Introduction to Efficient Estimation

- Goal

MLE is asymptotically efficient estimator under some regularity conditions.

[comments]

- Basic setting

Suppose $X_1, ..., X_n$ are i.i.d from P_{θ_0} in the model $\mathcal{P}$.
(A0). $\theta \neq \theta^*$ implies $P_\theta \neq P_{\theta^*}$ (identifiability).
(A1). P_θ has a density function p_θ with respect to a dominating σ-finite measure μ.
(A2). The set $\{x : p_\theta(x) > 0\}$ does not depend on θ.

[comments]

- MLE definition

$$L_n(\theta) = \prod_{i=1}^{n} p_\theta(X_i), \quad l_n(\theta) = \sum_{i=1}^{n} \log p_\theta(X_i).$$

$L_n(\theta)$ and $l_n(\theta)$ are called the *likelihood function* and the *log-likelihood function* of θ, respectively.

An estimator $\hat{\theta}_n$ of θ_0 is the maximum likelihood estimator (MLE) of θ_0 if it maximizes the likelihood function $L_n(\theta)$.

[comments]

Ad Hoc Arguments

$$\sqrt{n}(\hat{\theta}_n - \theta_0) \to_d N(0, I(\theta_0)^{-1})$$

- Consistency: $\hat{\theta}_n \to \theta_0$ (no asymptotic bias)
- Efficiency: asymptotic variance attains efficiency bound $I(\theta_0)^{-1}$.

[comments]

- Consistency

Definition 5.1 Let P be a probability measure and let Q be another measure on $(\Omega, \mathcal{A})$ with densities p and q with respect to a σ-finite measure μ ($\mu = P + Q$ always works). $P(\Omega) = 1$ and $Q(\Omega) \leq 1$. Then the *Kullback-Leibler information* $K(P, Q)$ is

$$K(P, Q) = E_P[\log \frac{p(X)}{q(X)}].$$

[comments]

Proposition 5.1 $K(P,Q)$ is well-defined, and $K(P,Q) \geq 0$. $K(P,Q) = 0$ if and only if $P = Q$.

Proof

By the Jensen's inequality,

$$K(P,Q) = E_P[-\log \frac{q(X)}{p(X)}] \geq -\log E_P[\frac{q(X)}{p(X)}] = -\log Q(\Omega) \geq 0.$$

The equality holds if and only if $p(x) = Mq(x)$ almost surely with respect to P and $Q(\Omega) = 1$

$\Rightarrow P = Q$.

[comments]

- Why is the MLE consistent?

$\hat{\theta}_n$ maximizes $l_n(\theta)$,

$$\frac{1}{n}\sum_{i=1}^{n} p_{\hat{\theta}_n}(X_i) \geq \frac{1}{n}\sum_{i=1}^{n} p_{\theta_0}(X_i).$$

Suppose $\hat{\theta}_n \to \theta^*$. Then we would expect both sides to converge to

$$E_{\theta_0}[p_{\theta^*}(X)] \geq E_{\theta_0}[p_{\theta_0}(X)],$$

which implies $K(P_{\theta_0}, P_{\theta^*}) \leq 0$.

From Prop. 5.1, $P_{\theta_0} = P_{\theta^*}$. From A0, $\theta^* = \theta_0$. That is, $\hat{\theta}_n$ converges to θ_0.

[comments]

- Why is MLE efficient?

Suppose $\hat{\theta}_n \to \theta_0$. $\hat{\theta}_n$ solves the following likelihood (or score) equations

$$\dot{l}_n(\hat{\theta}_n) = \sum_{i=1}^{n} \dot{l}_{\hat{\theta}_n}(X_i) = 0.$$

Taylor expansion at θ_0:

$$-\sum_{i=1}^{n} \dot{l}_{\theta_0}(X_i) = -\sum_{i=1}^{n} \ddot{l}_{\theta^*}(X_i)(\hat{\theta} - \theta_0),$$

where θ^* is between θ_0 and $\hat{\theta}$.

$$\sqrt{n}(\hat{\theta} - \theta_0) = -\frac{1}{\sqrt{n}} \left\{ n^{-1} \sum_{i=1}^{n} \ddot{l}_{\theta^*}(X_i) \right\} \left\{ \sum_{i=1}^{n} \dot{l}_{\theta_0}(X_i) \right\}.$$

[comments]

$\sqrt{n}(\hat{\theta}_n - \theta_0)$ is asymptotically equivalent to

$$\frac{1}{\sqrt{n}} \sum_{i=1}^{n} I(\theta_0)^{-1} \dot{l}_{\theta_0}(X_i).$$

Then $\hat{\theta}_n$ is an asymptotically linear estimator of θ_0 with influence function $I(\theta_0)^{-1}\dot{l}_{\theta_0} = \tilde{l}(\cdot, P_{\theta_0}|\theta, \mathcal{P})$.

