance programs in Sweden at the time of our review are summarized below.

### SCHOOL LUNCH PROGRAM

The Swedish school lunch program began as a central-government program in 1946, but in 1967 responsibility for the funding and administration of the program was transferred on an optional basis to local governments. Since then every local government has elected to continue to offer school lunches. With the exception of only 2 of the 284 local governments (which, according to Swedish officials, have recently decided to begin charging students for meals), all lunches served in Swedish elementary and secondary schools are offered free to all students. The lunches, which usually consist of a prepared dish, salad, bread, butter, and milk, are expected to meet the nutritional goals established by Sweden's National Food Administration. These goals require that the meals provide one-half of the students' daily vitamin and mineral needs and one-third of their daily food energy requirements.

In the 1980s, budget constraints have put pressure on local governments to reduce the administrative costs of school meal services. As a result, instead of preparing food in separate facilities, many local governments now prepare food for day nurseries, schools, and elderly people at a central facility. Additionally, some school cafeterias serve neighborhood pensioners, who pay about \$1.70 for lunch. In 1986, schools served about 215 million meals to approximately 1.2 million students, at a cost of about \$348.4 million. Data concerning the number of meals served to pensioners were not available.

### CHILD CARE FOOD PROGRAM

Day care centers have existed in Sweden for approximately 20 years, and their use has increased dramatically over that period. This is principally due to the increase in the percentage of women who have children under 7 years of age and work outside the home. In 1965, 27 percent of such woman worked outside of the home; by 1985 (the most recent year for which such data were available) this percentage had increased to 80 percent. In 1985, approximately 45 percent of Sweden's 668,100 children under age 7 were enrolled in public day care centers. Care at public centers is cheaper than at private day care facilities<sup>2</sup> and is provided on a first come, first served basis regardless of need.

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<sup>2</sup>Care at private day care centers, although more expensive than the heavily subsidized public centers, is partially subsidized by local governments. Because spaces in public day care are inadequate to meet citizen demand, local governments pay a portion of the salaries of teachers at private day care facilities.

Currently, the central government provides funds for constructing and expanding public day care centers and subsidizes about 30 percent of their operating costs, and local governments manage the centers and provide about 55 percent of their operating costs. Parents of the children who use the centers pay the remaining 15 percent of the centers' operating costs. The local government determines the cost of day care to the parents. While all public day care is subsidized, most local governments have established a sliding fee schedule that provides higher child care subsidies to families with lower incomes. In 1987, annual central-government subsidies for public day care, which include subsidies for the construction of facilities as well as operating costs, were about \$3,520 per child in full-time care, \$2,000 per child in part-time care, and \$4,800 per full-time employee. Table 2.1 depicts the average annual operating cost per child and the source of funding for Swedish public day care. Part of the central and local governments' cash subsidy of operating costs supports the meals provided at the centers. Two meals--breakfast and lunch plus a snack of fruit--are served daily.

Table 2.1: Distribution of Average Annual Costs Per Child in Public Day Care

<u>Source</u>	<u>Full-time costs</u>		<u>Part-time costs</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Central government	\$2,608	32	\$1,200	27
Local government	4,440	53	2,540	58
Parents	1,248	15	656	15

SUMMER CAMPS FOR CHILDREN

Costs for summer camps, which provide all meals, are subsidized by the municipality, and the amount parents pay varies inversely with their income. The camps are run entirely by the local government with no involvement by the central government. According to a Swedish Embassy official in Bonn, use of the camps is declining because, as the Swedish standard of living rises, family vacations have become more common. Data concerning the cost of meals provided in summer camps and the number of meals or children served were not available at the time of our review.

ELDERLY FOOD ASSISTANCE

Sweden's elderly, including those living on small pensions, do not receive free commodities or food stamps, as in the United States. Instead, local governments principally help all the elderly, regardless of their income, gain better access to food and good nutrition by providing (1) meals for them at homes,

schools, and restaurants; (2) assistance with grocery shopping and food preparation; (3) training in dietetics and cooking; and (4) cooked meals delivered to the homes of the handicapped elderly. Each of these services is optional, but recipients must pay for each of the services that they receive. According to Swedish officials, some financial subsidies for these services are provided by local governments; thus, charges for services tend to vary inversely with the amount of the recipient's pension. Data concerning the amount of this subsidy and total number of elderly served by the program were unavailable during our review.

