

Abstract

Info-Gap is a (very) young theory for decision-making under **severe uncertainty**.

It presents itself as a **new** theory and claims that it is **radically different** from **all** current theories of decision-making under uncertainty.

Its claim to fame is that it offers a **probability-free** approach to uncertainty.

I show that, in actual fact, not only is Info-Gap's generic model **not new**, it is a simple instance of none other than ... the **most famous** model in decision-making under severe uncertainty, namely Wald's [1945] **Maximin Model**.

Furthermore, I also show that Info-Gap is **fundamentally flawed** in that it **does not deal** with severe uncertainty, it simply and unceremoniously **ignores it**.

Programme

- 1 Introduction
- 2 Info-Gap
- 3 Classical Decision Theory
- 4 Principles
- 5 Severe Uncertainty
- 6 Myths and Facts
- 7 Conclusions

Info-Gap: overview

- A relatively **young** theory (Ben-Haim [2001, 2006]).
- Claims to be **new** and **radically different** from **all** current theories for decision-making under uncertainty.
- Based on a **probability-free** uncertainty model.
- Does **not** represent the **state of the art** in decision theory.
- Fundamentally **flawed**: conceptually, methodologically and technically.
- An excellent example of how **quickly** things can go **wrong**.
- Based on a very rigid **mathematical modeling** paradigm.
- The **University of Melbourne** seems to be one of its major international strongholds!
- A formal examination of Info-Gap is **long overdue**!

A bit of history

- First encounter: An **invitation** to a seminar (3/8/03)
- Second encounter: **Seminar** (Ben-Haim, 2/9/03).
- Requests for **comments** on Info-Gap: 2/9/03 – present.
- Informal **critique**: 3/9/03 – present.
- Formal **critique**: 1/12/06 – present.
- **Campaign** launch: 31/12/06.
- First **feedback** from Ben-Haim: (Friday! 13/4/07).
- **ACERA** seminar: 4/5/07.
- On the **agenda**:
 - **Seminars**
 - **Honours thesis**
 - **Conference presentations**
 - **Articles**
 - **Book**

Executive Summary

- Decision-making under severe uncertainty is **difficult**.
- This is a **very active** area of research/practice.
- The **Robust Optimization** literature is very relevant.
- The **Operations Research** literature is very relevant.
- The **Decision Theory** literature is very relevant.
- The generic Info-Gap model is a simple vanilla **instance** of the classical **Maximin Model** [1945].
- Info-Gap is **fundamentally flawed** and is **not suitable** for decision-making under severe uncertainty.
- Practicing Info-gap amounts to **voodoo decision-making**.



Voodoo

Encarta online Encyclopedia

Voodoo ⁿ

- ① A religion practiced throughout Caribbean countries, especially Haiti, that is a combination of Roman Catholic rituals and animistic beliefs of Dahomean enslaved laborers, involving magic communication with ancestors.
- ② Somebody who practices voodoo.
- ③ A charm, spell, or fetish regarded by those who practice voodoo as having magical powers.
- ④ A belief, theory, or method that lacks sufficient evidence or proof.

Voodoo Decision-Making


Early reference,

*Richard Tam, a visionary and entrepreneur, started iUniverse he once told me after seeing how major publishing companies deal in false scarcity and **voodoo decision-making** processes. “They don’t know where – or who – their customers are. They have to find them all over again every time they need to market something new.”*

Wednesday, August 28, 2002

<http://blogs.salon.com/0001111/2002/08/28.html>

Info-Gap



Info-Gap

Info-Gap

A Self-Portrait

Info-gap decision theory is **radically different** from **all** current theories of decision under uncertainty. The difference originates in the modelling of uncertainty as an information gap rather than as a **probability**. The need for info-gap modeling and management of uncertainty arises in dealing with **severe lack of information and highly unstructured uncertainty**.

Ben-Haim [2006, p.xii]

In this book we concentrate on the fairly **new** concept of information-gap uncertainty, whose differences from more classical approaches to uncertainty are **real** and **deep**.

