Determining the optimal subsidy for public transport

Timothy Wong
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The government subsidizes public transport, though it is not very clear at what level subsidies are now. While it is highly subsidised for some routes, some believe the subsidies are not justified. The government needs to explore the costs and benefits and consider the optimal level of subsidies.

Differences in optimal subsidies for public transport can be observed among different cities. Singaporeans can travel with the same frequency and without paid fares, while US residents pay for public transport and travel less frequently. These differences in optimal subsidies can be attributed to various factors, including population density and infrastructure. Therefore, understanding the optimal level of subsidies is crucial for public transport.