[comments]

Consistency Results

Theorem 5.1 Consistency with dominating function

Suppose that
(a) Θ is compact.
(b) $\log p_\theta(x)$ is continuous in θ for all x.
(c) There exists a function $F(x)$ such that
$E_{\theta_0}[F(X)] < \infty$ and $|\log p_\theta(x)| \leq F(x)$ for all x and θ.
Then $\hat{\theta}_n \to_{a.s.} \theta_0$.

[comments]

Proof

For any sample $\omega \in \Omega$, $\hat{\theta}_n$ is compact. By choosing a subsequence, $\hat{\theta}_n \to \theta^*$.

If $\frac{1}{n}\sum_{i=1}^{n} l_{\hat{\theta}_n}(X_i) \to E_{\theta_0}[l_{\theta^*}(X)]$, then since

$$\frac{1}{n}\sum_{i=1}^{n} l_{\hat{\theta}_n}(X_i) \geq \frac{1}{n}\sum_{i=1}^{n} l_{\theta_0}(X_i),$$

$\Rightarrow E_{\theta_0}[l_{\theta^*}(X)] \geq E_{\theta_0}[l_{\theta_0}(X)]$.
$\Rightarrow \theta^* = \theta_0$. Done!

It remains to show $\mathbf{P}_n[l_{\hat{\theta}_n}(X)] \equiv \frac{1}{n}\sum_{i=1}^{n} l_{\hat{\theta}_n}(X_i) \to E_{\theta_0}[l_{\theta^*}(X)]$.

It suffices to show

$$|\mathbf{P}_n[l_{\hat{\theta}}(X)] - E_{\theta_0}[l_{\hat{\theta}}(X)]| \to 0.$$

[comments]

We can even prove the following uniform convergence result

$$\sup_{\theta\in\Theta} |\mathbf{P}_n[l_\theta(X)] - E_{\theta_0}[l_\theta(X)]| \to 0.$$

Define

$$\psi(x,\theta,\rho) = \sup_{|\theta'-\theta|<\rho} (l_{\theta'}(x) - E_{\theta_0}[l_{\theta'}(X)]).$$

Since l_θ is continuous, $\psi(x,\theta,\rho)$ is measurable and by the DCT, $E_{\theta_0}[\psi(X,\theta,\rho)]$ decreases to $E_{\theta_0}[l_\theta(x) - E_{\theta_0}[l_\theta(X)]] = 0$.
$\Rightarrow$ for any $\epsilon > 0$, and any $\theta \in \Theta$, there exists a $\rho_\theta > 0$ such that

$$E_{\theta_0}[\psi(X,\theta,\rho_\theta)] < \epsilon.$$

[comments]

The union of $\{\theta' : |\theta' - \theta| < \rho_\theta\}$ covers Θ. By the compactness of Θ, there exists a finite number of $\theta_1, ..., \theta_m$ such that

$$\Theta \subset \cup_{i=1}^m \{\theta' : |\theta' - \theta_i| < \rho_{\theta_i}\}.$$

$\Rightarrow$

$$\sup_{\theta\in\Theta} \{\mathbf{P}_n[l_\theta(X)] - E_{\theta_0}[l_\theta(X)]\} \quad \leq \quad \sup_{1\leq i\leq m} \mathbf{P}_n[\psi(X, \theta_i, \rho_{\theta_i})].$$

$$\limsup_n \sup_{\theta\in\Theta} \{\mathbf{P}_n[l_\theta(X)] - E_{\theta_0}[l_\theta(X)]\} \leq \sup_{1\leq i\leq m} \mathbf{P}_\theta[\psi(X, \theta_i, \rho_{\theta_i})] \leq \epsilon.$$

$\Rightarrow \limsup_n \sup_{\theta\in\Theta} \{\mathbf{P}_n[l_\theta(X)] - E_{\theta_0}[l_\theta(X)]\} \leq 0$. Similarly, $\limsup_n \sup_{\theta\in\Theta} \{\mathbf{P}_n[l_\theta(X)] - E_{\theta_0}[l_\theta(X)]\} \geq 0$.

$\Rightarrow$

$$\limsup_n \sup_{\theta\in\Theta} |\mathbf{P}_n[l_\theta(X)] - E_{\theta_0}[l_\theta(X)]| \to 0.$$

[comments]

Theorem 5.2 Wald's Consistency Θ is compact. Suppose $\theta \mapsto l_\theta(x) = \log p_\theta(x)$ is upper-semicontinuous for all x, in the sense $\limsup_{\theta' \to \theta} l_{\theta'}(x) \leq l_\theta(x)$. Suppose for every sufficient small ball $U \subset \Theta$,
$E_{\theta_0}[\sup_{\theta' \in U} l_{\theta'}(X)] < \infty$. Then $\hat{\theta}_n \to_p \theta_0$.