Ben-Haim [2006, p. 11]

Info-Gap

Facts of Life

There are very serious (fatal?) **gaps** in Info-Gap. The following is a partial list:

- Info-Gap has **serious misconceptions** about the state of the art in decision-making under severe uncertainty.
- The generic Info-Gap model is a naive **instant** of the famous classical Wald's **Maximin model** [1945].
- Info-Gap is **fundamentally flawed**. It does **not deal** with severe uncertainty, it simply **ignores** it.
- Info-Gap is **not suitable** for decision-making under severe uncertainty.

A room with a view on

Decision-Making Under Severe Uncertainty

Info-Gap

*Decision
Theory*

*Robust
Optimization*

*Operations
Research*

Generic Info-Gap Model

- **Uncertainty region** (set), \mathfrak{U} .
- A **parameter** u whose true value, u° , is unknown except that $u^\circ \in \mathfrak{U}$.
- A **point estimate**, $\tilde{u} \in \mathfrak{U}$, of u° .
- A parametric family of **nested regions of uncertainty**, $\mathcal{U}(\alpha, \tilde{u}) \subseteq \mathfrak{U}$, $\alpha \geq 0$, of varying size (α), centered at \tilde{u} . That is, it is assumed that $\mathcal{U}(0, \tilde{u}) = \{\tilde{u}\}$ and that $\mathcal{U}(\alpha, \tilde{u})$ is non-decreasing with α , namely

$$\alpha'', \alpha' \in \mathbb{R}_+, \alpha'' > \alpha' \implies \mathcal{U}(\alpha', \tilde{u}) \subseteq \mathcal{U}(\alpha'', \tilde{u}) \quad (1)$$

- Set of feasible **decisions**, \mathbb{Q} .
- **Reward function** $R : \mathbb{Q} \times \mathfrak{U} \rightarrow \mathbb{R}$.
- **Critical reward level**, $r_c \in \mathbb{R}$.

Generic Info-Gap Model

Robustness of a decision

$$\hat{\alpha}(q, r_c) := \max \left\{ \alpha \geq 0 : r_c \leq \min_{u \in \mathcal{U}(\alpha, \tilde{u})} R(q, u) \right\} \quad (2)$$

Optimal robustness

$$\hat{\alpha}(r_c) := \max_{q \in \mathbb{Q}} \hat{\alpha}(q, r_c) \quad (3)$$

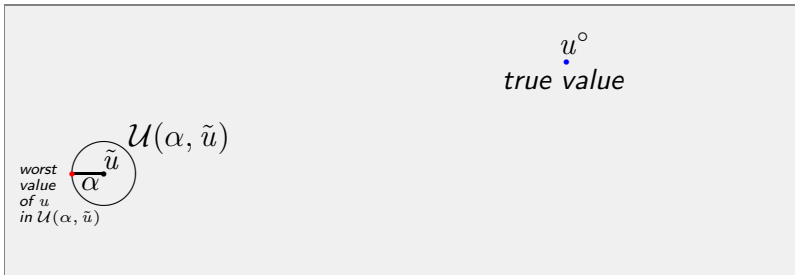
$$= \max_{q \in \mathbb{Q}} \max \left\{ \alpha \geq 0 : r_c \leq \min_{u \in \mathcal{U}(\alpha, \tilde{u})} R(q, u) \right\} \quad (4)$$

Generic Info-Gap Model

Complete Generic Model

$$\hat{\alpha}(r_c) := \max_{q \in \mathbb{Q}} \max \left\{ \alpha \geq 0 : r_c \leq \min_{u \in \mathcal{U}(\alpha, \tilde{u})} R(q, u) \right\} \quad (5)$$

Region of Severe Uncertainty, \mathcal{U}



Info-Gap

Complete Generic Model

$$\hat{\alpha}(r_c) := \max_{q \in \mathbb{Q}} \max \left\{ \alpha \geq 0 : r_c \leq \min_{u \in \mathcal{U}(\alpha, \tilde{u})} R(q, u) \right\} \quad (6)$$

Fundamental FAQs

- | | | |
|---|--------------------------------------|-----------------|
| ① | Is this new ? | Definitely not! |
| ② | Is this radically different ? | Definitely not! |
| ③ | Does it make sense ? | Definitely not! |

So what is all this **hype** about Info-Gap, anyway?!

Good question!

