

Dr. Yakov Ben-Haim

Professor
Yitzhak Moda'i Chair in
Technology and Economics

Technion

Israel Institute of Technology
Faculty of Mechanical Engineering
Haifa 32000 Israel

yakov@technion.ac.il

<http://info-gap.com> <http://www.technion.ac.il/yakov>

Tel: +972-4-829-3262, +972-50-750-1402 Fax: +972-4-829-5711

Info-Gap Robust-Satisficing and the Probability of Survival

Department of Evolutionary and Environmental Biology, University of Haifa, 9 May 2012

Abstract

Concepts of robustness are often employed when decisions under uncertainty are made without probabilistic information. We present a theorem, based on info-gap theory, that establishes necessary and sufficient conditions for non-probabilistic robustness to be equivalent to probability of success. When this “proxy property” holds, probability of success is enhanced (or maximized) by enhancing (or maximizing) robustness. Two further theorems establish important special cases. The proxy property implies that robustness has survival advantage over other strategies. This explains the prevalence of robust strategies in competition under uncertainty. Applications to foraging, forecasting, economics, Bayesian model mixing, and Ellsberg’s paradox of behavior under ambiguity are discussed.