[comments]

Proof

$E_{\theta_0}[l_{\theta_0}(X)] > E_{\theta_0}[l_{\theta'}(X)]$ for any $\theta' \neq \theta_0$

$\Rightarrow$ there exists a ball $U_{\theta'}$ containing θ' such that

$$E_{\theta_0}[l_{\theta_0}(X)] > E_{\theta_0}[\sup_{\theta^* \in U_{\theta'}} l_{\theta^*}(X)].$$

Otherwise, there exists a sequence $\theta^*_m \to \theta'$ but $E_{\theta_0}[l_{\theta_0}(X)] \leq E_{\theta_0}[l_{\theta^*_m}(X)]$. Since $l_{\theta^*_m}(x) \leq \sup_{U'} l_{\theta'}(X)$ where U' is the ball satisfying the condition,

$$\limsup_m E_{\theta_0}[l_{\theta^*_m}(X)] \leq E_{\theta_0}[\limsup_m l_{\theta^*_m}(X)] \leq E_{\theta_0}[l_{\theta'}(X)].$$

$\Rightarrow$ $E_{\theta_0}[l_{\theta_0}(X)] \leq E_{\theta_0}[l_{\theta'}(X)]$ contradiction!

[comments]

For any ϵ, the balls $\cup_{\theta'} U_{\theta'}$ cover the compact set $\Theta \cap \{|\theta' - \theta_0| > \epsilon\}$
$\Rightarrow$ there exists a finite covering of balls, $U_1, ..., U_m$.

$$P(|\hat{\theta}_n - \theta_0| > \epsilon) \leq P(\sup_{|\theta' - \theta_0| > \epsilon} \mathbf{P}_n[l_{\theta'}(X)] \geq \mathbf{P}_n[l_{\theta_0}(X)])$$
$$\leq P(\max_{1 \leq i \leq m} \mathbf{P}_n[\sup_{\theta' \in U_i} l_{\theta'}(X)] \geq \mathbf{P}_n[l_{\theta_0}(X)])$$
$$\leq \sum_{i=1}^{m} P(\mathbf{P}_n[\sup_{\theta' \in U_i} l_{\theta'}(X)] \geq \mathbf{P}_n[l_{\theta_0}(X)]).$$

Since

$$\mathbf{P}_n[\sup_{\theta' \in U_i} l_{\theta'}(X)] \rightarrow_{a.s.} E_{\theta_0}[\sup_{\theta' \in U_i} l_{\theta'}(X)] < E_{\theta_0}[l_{\theta_0}(X)],$$

the right-hand side converges to zero. $\Rightarrow \hat{\theta}_n \rightarrow_p \theta_0$.

[comments]

Asymptotic Efficiency Result

Theorem 5.3 Suppose that the model $\mathcal{P} = \{P_\theta : \theta \in \Theta\}$ is Hellinger differentiable at an inner point θ_0 of $\Theta \subset R^k$. Furthermore, suppose that there exists a measurable function F with $E_{\theta_0}[F^2] < \infty$ such that for every θ_1 and θ_2 in a neighborhood of θ_0,

$$|\log p_{\theta_1}(x) - \log p_{\theta_2}(x)| \leq F(x)|\theta_1 - \theta_2|.$$

If the Fisher information matrix $I(\theta_0)$ is nonsingular and $\hat{\theta}_n$ is consistent, then

$$\sqrt{n}(\hat{\theta}_n - \theta_0) = \frac{1}{\sqrt{n}} \sum_{i=1}^{n} I(\theta_0)^{-1} \dot{l}_{\theta_0}(X_i) + o_{p_{\theta_0}}(1).$$

In particular, $\sqrt{n}(\hat{\theta}_n - \theta_0) \rightarrow_d N(0, I(\theta_0)^{-1})$.

[comments]

Proof

For any $h_n \to h$, by the Hellinger differentiability,

$$W_n = 2\left(\sqrt{\frac{p_{\theta_0+h_n/\sqrt{n}}}{p_{\theta_0}}} - 1\right) \to h^T \dot{l}_{\theta_0}, \quad \text{in } L_2(P_{\theta_0}).$$

$\Rightarrow$

$$\sqrt{n}(\log p_{\theta_0+h_n/\sqrt{n}} - \log p_{\theta_0}) = 2\sqrt{n}\log(1 + W_n/2) \to_p h^T \dot{l}_{\theta_0}.$$

$\Rightarrow$

$$E_{\theta_0}\left[\sqrt{n}(\mathbf{P}_n - P)[\sqrt{n}(\log p_{\theta_0+h_n/\sqrt{n}} - \log p_{\theta_0}) - h^T \dot{l}_{\theta_0}]\right] \to 0$$

$$Var_{\theta_0}\left[\sqrt{n}(\mathbf{P}_n - P)[\sqrt{n}(\log p_{\theta_0+h_n/\sqrt{n}} - \log p_{\theta_0}) - h^T \dot{l}_{\theta_0}]\right] \to 0.$$