Info-Gap

First Impression

Complete Generic Model

$$\hat{\alpha}(r_c) := \max_{q \in \mathbb{Q}} \max \left\{ \alpha \geq 0 : r_c \leq \min_{u \in \mathcal{U}(\alpha, \tilde{u})} R(q, u) \right\} \quad (7)$$

Observations

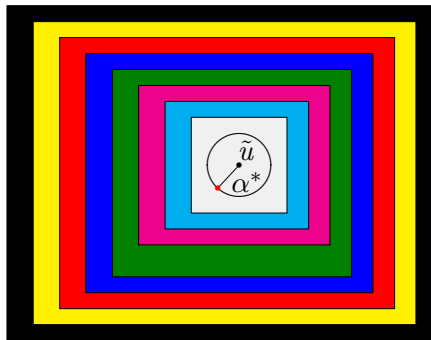
- This model is **fundamentally flawed**.
- It does **not deal** with severe uncertainty, it simply and unceremoniously **ignores** it.
- The analysis is **invariant** with \mathfrak{U} : the **same solution** for all \mathfrak{U} such that $\mathcal{U}(\hat{\alpha}(r_c)) \subseteq \mathfrak{U}$.
- This is a **lemon**.

Info-Gap

Complete Generic Model

$$\alpha^* := \max_{q \in \mathbb{Q}} \max \left\{ \alpha \geq 0 : r_c \leq \min_{u \in \mathcal{U}(\alpha, \tilde{u})} R(q, u) \right\} \quad (8)$$

Fundamental Flaw



Classical Decision Theory

Info-Gap

*Decision
Theory*

*Robust
Optimization*

*Operations
Research*

Classical Decision theory



Eg.

620-262: Decision Making

A Simple Problem

Good morning Sir/Madam:

I left on your doorstep four envelopes. Each contains some money. You are welcome to open any one of these envelopes and keep the money you find there.

Please note that as soon as you open an envelope, the other three will automatically self-destruct, so think carefully about which of these envelopes you should open.

To help you decide what you should do, I printed on each envelope the possible values of the amount of money (in Australian dollars) you may find in it. The amount that is actually there is equal to one of these figures.

Unfortunately the entire project is under severe uncertainty so I cannot tell you more than this.

Good luck!

Joe.

Example

Envelope	Possible Amount (Australian dollars)
$E1$	20, 10, 300, 786
$E2$	2, 40000, 102349, 5000000, 99999999, 56435432
$E3$	201, 202
$E4$	200

Vote!

Modeling and Solution

- What is a **decision problem** ?
- How do we **model** a decision problem?
- How do we **solve** a decision problem?

Decision Tables

Think about your problem as a **table**, where

- **rows** represents **decisions**
- **columns** represent the relevant possible **states** of nature
- **entries** represent the associated **payoffs/rewards/costs**

Example

Env	<i>Possible Amount (\$AU)</i>				
<i>E1</i>	20	10	300	786	
<i>E2</i>	2	4000000	102349	500000000	56435432
<i>E3</i>	201	202			
<i>E4</i>	200				

Classification of Uncertainty

Classical decision theory distinguishes between three **levels** of **uncertainty** regarding the **state** of nature, namely

- **Certainty**
- **Risk**
- **Strict Uncertainty**

In our discussion

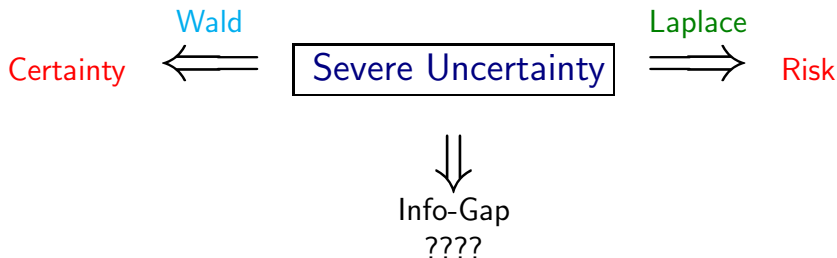
Strict Uncertainty \equiv **Severe Uncertainty** \equiv **Ignorance** \equiv True Uncertainty

Severe Uncertainty

Classical decision theory offers two basic **principles** for dealing with situations involving severe uncertainty, namely

- **Laplace's** Principle (1825)
- **Wald's** Principle (1945)

Conceptually:



Bottom line: under **severe uncertainty** the **estimate** we have is a **poor** indicator of the true value and is likely to be **substantially wrong**.