#### CONSUMER AND INSTITUTIONAL SUBSIDIES

To encourage increased consumption of food items produced in surplus quantities, the government subsidizes the purchase of overproduced food items. For the individual consumer, the majority of these subsidies were available between 1973 and 1984. Swedish consumer subsidies were applied as rebates after purchase of a qualified item from a retail store.

According to Swedish officials, although these subsidies were expensive for the government, they were effective in increasing consumption. Retail sales of previously subsidized products have declined since the subsidies were essentially abandoned. Since 1984, only purchases of liquid milk, beef, and pork have received consumer subsidies. The consumer milk subsidy is the most expensive. It amounted to about \$290.4 million in 1984, but has been gradually reduced since then. According to the U.S. Embassy in Stockholm, the annual consumer milk subsidy will be reduced to \$47.2 million on July 1, 1988.

A 1988 study by the Organization for Economic Cooperation and Development reports that consumer subsidies for beef and pork purchases amounted to \$14.3 million and \$6.4 million, respectively, in 1986. According to this study, subsidies on institutional purchases of overproduced products have existed at least since 1978. The first subsidy, in the form of rebates on the purchase of butter by public institutions, amounted to about \$1.2 million for that year. In 1982, the subsidy was extended to the institutional purchase of milk, beef, and pork, and a separate rebate program for public schools was established. As table 2.2 indicates, subsidies to institutions totaled \$8.0 million in 1986, making them far smaller than consumer subsidies.

Table 2.2: 1986 Institutional Price Subsidies

<u>Subsidy type</u>	<u>Amount</u> (dollars in millions)
Beef sold to schools	3.3
Butter for public institutions	.5
Cheese for public institutions	.9
Pork sold to schools	<u>3.3</u>
Total	<u>8.0</u>

Finally, although Sweden has no specific food assistance program similar to the United States' Special Supplemental Food Program for Women, Infants, and Children--which provides health services and dietary supplements to nutritionally-at-risk pregnant and recently delivered mothers and their children under age 5--Sweden provides similar services for these groups through its general social welfare system. For instance, Sweden provides nearly free comprehensive health care for all of its citizens, including pregnant and new mothers and their children.<sup>3</sup> Although no dietary supplement--like the free milk, formula, and vitamins provided in the United States--is offered in Sweden, the Swedish guaranteed minimum income ensures that all citizens can afford a nutritious diet, according to a U.S. Embassy official.

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<sup>3</sup>Swedish national insurance pays for all hospitalization, outpatient, and prescription medicine costs above a \$7.15 per day or per visit payment by the recipient.

### SECTION 3

#### SOCIAL WELFARE SYSTEM

The stated objectives of the Swedish welfare system are to enhance economic and social security, ensure decent living conditions, and encourage active participation in social life for all of Sweden's citizens. According to Swedish Embassy officials, the welfare system is designed to maintain all citizens' dignity, integrity, and right to choose their own destiny. It has also made it possible virtually to eliminate the "working poor" in Sweden. Swedish citizens are entitled to a guaranteed minimum income to ensure a reasonable standard of living.

When citizens cannot meet their needs using their own resources, they are entitled to cash social assistance benefits, one part of the social welfare system. These benefits, according to a U.S. Embassy official, provide a decent standard of living and help the individual to resume life independent of government aid. Those who remain poor relative to the population as a whole generally have "social problems," such as alcoholism or drug dependency, for which they are encouraged to accept treatment. Swedish social welfare and its cash social assistance component are discussed below.

#### SOCIAL WELFARE

The Swedish social welfare system provides financial and in-kind services, such as housing and family benefits and health and other services, to all Swedish citizens. According to Swedish officials, the comprehensive nature of these benefits makes it unnecessary for the government to maintain separate food assistance programs. For example, like France, Sweden provides a cash child allowance to the parents of all children under age 16. This annual, tax-free allowance of approximately \$828 per child is expected to assist with the food, clothing, and other costs of raising a child.<sup>1</sup> Table 3.1 lists the major categories of Swedish social welfare benefits. In fiscal 1985, the social welfare system cost about \$8.5 billion (23 percent of the Swedish budget), with benefits funded and administered by both the central government and local governments.