$\Rightarrow$

$$\sqrt{n}(\mathbf{P}_n - P)[\sqrt{n}(\log p_{\theta_0+h_n/\sqrt{n}} - \log p_{\theta_0}) - h^T \dot{l}_{\theta_0}] \to_p 0.$$

[comments]

From Step I in proving Theorem 4.1,

$$\log \prod_{i=1}^{n} \frac{\log p_{\theta_0+h_n/\sqrt{n}}}{\log p_{\theta_0}} = \frac{1}{\sqrt{n}} \sum_{i=1}^{n} h^T \dot{l}_{\theta_0}(X_i) - \frac{1}{2} h^T I(\theta_0) h + o_{p_{\theta_0}}(1).$$

$$nE_{\theta_0}[\log p_{\theta_0+h_n/\sqrt{n}} - \log p_{\theta_0}] \to -h^T I(\theta_0) h/2.$$

$\Rightarrow$

$$n\mathbf{P}_n[\log p_{\theta_0+h_n/\sqrt{n}} - \log p_{\theta_0}] = -\frac{1}{2} h_n^T I(\theta_0) h_n + h_n^T \sqrt{n}(\mathbf{P}_n - P)[\dot{l}_{\theta_0}] + o_{p_{\theta_0}}(1).$$

Choose $h_n = \sqrt{n}(\hat{\theta}_n - \theta_0)$ and $h_n = I(\theta_0)^{-1}\sqrt{n}(\mathbf{P}_n - P)[\dot{l}_{\theta_0}]$. $\Rightarrow$

$$n\mathbf{P}_n[\log p_{\hat{\theta}_n} - \log p_{\theta_0}] = \frac{1}{2}\{\sqrt{n}(\mathbf{P}_n - P)[\dot{l}_{\theta_0}]\}^T I(\theta_0)^{-1}\{\sqrt{n}(\mathbf{P}_n - P)[\dot{l}_{\theta_0}]\} + o_{p_{\theta_0}}(1).$$

Comparing the above two equations:

$$-\frac{1}{2}\left\{\sqrt{n}(\hat{\theta}_n-\theta_0)+I(\theta_0)^{-1}\sqrt{n}(\mathbf{P}_n-P)[\dot{l}_{\theta_0}]\right\}^T I(\theta_0)$$

$$\times\left\{\sqrt{n}(\hat{\theta}_n-\theta_0)+I(\theta_0)^{-1}\sqrt{n}(\mathbf{P}_n-P)[\dot{l}_{\theta_0}]\right\}$$

$$+o_{p_{\theta_0}}(1)\geq 0.$$

$\Rightarrow$

$$\sqrt{n}(\hat{\theta}_n-\theta_0)=-I(\theta_0)^{-1}\sqrt{n}(\mathbf{P}_n-P)[\dot{l}_{\theta_0}]+o_{p_{\theta_0}}(1).$$

[comments]

Theorem 5.4 For each θ in an open subset of Euclidean space. Let $\theta \mapsto \dot{l}_\theta(x) = \log p_\theta(x)$ be twice continuously differentiable for every x. Suppose $E_{\theta_0}[\dot{l}_{\theta_0}\dot{l}'_{\theta_0}] < \infty$ and $E[\ddot{l}_{\theta_0}]$ exists and is nonsingular. Assume that the second partial derivative of $\dot{l}_\theta(x)$ is dominated by a fixed integrable function $F(x)$ for every θ in a neighborhood of θ_0. Suppose $\hat{\theta}_n \to_p \theta_0$. Then

$$\sqrt{n}(\hat{\theta}_n - \theta_0) = -(E_{\theta_0}[\ddot{l}_{\theta_0}])^{-1}\frac{1}{\sqrt{n}}\sum_{i=1}^{n}\dot{l}_{\theta_0}(X_i) + o_{p_{\theta_0}}(1).$$

[comments]

Proof

$\hat{\theta}_n$ solves $0 = \sum_{i=1}^n \dot{l}_{\hat{\theta}}(X_i)$.

$\Rightarrow$

$$0 = \sum_{i=1}^n \dot{l}_{\theta_0}(X_i) + \sum_{i=1}^n \ddot{l}_{\theta_0}(\hat{\theta}_n - \theta_0) + \frac{1}{2}(\hat{\theta}_n - \theta_0)^T \left\{ \sum_{i=1}^n l^{(3)}_{\tilde{\theta}_n} \right\} (\hat{\theta}_n - \theta_0).$$

$\Rightarrow$

$$\left| \left\{ \frac{1}{n} \sum_{i=1}^n \ddot{l}_{\theta_0}(X_i) \right\} (\hat{\theta}_n - \theta_0) + \frac{1}{n} \sum_{i=1}^n \dot{l}_{\theta_0}(X_i) \right| \leq \frac{1}{n} \sum_{i=1}^n |F(X_i)| O_P\left(\|\hat{\theta}_n - \theta_0\|^2 \right).$$