Laplace's Principle of Insufficient Reason (1825)

Assume that all the states are **equally likely**, thus use a **uniform** distribution function (μ) on the state space and regard the problem as decision-making under **risk**.

Laplace's Decision Rule

$$\max_{d \in \mathbb{D}} \int_{s \in S_d} r(s, d) \mu(s) ds \quad \text{Continuous case}$$

$$\max_{d \in \mathbb{D}} \frac{1}{|S_d|} \sum_{s \in S_d} r(s, d) \quad \text{Discrete case}$$

Wald's Maximin Principle (1945)

Inspired by Von Neumann's [1928] Maximin model for 0-sum, 2-person games: Mother Nature is playing against you, hence apply the worst-case scenario. This transforms the problem into a decision-making under certainty.

Wald's Maximin Rule

$$\max_{d \in \mathbb{D}} \min_{s \in S_d} f(d, s)$$

Historical perspective: William Shakespeare (1564-1616)

*The gods to-day stand friendly, that we may,
Lovers of peace, lead on our days to age!
But, since the affairs of men rests still uncertain,
Let's reason with the worst that may befall.*

Julius Caesar, Act 5, Scene 1

Laplace vs Wald

Example

Env	<i>Possible Amount (\$AU)</i>				
<i>E1</i>	20	10	300	786	
<i>E2</i>	2	4000	102349	50000	56435
<i>E3</i>	201	202			
<i>E4</i>	200				

Example

Env	<i>Possible Amount (\$AU)</i>					<i>Laplace</i>	<i>Wald</i>
<i>E1</i>	20	10	300	786		279	10
<i>E2</i>	2	4000	10234	50000	56435	24134.2	2
<i>E3</i>	201	202				201.5	201
<i>E4</i>	200					200	200

Laplace vs Wald

Example

Env	Possible Amount (\$AU)					Laplace	Wald
<i>E1</i>	20	10	300	786		279	10
<i>E2</i>	2	4000	10234	50000	56435	24134.2	2
<i>E3</i>	201	202				201.5	201
<i>E4</i>	200					200	200

Severe Uncertainty

Warning!

- For obvious reasons, methodologies for decision-making under severe uncertainty are **austere**.
- There are **no miracles** in this business.
- The essential difficulty is: how do you **sample** the uncertainty region?
- If you are offered a methodology that is **too good** to be true, . . . **it is!**

Myths and Facts

Myth # 1

Classical decision theory does not offer probability-free approaches to decision-making under severe uncertainty.

Fact # 1

This is pure **nonsense**. **Practically all** introductory textbooks on decision theory discuss probability-free paradigms for decision-making under severe uncertainty. The most famous one is **Wald's Maximin Model** [1945].

Example

CHOICES

AN INTRODUCTION TO DECISION THEORY

Michael D. Resnik

1987

Chapter 1

Introduction

- 1-1 What is Decision Theory?
- 1-2 The Basic Framework
- 1-3 Certainty, Ignorance, and Risk
- 1-4 Decision Trees
- 1-5 References

Example

Chapter 2

Decisions Under Ignorance

- 2-1 Preference Ordering
- 2-2 The Maximin Rule
- 2-3 The Minimax Regret Rule
- 2-4 The Optimism-Pessimism Rule
- 2-5 The Principle of Insufficient Reason
- 2-6 Too many Rules?
- 2-7 An application in Social Philosophy
- 2-8 References

Example

Chapter 3

Decisions Under Risk: Probability

3-1 Maximizing Expected Values

3-2 Probability Theory

2-3 Interpretations of Probability

2-8 References

Chapter 4

Decisions under Risk: Utility

4-1 Interval Utility Scales

...

Myths and Facts

Myth # 2

Info-Gap region of uncertainty is unbounded, therefore there is **no** worst case, and info-gap is **not** Maximin. (Ben-Haim [2005]).

Fact # 2

This is **pure nonsense**.