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<sup>1</sup>The annual child allowance of \$828 per child is increased by an additional \$414 supplement for the fourth through sixth children and by an \$828 annual supplement for the seventh and succeeding children.

Table 3.1: Major Categories of Swedish Social Welfare

<u>Category</u>	<u>Benefit/service</u>	<u>Authority/ funding</u>
Guaranteed income:		
Employment	Employment services, retraining and relocation aid, apprenticeship, and job protection	Central
Social insurance	Health, maternity, pension, and employment disability insurance	Central
Social assistance (guaranteed minimum income)	Monthly financial aid to the needy for all household needs (see app. II for typical household needs)	Local
Unemployment insurance	Monthly financial aid for those who lose their jobs	Employers and employees
Housing and family benefits:		
Housing policy	Purchase and renovation loans; and financial aid for families with children, the handicapped, and retirees	Central and local
Family policy	Child allowance, school meals, preschooling, and student aid	Central and local

In addition to the benefits described in table 3.1, Swedish citizens are entitled to basic legal protections regarding workplace safety, workers' rights, work hour limits, notice of employment dismissal, and renters' rights. The Swedish social welfare system also guarantees 12 months of paid parental leave, to Swedish families having babies, which can be shared by both parents and is known as the parental benefit; up to 60 days of annual paid leave to care for sick dependent children; and 5 weeks of paid vacation annually.

#### SOCIAL ASSISTANCE

Since the social assistance component of the Swedish welfare system is targeted to the needy, it helps reduce the need for food assistance programs in Sweden. Social assistance is a monthly cash

benefit provided by local governments. Any person unable to provide for his own subsistence is entitled to this assistance.

Minimum benefit levels are established by the central government, but local governments are allowed to fund and provide higher benefits subject to a legal maximum. The maximum benefit level ensures that social assistance recipients do not receive benefits higher than the pay of those who are employed.<sup>2</sup> The current minimum social assistance benefit rate is \$414 per month for a single individual.

In addition to the social assistance benefit, which provides for household needs, local governments also provide a housing allowance, which Swedish officials estimated at \$302 per month for a single adult. Typically, local governments also maintain housing for social assistance recipients. Recipients are not required to live in this housing; rather, such housing represents an effort by the local government to ensure that adequate and reasonably priced accommodations are available to individuals receiving social assistance.

The minimum social assistance monthly benefit plus housing, \$716 in the example above, is considerably below the average monthly salary of Swedish industrial workers, which ranges from about \$1,017 to \$1,672 per month, depending on the industry. The amount of assistance is intended to be generous enough to provide a decent standard of living while at the same time provide an incentive to return to financial independence. By law social assistance and housing payments cannot exceed 90 percent of the average monthly wage of working Swedish citizens.

Data for 1984, the latest that were available, show that 6.2 percent of the population made use of social assistance at some time during that year. A Swedish researcher told us that the central government identified lack of employment as a key reason why some members of the population are less well off than others and need government assistance. The Swedish retraining and relocation programs and subsidized day care, important to single parents, also help social assistance recipients reattain their financial independence. In 1987, Swedish unemployment was 1.9 percent.

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<sup>2</sup>Like social assistance, other social welfare benefits are capped to ensure that recipients do not receive more than those who are employed. For instance, unemployment and illness benefits are limited to 90 percent of working salary; pension ceilings are set at about 65 percent of working salary.

## HOUSEHOLD BUDGET CALCULATION

Sweden's national Board for Consumer Policies calculates a typical monthly "household budget" that is used to set national and local social assistance benefit rates. Social assistance benefits levels assume a nutritional component. That is, some of the money is intended, and will presumably be used by recipients, for the purchase of food.

The household budget includes nine basic categories: (1) food, (2) disposables, (3) health and hygiene, (4) clothing and footwear, (5) play and leisure, (6) furniture and appliances, (7) domestic electricity supply, (8) daily newspapers and phone and TV rates, and (9) household insurance. According to a board official, housing costs are not included because they are difficult to estimate, especially with a recent trend toward home ownership by the majority of Swedish citizens.