Using the fact that $(\hat{\theta}_n - \theta_0) = o_p(1)$,

$\Rightarrow$

$$\left\{ -\frac{1}{n} \sum_{i=1}^n \ddot{l}_{\theta_0}(X_i) + o_p(1) \right\} \sqrt{n}(\hat{\theta}_n - \theta_0) = -\frac{1}{\sqrt{n}} \sum_{i=1}^n l_{\theta_0}(X_i) + o_P\left(\sqrt{n} \|\hat{\theta}_n - \theta_0\| \right).$$

[comments]

Computation of MLE

- Solve likelihood equation

$$\sum_{i=1}^{n} \dot{l}_\theta(X_i) = 0.$$

  - *Newton-Raphson iteration*: at kth iteration,

$$\theta^{(k+1)} = \theta^{(k)} - \left\{ \frac{1}{n} \sum_{i=1}^{n} \ddot{l}_{\theta^{(k)}}(X_i) \right\}^{-1} \left\{ \frac{1}{n} \sum_{i=1}^{n} \dot{l}_{\theta^{(k)}}(X_i) \right\}.$$

  - Note $-\frac{1}{n}\sum_{i=1}^{n} \ddot{l}_{\theta^{(k)}}(X_i) \approx I(\theta^{(k)})$. $\Rightarrow$ *Fisher scoring algorithm*:

$$\theta^{(k+1)} = \theta^{(k)} + I(\theta^{(k)})^{-1} \left\{ \frac{1}{n} \sum_{i=1}^{n} \dot{l}_{\theta^{(k)}}(X_i) \right\}.$$

[comments]

- Optimize the likelihood function

optimum search algorithm: grid search, quasi-Newton method (gradient decent algorithm), MCMC, simulated annealing

[comments]

EM Algorithm of Missing Data

When part of data is missing or some mis-measured data is observed, a commonly used algorithm is called the *expectation-maximization* (EM) algorithm.

- Framework of EM algorithm
  - $Y = (Y_{mis}, Y_{obs})$.
  - R is a vector of 0/1 indicating which subjects are missing/not missing. Then $Y_{obs} = RY$.
  - the density function for the observed data (Y_{obs}, R)

$$\int_{Y_{mis}} f(Y;\theta)P(R|Y)dY_{mis}.$$

[comments]

- Missing mechanism

Missing at random assumption (MAR):
$P(R|Y) = P(R|Y_{obs})$ and $P(R|Y)$ does not depend on θ;
i.e., the missing probability only depends on the observed data and it is informative about θ.

Under MAR,

$$\int_{Y_{mis}} f(Y;\theta) dY_{mis} P(R|Y).$$

We maximize

$$\int_{Y_{mis}} f(Y;\theta) dY_{mis} \quad \text{or} \quad \log \int_{Y_{mis}} f(Y;\theta) dY_{mis}$$

[comments]

- Details of EM algorithm

We start from any initial value of $\theta^{(1)}$ and use the following iterations. The kth iteration consists of both an E-step and an M-step:

E-step. We evaluate the conditional expectation

$$E\left[\log f(Y;\theta)|Y_{obs},\theta^{(k)}\right].$$

$$E\left[\log f(Y;\theta)|Y_{obs},\theta^{(k)}\right] = \frac{\int_{Y_{mis}}[\log f(Y;\theta)]f(Y;\theta^{(k)})dY_{mis}}{\int_{Y_{mis}} f(Y;\theta^{(k)})dY_{mis}}.$$

[comments]

M-step. We obtain $\theta^{(k+1)}$ by maximizing

$$E\left[\log f(Y;\theta)|Y_{obs},\theta^{(k)}\right].$$

We then iterate until convergence of θ; i.e., the difference between $\theta^{(k+1)}$ and $\theta^{(k)}$ is less than a given criteria.

[comments]

- Rationale why EM works

Theorem 5.5 At each iteration of the EM algorithm,

$$\log f(Y_{obs}; \theta^{(k+1)}) \geq \log f(Y_{obs}, \theta^{(k)})$$

and the equality holds if and only if $\theta^{(k+1)} = \theta^{(k)}$.

[comments]

Proof

$$E\left[\log f(Y;\theta^{(k+1)})|Y_{obs},\theta^{(k)}\right] \geq E\left[\log f(Y;\theta^{(k)})|Y_{obs},\theta^{(k)}\right].$$

$\Rightarrow$

$$E\left[\log f(Y_{mis}|Y_{obs};\theta^{(k+1)})|Y_{obs},\theta^{(k)}\right] + \log f(Y_{obs};\theta^{(k+1)})$$

$$\geq E\left[\log f(Y_{mis}|Y_{obs},\theta^{(k)})|Y_{obs},\theta^{(k)}\right] + \log f(Y_{obs};\theta^{(k)}).$$

$$E\left[\log f(Y_{mis}|Y_{obs};\theta^{(k+1)})|Y_{obs},\theta^{(k)}\right]$$

$$\leq E\left[\log f(Y_{mis}|Y_{obs},\theta^{(k)})|Y_{obs},\theta^{(k)}\right],$$

$\Rightarrow \log f(Y_{obs};\theta^{(k+1)}) \geq \log f(Y_{obs},\theta^{(k)})$. Equality implies

$$\log f(Y_{mis}|Y_{obs},\theta^{(k+1)}) = \log f(Y_{mis}|Y_{obs},\theta^{(k)}),$$

$\Rightarrow \log f(Y;\theta^{(k+1)}) = \log f(Y;\theta^{(k)})$.