Comments:

- There could be a worst case even if the region of uncertainty is unbounded.
- There is a worst case in all problems where Info-Gap yields a solution (Sniedovich [2006]).

Myths and Facts

620-161: Introductory Mathematics

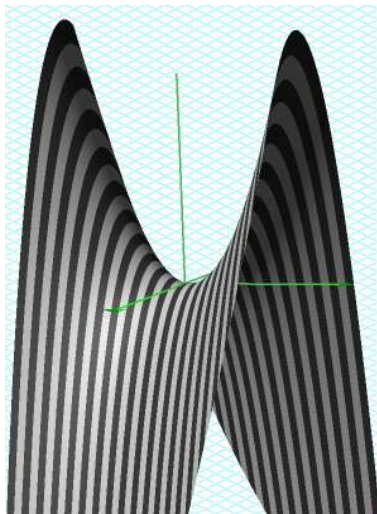
The most classical **saddle point** on Planet Earth is associated with the **unbounded region** \mathbb{R}^2 and the function

$$f(x, y) := x^2 - y^2$$

The saddle point is the solution to the **Maximin** problem

$$z^* := \max_{y \in \mathbb{R}} \min_{x \in \mathbb{R}} \left\{ x^2 - y^2 \right\}$$

$$z^* := \max_{y \in \mathbb{R}} \min_{x \in \mathbb{R}} \{x^2 - y^2\}$$



Myths and Facts

Ben-Haim [2001-2006] confuses a number of aspects of the Info-Gap uncertainty model:

$$\alpha(r_c) := \max_{q \in \mathbb{Q}} \max \left\{ \alpha \geq 0 : r_c \leq \min_{u \in \mathcal{U}(\alpha, \tilde{u})} R(q, u) \right\}$$

- α is unbounded.
- $\mathcal{U}(\alpha, \tilde{u})$ is (????????) unbounded.
- $R(q, u)$ is (????????) unbounded.

Example (Ben-Haim [2006])

- $\mathcal{U}(\alpha, \tilde{u}) := \left\{ u \in [0, 1] : \left| \frac{u - \tilde{u}}{\tilde{u}} \right| \leq \alpha \right\}, \alpha \geq 0$
- α is unbounded.
- $\mathcal{U}(\alpha, \tilde{u}) \subseteq [0, 1]$ is bounded.
- There is definitely a worst case!

Myths and Facts

Theorem

Info-Gap's uncertainty model is subject to a worst case.

Proof.

$$\hat{\alpha}(q, r_c) := \max_{\alpha \geq 0} G(\alpha) \cdot H(q, \alpha) \quad (9)$$

where $G(\alpha) := \alpha, \alpha \geq 0$ (10)

$$H(q, \alpha) := \min_{u \in \mathcal{U}(\alpha, \tilde{u})} (r_c \preceq R(q, u)) \text{ , } \mathbb{Q}, \alpha \geq 0 \quad (11)$$

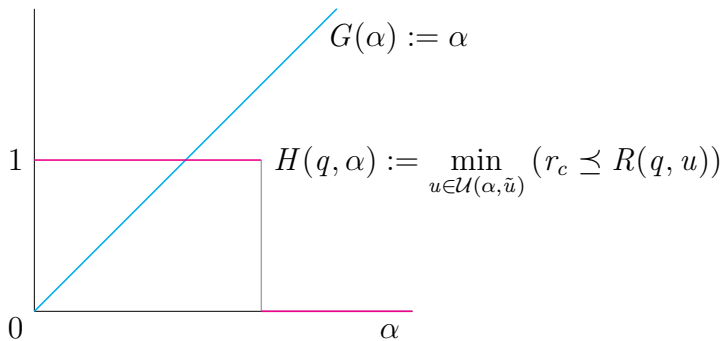
$$a \preceq b := \begin{cases} 1 & , \quad a \leq b \\ 0 & , \quad a > b \end{cases} \quad (12)$$

Clearly, $G(\alpha) \cdot H(q, \alpha) \in \{0, \alpha\}$.