Prices of goods and services are measured annually, and food prices, twice annually. Based on January 1987 prices, the household budget calculation for a single male adult age 23 to 49 would be about \$405 a month, exclusive of housing. This household budget figure is almost identical to the minimum social assistance benefit (\$414) that would be provided to this individual. Appendix II contains a sample budget for a family of four. In this example, food, the largest single item, accounts for about 50 percent of that budget. According to Swedish and U.S. Embassy officials, because Sweden provides adequate cash for the food needs of its dependent citizens through the social assistance allowance and also because it has fewer surplus commodities than the United States or the European Community, it has little need for the separate food assistance programs found in some other nations.

## SECTION 4

### AGRICULTURAL SURPLUS DISPOSAL

Sweden's agricultural goal is self-sufficiency, not overproduction. In the past several years, it has been unsuccessful in reducing costly surpluses of beef and pork by reducing production, but it continues to overproduce these products along with wheat, rye, barley, oats, milk, and butter. To eliminate this surplus, Sweden is attempting to reduce agricultural production and stimulate additional consumption. It accomplishes the latter by subsidizing consumer purchases of certain food items, discussed in section 2, and by subsidizing export sales. U.S. Embassy officials estimate that Sweden spent about \$480 million to subsidize export sales in 1986. Sweden also uses some of its agricultural surplus in international food aid programs. Swedish officials told us that the commodities Sweden furnishes other nations as part of its international food aid program are determined by the recipient's need and not Swedish surpluses. Unlike the European Community and the United States, Sweden does not distribute any of its surpluses domestically as part of its social welfare program.

### SWEDEN'S INTERNATIONAL FOOD AID PROGRAMS

Although Sweden's international food aid program uses surplus commodities, humanitarian assistance, not surplus disposal, is its principal goal, according to Swedish officials. According to a 1984 United Nations' World Food Program report, in per capita terms, Sweden is one of the largest donors of food assistance to developing nations. Sweden's total annual development aid is about \$1 billion, 1 percent of its gross national product. Sweden distributes its international food aid in two ways: bilaterally, directly from Sweden to a single needy country, and multilaterally, through an intermediary source such as the World Food Program of the United Nations, to several needy countries. From the mid-1970s to the mid-1980s, almost 80 percent of Sweden's food aid was provided multilaterally. However, because of the famine in Africa, this balance has recently shifted in favor of bilateral aid. Two-thirds of Sweden's contributions to the World Food Program have been provided in the form of commodities, while one-third has been made available in cash to defray program costs for shipping and technical, administrative, and program support. According to the U.S. Embassy in Stockholm, Sweden's multilateral aid in 1986 was \$433 million (10 percent more than in 1985).

According to the World Food Program, since the late 1970s, Swedish food aid has remained a small but consistent part of the country's total development assistance (about 4 percent). Sweden's three major commodity contributions are vegetable oil, wheat, and wheat flour, the last two being Sweden's principal surplus

commodities. (See table 4.1.) Sweden also contributes small quantities of canned fish and fish protein concentrate.

Table 4.1: 1980-1984 Food Aid Contributions to the World Food Program (in short tons)

<u>Commodity</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>
Vegetable oil	12,583	11,080	10,686	7,551
Canned fish	0	0	0	882
Wheat/ wheat flour	88,184	88,184	88,184	88,184

Sweden's bilateral food aid represents primarily emergency assistance supplied to meet recipient countries' needs that have arisen out of disasters. This aid is provided mainly to the 18 countries on which other types of Swedish development assistance have been concentrated. According to the U.S. Embassy in Stockholm, Sweden's total bilateral aid was \$773 million for 1986, an 8.1 percent increase over the 1985 level.

## SECTION 5

### OBSERVATIONS

Sweden does not have any food assistance programs administered by the central government. The five food assistance programs we discuss in this report are funded by both the central and local governments, but mainly the latter, and are administered by local governments. Swedish food assistance programs are available to all citizens regardless of need. No surplus commodities are distributed through them. The Swedish government considers these food assistance programs to be a small part of a larger social welfare system that guarantees an adequate standard of living to all Swedish citizens.