[comments]

- Incorporating Newton-Raphson in EM

E-step. We evaluate the conditional expectation

$$E\left[\frac{\partial}{\partial\theta}\log f(Y;\theta)|Y_{obs},\theta^{(k)}\right]$$

and

$$E\left[\frac{\partial^2}{\partial\theta^2}\log f(Y;\theta)|Y_{obs},\theta^{(k)}\right]$$

[comments]

M-step. We obtain $\theta^{(k+1)}$ by solving

$$0 = E\left[\frac{\partial}{\partial\theta}\log f(Y;\theta)|Y_{obs},\theta^{(k)}\right]$$

using one-step Newton-Raphson iteration:

$$\theta^{(k+1)} = \theta^{(k)} - \left\{E\left[\frac{\partial^2}{\partial\theta^2}\log f(Y;\theta)|Y_{obs},\theta^{(k)}\right]\right\}^{-1}$$

$$\times E\left[\frac{\partial}{\partial\theta}\log f(Y;\theta)|Y_{obs},\theta^{(k)}\right]\Big|_{\theta=\theta^{(k)}}.$$

[comments]

- Example
  - Suppose a random vector Y has a multinomial distribution with $n = 197$ and

$$p = (\frac{1}{2} + \frac{\theta}{4}, \frac{1-\theta}{4}, \frac{1-\theta}{4}, \frac{\theta}{4}).$$

Then the probability for $Y = (y_1, y_2, y_3, y_4)$ is given by

$$\frac{n!}{y_1!y_2!y_3!y_4!}(\frac{1}{2} + \frac{\theta}{4})^{y_1}(\frac{1-\theta}{4})^{y_2}(\frac{1-\theta}{4})^{y_3}(\frac{\theta}{4})^{y_4}.$$

Suppose we observe $Y = (125, 18, 20, 34)$. If we start with $\theta^{(1)} = 0.5$, after the convergence in the Newton-Raphson iteration, we obtain $\theta^{(k)} = 0.6268215$.

[comments]

– EM algorithm: the full data is X has a multivariate normal distribution with n and the $p = (1/2, \theta/4, (1-\theta)/4, (1-\theta)/4, \theta/4)$.

$$Y = (X_1 + X_2, X_3, X_4, X_5).$$

[comments]

The score equation for the complete data X is simple

$$0 = \frac{X_2 + X_5}{\theta} - \frac{X_3 + X_4}{1-\theta}.$$

M-step of the EM algorithm needs to solve the equation

$$0 = E\left[\frac{X_2 + X_5}{\theta} - \frac{X_3 + X_4}{1-\theta} | Y, \theta^{(k)}\right];$$

while the E-step evaluates the above expectation.

$$E[X|Y, \theta^{(k)}] = (Y_1 \frac{1/2}{1/2 + \theta^{(k)}/4}, Y_1 \frac{\theta^{(k)}/4}{1/2 + \theta^{(k)}/4}, Y_2, Y_3, Y_4).$$

$$\theta^{(k+1)} = \frac{E[X_2 + X_5|Y, \theta^{(k)}]}{E[X_2 + X_5 + X_3 + X_4|Y, \theta^{(k)}]} = \frac{Y_1 \frac{\theta^{(k)}/4}{1/2+\theta^{(k)}/4} + Y_4}{Y_1 \frac{\theta^{(k)}/4}{1/2+\theta^{(k)}/4} + Y_2 + Y_3 + Y4}.$$

We start form $\theta^{(1)} = 0.5$.

[comments]

k	$\theta^{(k+1)}$	$\theta^{(k+1)} - \theta^{(k)}$	$\frac{\theta^{(k+1)}-\hat{\theta}_n}{\theta^{(k)}-\hat{\theta}_n}$
0	.500000000	.126821498	.1465
1	.608247423	.018574075	.1346
2	.624321051	.002500447	.1330
3	.626488879	.000332619	.1328
4	.626777323	.000044176	.1328
5	.626815632	.000005866	.1328
6	.626820719	.000000779	
7	.626821395	.000000104	
8	.626821484	.000000014	

[comments]

- Conclusions
  - the EM converges and the result agrees with what is obtained form the Newton-Raphson iteration;
  - the EM convergence is linear as $(\theta^{(k+1)} - \hat{\theta}_n)/(\theta^{(k)} - \hat{\theta}_n)$ becomes a constant at convergence;
  - the convergence in the Newton-Raphson iteration is quadratic in the sense $(\theta^{(k+1)} - \hat{\theta}_n)/(\theta^{(k)} - \hat{\theta}_n)^2$ becomes a constant at convergence;
  - the EM is much less complex than the Newton-Raphson iteration and this is the advantage of using the EM algorithm.