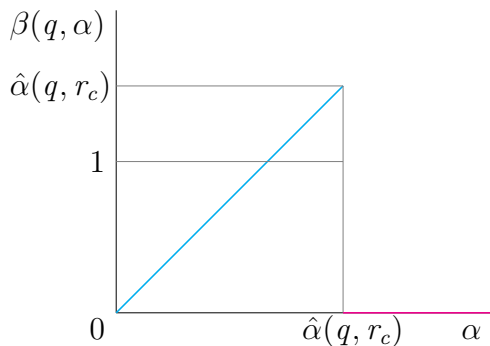
Myths and Facts

$$\hat{\alpha}(q, r_c) := \max_{\alpha \geq 0} \min_{u \in \mathcal{U}(\alpha, \tilde{u})} \alpha \cdot (r_c \preceq R(q, u))$$



Myths and Facts

$$\beta(q, \alpha) := G(\alpha) \cdot H(q, \alpha) = \alpha \cdot \min_{u \in \mathcal{U}(\alpha, \tilde{u})} (r_c \preceq R(q, u))$$
$$\in \{0, \alpha\}$$



Myths and Facts

Myth # 3

Info-Gap is a **new** theory that is **radically different** from **all** current theories for decision-making under severe uncertainty (Ben-Haim [2001, 2006])

Fact # 3

Info-Gap's generic model is **neither new nor radically different**. It is a **simple instance** of Wald's Maximin model (Sniedovich [2006])

Maximin

$$\max_{d \in \mathbb{D}} \min_{s \in S_d} f(d, s)$$

Info-Gap

$$\max_{q \in \mathbb{Q}} \max \left\{ \alpha \geq 0 : r_c \leq \min_{u \in \mathcal{U}(\alpha, \tilde{u})} R(q, u) \right\}$$

Myths and facts

Theorem (Sniedovich [2006])

Info-Gap's generic model is a simple Maximin Model.

Proof.

$$\alpha(r_c) := \max_{q \in \mathbb{Q}} \max \left\{ \alpha \geq 0 : r_c \leq \min_{u \in \mathcal{U}(\alpha, \tilde{u})} R(q, u) \right\} \quad (13)$$

$$= \max_{q \in \mathbb{Q}, \alpha \geq 0} \min_{u \in \mathcal{U}(\alpha, \tilde{u})} \overbrace{\alpha \cdot (r_c \preceq R(q, u))}^{f(q, \alpha, u)} \quad (14)$$

$$a \preceq b := \begin{cases} 1 & , \quad a \leq b \\ 0 & , \quad a > b \end{cases} \quad (15)$$



Myths and Facts

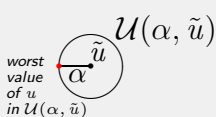
Myth # 4

Info-Gap generates **robust** solutions for decision-making problems under severe uncertainty.

Fact # 4

There is **no reason** to believe that under severe uncertainty the solutions generated by Info-Gap are robust (see explanation and counter examples in Sniedovich [2006]).

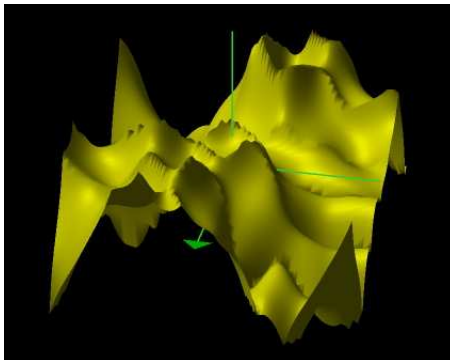
Region of Severe Uncertainty, \mathcal{U}



u°
true value

Myths and Facts

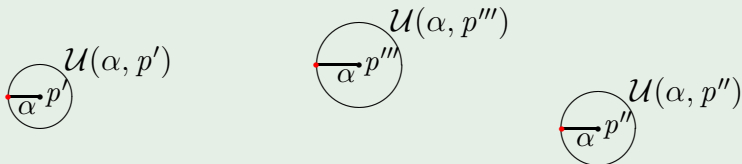
Note the difference between **local** and **global** optimization.



Myths and Facts

Comment

To obtain a **robust solution** under severe uncertainty you have to incorporate in the analysis a **number of point estimates**, making sure that they adequately represent the **entire** region of uncertainty, \mathcal{U} .



See the **Worst-Case Analysis** and **Robust Optimization** literature for tips, guidelines and inspiration.