To be understood, Swedish food assistance programs must be examined in the context of the Swedish social welfare system that has evolved differently from that of the U.S. system and those of other European nations. For example, in the United States health services and supplemental food needs of nutritionally-at-risk mothers and their children under age 5 are met by a separate, narrowly targeted program. In Sweden similar needs are met through the general social welfare program that is available to all its citizens.

Financed by income tax payments, which can amount to as much as 80 percent of earned income, and supported by a small and culturally homogeneous population, Sweden's comprehensive social welfare system has, according to U.S. Embassy officials, virtually eliminated the working poor.

Swedish officials told us that Sweden's social welfare system is universal and generous--offering social assistance recipients support payments of up to 90 percent of the average national wage and providing both incentives for employment and practical support (e.g., retraining for new jobs) to recipients. The officials believe that this allows the recipients to return to financial independence. In addition to social assistance payments to the needy, the Swedish welfare system provides all citizens numerous free or nearly free services, including comprehensive health care, employment services including relocation aid, old age and disability pensions, paid parental leave, school meals, subsidized child care, and tax-free cash allowances for children. In providing these benefits, the Swedish government has found no need for large-scale food assistance programs involving the distribution of cash or commodities.

OBJECTIVES, SCOPE, AND METHODOLOGY

On June 12, 1987, the Chairman of the Senate Committee on Agriculture, Nutrition, and Forestry asked us to describe the food assistance programs of developed nations with surplus agricultural products and economic conditions similar to the United States'. Noting that the United States spends over \$20 billion annually on food assistance programs that have the dual objectives of helping poor Americans meet their nutritional needs while reducing the surplus of food products grown by American farmers, the Chairman asked us to provide him with information on the food assistance programs of Sweden and other nations. In a separate report we described the European Community's use of agricultural surpluses in food assistance programs and the domestic food assistance programs of France, Great Britain, Ireland, and West Germany.<sup>1</sup> This report answers the following questions about Sweden's food assistance programs for the Committee:

- What food assistance programs does Sweden have, and how do they operate?
- Does Sweden use its agricultural surpluses in food assistance programs to reduce welfare costs?
- Does Sweden employ any surplus disposal techniques in ways that do not improve the nutrition of its citizens?

To answer these questions, we reviewed available literature on Sweden's approach to food assistance and income maintenance and discussed these programs with officials of the U.S. Embassy in Stockholm and the Swedish Embassy in Bonn. In addition, we conducted interviews with experts on Sweden in Brussels, Belgium, and Munich, West Germany, and with Swedish officials in Bonn. We also held telephone interviews with officials in Sweden. Because we agreed to provide the Committee with the results of our work by mid-1988, we relied on data provided by the Swedish government and the officials we contacted. We did not independently verify the accuracy of these data, although we did discuss them with cognizant spokesmen holding varying points of view. Our work was conducted between November 1987 and April 1988 in accordance with generally accepted government auditing standards.

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<sup>1</sup>Food Assistance: Practices of the European Community and Selected Member Nations (GAO/RCED-88-102, Mar. 15, 1988).

SAMPLE MONTHLY HOUSEHOLD BUDGET,  
FAMILY OF FOUR (in dollars)

<u>Category</u>	<u>Child,</u> <u>age 4-6</u>	<u>Boy,</u> <u>age 11-14</u>	<u>Mother,</u> <u>age 23-49</u>	<u>Father,</u> <u>age 23-49</u>	<u>Total</u>	<u>Percent</u>
Food:						
All meals at home			143	181		
Lunch away, 5 days	91	140				
Total					555	50.3
Clothing/ shoes	43	48	53	47	191	17.3
Play/ leisure	19	26	33	33	111	10.1
Hygiene/ health	7	9	19	14	49	4.4
Disposable articles					33	3.0
Furniture, etc.					84	7.6
Newspapers, etc.					52	4.7
Domestic electricity					21	1.9
Household insurance					7	0.6
Total					<u>1,103</u>	<u>99.9<sup>a</sup></u>

<sup>a</sup>Percentages do not add due to rounding.

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First-Class Mail Postage & Fees Paid GAO Permit No. G100
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