[comments]

- Another example
  - the example of exponential mixture model: Suppose $Y \sim P_\theta$ where P_θ has density

$$p_\theta(y) = \left\{ p\lambda e^{-\lambda y} + (1-p)\mu e^{-\mu y} \right\} I(y > 0)$$

and $\theta = (p, \lambda, \mu) \in (0,1) \times (0,\infty) \times (0,\infty)$. Consider estimation of θ based on $Y_1, ..., Y_n$ i.i.d $p_\theta(y)$. Solving the likelihood equation using the Newton-Raphson is very computationally involved.

[comments]

EM algorithm: the complete data $X = (Y, \Delta) \sim p_\theta(x)$ where

$$p_\theta(x) = p_\theta(y, \delta) = (pye^{-\lambda y})^\delta((1-p)\mu e^{-\mu y})^{1-\delta}.$$

This is natural from the following mechanism: Δ is a Bernoulli variable with $P(\Delta = 1) = p$ and we generate Y from $\text{Exp}(\lambda)$ if $\Delta = 1$ and from $\text{Exp}(\mu)$ if $\Delta = 0$. Thus, Δ is missing. The score equation for θ based on X is equal to

$$0 = \dot{l}_p(X_1, ..., X_n) = \sum_{i=1}^n \left\{ \frac{\Delta_i}{p} - \frac{1-\Delta_i}{1-p} \right\},$$

$$0 = \dot{l}_\lambda(X_1, ..., X_n) = \sum_{i=1}^n \Delta_i(\frac{1}{\lambda} - Y_i),$$

$$0 = \dot{l}_\mu(X_1, ..., X_n) = \sum_{i=1}^n (1-\Delta_i)(\frac{1}{\mu} - Y_i).$$

[comments]

M-step solves the equations

$$0 = \sum_{i=1}^{n} E\left[\left\{\frac{\Delta_i}{p} - \frac{1-\Delta_i}{1-p}\right\} | Y_1, ..., Y_n, p^{(k)}, \lambda^{(k)}, \mu^{(k)}\right]$$

$$= \sum_{i=1}^{n} E\left[\left\{\frac{\Delta_i}{p} - \frac{1-\Delta_i}{1-p}\right\} | Y_i, p^{(k)}, \lambda^{(k)}, \mu^{(k)}\right],$$

$$0 = \sum_{i=1}^{n} E\left[\Delta_i(\frac{1}{\lambda} - Y_i) | Y_1, ..., Y_n, p^{(k)}, \lambda^{(k)}, \mu^{(k)}\right]$$

$$= \sum_{i=1}^{n} E\left[\Delta_i(\frac{1}{\lambda} - Y_i) | Y_i, p^{(k)}, \lambda^{(k)}, \mu^{(k)}\right],$$

$$0 = \sum_{i=1}^{n} E\left[(1-\Delta_i)(\frac{1}{\mu} - Y_i) | Y_1, ..., Y_n, p^{(k)}, \lambda^{(k)}, \mu^{(k)}\right]$$

$$= \sum_{i=1}^{n} E\left[(1-\Delta_i)(\frac{1}{\mu} - Y_i) | Y_i, p^{(k)}, \lambda^{(k)}, \mu^{(k)}\right].$$

This immediately gives

$$p^{(k+1)} = \frac{1}{n}\sum_{i=1}^{n} E[\Delta_i | Y_i, p^{(k)}, \lambda^{(k)}, \mu^{(k)}],$$

$$\lambda^{(k+1)} = \frac{\sum_{i=1}^{n} E[\Delta_i | Y_i, p^{(k)}, \lambda^{(k)}, \mu^{(k)}]}{\sum_{i=1}^{n} Y_i E[\Delta_i | Y_i, p^{(k)}, \lambda^{(k)}, \mu^{(k)}]},$$

$$\mu^{(k+1)} = \frac{\sum_{i=1}^{n} E[(1-\Delta_i) | Y_i, p^{(k)}, \lambda^{(k)}, \mu^{(k)}]}{\sum_{i=1}^{n} Y_i E[(1-\Delta_i) | Y_i, p^{(k)}, \lambda^{(k)}, \mu^{(k)}]}.$$

The conditional expectation

$$E[\Delta | Y, \theta] = \frac{p\lambda e^{-\lambda Y}}{p\lambda e^{-\lambda Y} + (1-p)\mu e^{-\mu Y}}.$$

As seen above, the EM algorithm facilitates the computation.