Myth and Facts

Algorithms for Worst-case Design and Applications to Risk Management

Rustem and Howe, [2002, p. xiii]

... If the forecaster tries to specify too many discrete forecasts, in an attempt to cover most possibilities, discrete minimax may yield too pessimistic strategies or even run into numerical, or computational, problems due to the resulting numerous scenarios. Similarly, as the upper and lower bounds on a range of forecasts get wider, to provide coverage to a wider set of possibilities, the minimax strategy may become pessimistic. Thus, **scenarios have to be chosen with care**, among **genuinely likely values**. The minimax strategy will then answer the legitimate question of what the best strategy should be, in view of the worst case ...

Myths and Facts

Myth # 5

It is better to **satisfice** than to **optimize**.

Fact # 5

Any satisficing problem can be formulated as an (**equivalent**) optimization problem (Sniedovich [2006]).

Comments:

- Strictly and bluntly speaking, the assertion that satisficing is superior to optimizing is **pure nonsense**.
- What is important is **what** you optimize and **what** you satisfice.

Myths and facts

Theorem (Sniedovich [2006])

Any satisficing problem can be expressed as an (**equivalent**) optimization problem.

Proof.

Let I denote the universal **indicator** function:

$$I_X(x) := \begin{cases} 1 & , \quad x \in X \\ 0 & , \quad x \notin X \end{cases} \quad (16)$$

Then clearly,

$$x \in X \subseteq X' \iff x = \arg \max_{x \in X'} I_X(x) \quad (17)$$



Myths and facts

Example

You win a game (AU\$5,000,000) if you select an action $q \in \mathbb{Q}$ such that $17 \leq \sigma(q) \leq 21$, where σ is a given real-valued function on \mathbb{Q} .

Problem: Find a $q \in \mathbb{Q}$ such that $17 \leq \sigma(q) \leq 21$

This is typical **satisficing model**. Note that, in general, to win the game you do not necessarily optimize the score $\sigma(q)$ over $q \in \mathbb{Q}$. The following is an equivalent **optimization model**:

$$\max_{q \in \mathbb{Q}} 5w(q)$$

$$w(q) := \begin{cases} 1 & , \quad 17 \leq \sigma(q) \leq 21 \\ 0 & , \quad \textit{otherwise} \end{cases}$$

Myths and Facts

Myth # 6

Robust optimization is a contradiction in terms.

Fact # 6

Robust optimization is a well established area of optimization theory: more than 30-year old, and going strong!

Myths and Facts

Myth # 7

Info-gap decision theory provides a platform **extending** decision theory into a broad range of new problems.

Fact # 7

Info-Gap does **not** extend classical decision theory. Its generic model is an **instance** of the classical **classical Maximin** and its trade-off analysis is vanilla **Pareto optimization**.

Myths and Facts

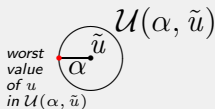
Myth # 8

Info-Gap **deals** with severe uncertainty.

Fact # 8

Info-Gap does **not** deal with severe uncertainty. It **ignores** it.
This involves:

- Replacing severe uncertainty by a **very poor estimate** of the parameter under consideration.
- Conducting standard maximin analysis in the neighborhood of this **very poor estimate**.



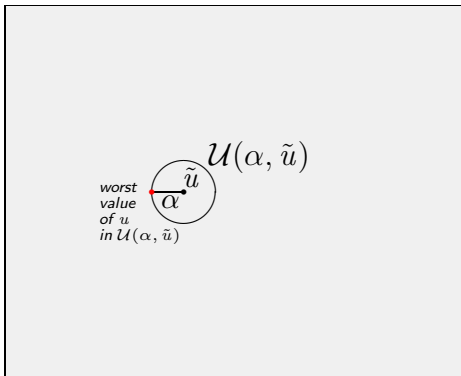
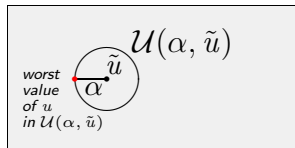


Myth and Facts

Observation

The Info-Gap analysis is **invariant** with the **actual size** of the **total** region of uncertainty, \mathcal{U} .

