Story:
There's always debate on whether we have too many PhD students. Evidence that PhD students prefer research and teaching jobs has been studied; also, there are reports only 15% PhD obtain their tenure within a certain years after graduation. Given that, still there's 40% increase in total number of PhD students recently, and this phenomenon has existed for a couple of years.

What're the questions in this paper?
Can we explain why the market wouldn't handles the excess supply for PhD? Besides, if we desire some quantitative analysis, can we find the way to decide the equilibrium level given the real data?

Why should we care about this?
Unnecessary PhD training wastes a lot human resource to both the individual and the society. For a decision maker, she needs to figure out what exactly our position is. Once we find that there is actually no excess supply for PhD, then everything goes on with no problem; if there is, she would like to take steps. For example, stop the new entrant PhDs. Without knowing eq. level, these policies can't be implemented properly.

What are the answers?
Due to the compensation($) from advisor and the PhD programs, there is excess supply in this market. The authors get a taiwanese PhD data set(and they've established a occupational choice model, which I don't no what's that) for empirical study on the eq. level(how many is not too many).

How can the authors get to this results?
To explain why there're constantly newly coming PhD students heading to this dead end, the authors establish a model. This is typical. The trick here is that there are two stages for the market demands. The first is the professors' need for doctoral students, and the second stage, where we observe the excess supply of PhD, is the job market for recruiting AP. As you can image, the authors argue the supply of PhD students is decided in the first stage, and that's why the market in the second stage can not handle the excess supply.