This is **ridiculous**.

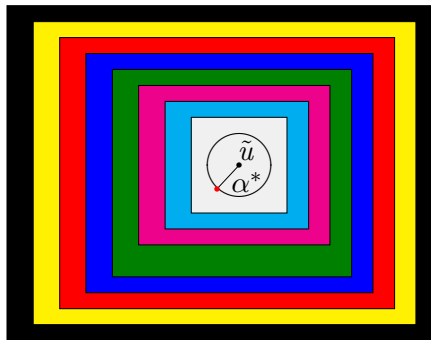


Info-Gap

Complete Generic Model

$$\alpha^* := \max_{q \in \mathbb{Q}} \max \left\{ \alpha \geq 0 : r_c \leq \min_{u \in \mathcal{U}(\alpha, \tilde{u})} R(q, u) \right\} \quad (18)$$

Fundamental Flaw



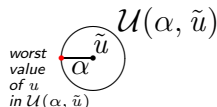
Myths and Facts

Myth # 9

Info-Gap is about the gap between what we **know** (poor estimate) and what we **need to know** (true value).

Fact # 9

Info-Gap is **not** about the gap between what we know (poor estimate) and what we need to know (true value). It is about **ignoring** the gap between what we know (poor estimate) and what we need to know (true value).



Myths and Facts

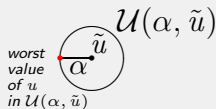
Myth # 10

Info-Gap is a methodology for decision-making under severe uncertainty.

Fact # 10

Practicing Info-Gap amounts to **voodoo** decision-making:

- ① Replacing severe uncertainty by a **very poor estimate** of the parameter under consideration.
- ② Conducting standard **maximin** analysis in the neighborhood of this **very poor estimate**.



u°
true value

Voodoo

Encarta online Encyclopedia

Voodoo n

- ① A religion practiced throughout Caribbean countries, especially Haiti, that is a combination of Roman Catholic rituals and animistic beliefs of Dahomean enslaved laborers, involving magic communication with ancestors.
- ② Somebody who practices voodoo.
- ③ A charm, spell, or fetish regarded by those who practice voodoo as having magical powers.
- ④ A belief, theory, or method that lacks sufficient evidence or proof.

Conclusions

- Decision-making under severe uncertainty is **difficult**.
- This is a **very active** area of research/practice.
- The **Robust Optimization** literature is very relevant.
- The **Operations Research** literature is very relevant.
- The **Decision Theory** literature is very relevant.
- Info-Gap is **neither** new **nor** radically different.
- Info-Gap is **fundamentally flawed** and is **not suitable** for decision-making under severe uncertainty.
- Info-Gap exhibits a severe **information-gap** about the **state of the art** in decision-making under severe uncertainty.
- If we accept Info-Gap as a legitimate theory for decision-making under severe uncertainty, we in fact **abolish** the very active and relevant area of **... decision-making under severe uncertainty**.

A thing to remember

Decision-Making Under Severe Uncertainty

• \tilde{p}
poor estimate

• p
true value

• \tilde{p}

A thing to remember



Off the record

The Ten Natural Laws of Operations Analysis

Bob Bedow, *Interfaces* 7(3), p. 122, 1979

- ① Ignore the problem and go immediately to the solution, that is where the profit lies.
- ② There are no small problems only small budgets.
- ③ Names are control variables.
- ④ Clarity of presentation leads to aptness of critique.
- ⑤ Invention of the wheel is always on the direct path of a cost plus contract.
- ⑥ Undesirable results stem only from bad analysis.
- ⑦ It is better to extend an error than to admit to a mistake.
- ⑧ Progress is a function of the assumed reference system.
- ⑨ Rigorous solutions to assumed problems are easier to sell than assumed solutions to rigorous problems.
- ⑩ In desperation address the problem.

Off the record

Join the Worst Case / Maximin Campaign

www.ms.unimelb.edu.au/~moshe/







I Love

$$v^* := \overset{\text{me!}}{\max}_{d \in \mathbb{D}} \overset{\text{mama!}}{\min}_{s \in S_d} f(\overset{\text{me!}}{d}, \overset{\text{mama!}}{s})$$





Wald's Maximin Principle







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