[comments]

Information Calculation in EM

- Notation
  - $\dot{l}_c$ as the score function for θ in the full data;
  - $\dot{l}_{mis|obs}$ as the score for θ in the conditional distribution of Y_{mis} given Y_{obs};
  - $\dot{l}_{obs}$ as the the score for θ in the distribution of Y_{obs}.

$$\dot{l}_c = \dot{l}_{mis|obs} + \dot{l}_{obs}.$$

$$Var(\dot{l}_c) = Var(E[\dot{l}_c|Y_{obs}]) + E[Var(\dot{l}_c|Y_{obs})].$$

[comments]

- Information in the EM algorithm

We obtain the following Louis formula

$$I_c(\theta) = I_{obs}(\theta) + E[I_{mis|obs}(\theta, Y_{obs})].$$

Thus, the complete information is the summation of the observed information and the missing information.

One can even show that when the EM converges, the convergence rate is linear, i.e., $(\theta^{(k+1)} - \hat{\theta}_n)/(\theta^{(k)} - \hat{\theta}_n)$ approximates $1 - I_{obs}(\hat{\theta}_n)/I_c(\hat{\theta}_n)$.

[comments]

Nonparametric Maximum Likelihood Estimation

- First example

Let $X_1, ..., X_n$ be i.i.d random variables with common distribution F, where F is any unknown distribution function. The likelihood function for F is given by

$$L_n(F) = \prod_{i=1}^{n} f(X_i),$$

where $f(X_i)$ is the density function of F with respect to some dominating measure.

However, the maximum of $L_n(F)$ does not exists.

We instead maximize an alternative function

$$\tilde{L}_n(F) = \prod_{i=1}^{n} F\{X_i\},$$

where $F\{X_i\}$ denotes the value $F(X_i) - F(X_i-)$.

[comments]

- Second example

Suppose $X_1, ..., X_n$ are i.i.d F and $Y_1, ..., Y_n$ are i.i.d G. We observe i.i.d pairs $(Z_1, \Delta_1), ..., (Z_n, \Delta_n)$, where $Z_i = \min(X_i, Y_i)$ and $\Delta_i = I(X_i \leq Y_i)$. We can think X_i as survival time and Y_i as censoring time. Then it is easy to calculate the joint distributions for (Z_i, Δ_i), $i = 1, ..., n$, yielding

$$L_n(F, G) = \prod_{i=1}^{n} \{f(Z_i)(1 - G(Z_i))\}^{\Delta_i} \{(1 - F(Z_i))g(Z_i)\}^{1-\Delta_i}$$

$L_n(F, G)$ does not have a maximum so we consider an alternative function

$$\prod_{i=1}^{n} \{F\{Z_i\}(1 - G(Z_i))\}^{\Delta_i} \{(1 - F(Z_i))G\{Z_i\}\}^{1-\Delta_i}.$$

[comments]

- Third example

Suppose T is survival time and Z is a covariate. Assume $T|Z$ has a conditional hazard function

$$\lambda(t|Z) = \lambda(t)e^{\theta^T Z}.$$

Then the likelihood function from n i.i.d $(T_i, Z_i), i = 1, ..., n$, is given by

$$L_n(\theta, \Lambda) = \prod_{i=1}^{n} \left\{ \lambda(T_i) \exp\{-\Lambda(T_i)e^{\theta^T Z_i}\} f(Z_i) \right\}.$$

Note $f(Z_i)$ is not informative about θ and λ so we can discard it from the likelihood function. Again, we replace

$\lambda\{T_i\}$ by $\Lambda\{T_i\}$ and obtain a modified function

$$\tilde{L}_n(\theta, \Lambda) = \prod_{i=1}^{n} \left\{ \Lambda\{T_i\} \exp\{-\Lambda(T_i) e^{\theta^T Z_i}\} \right\}.$$

Let $p_i = \Lambda\{T_i\}$ and maximize

$$\prod_{i=1}^{n} \left\{ p_i \exp\{-(\sum_{Y_j \le Y_i} p_j) e^{\theta^T Z_i}\} \right\}$$

or its logarithm as

$$\sum_{i=1}^{n} \left\{ \theta^T Z_i - \exp\{\theta^T Z_i\} \sum_{Y_j \le Y_i} p_j + \log p_j \right\}.$$

[comments]

- Fourth example

We consider $X_1, ..., X_n$ are i.i.d F and $Y_1, ..., Y_n$ are i.i.d G. We only observe (Y_i, Δ_i) where $\Delta_i = I(X_i \leq Y_i)$ for $i = 1, ..., n$. This data is one type of interval censored data (or current status data). The likelihood for the observations is

$$\prod_{i=1}^{n} \left\{ F(Y_i)^{\Delta_i} (1 - F(Y_i))^{1-\Delta_i} g(Y_i) \right\}.$$

To derive the NPMLE for F and G, we instead maximize

$$\prod_{i=1}^{n} \left\{ P_i^{\Delta_i} (1 - P_i)^{1-\Delta_i} q_i \right\},$$

subject to the constraint that $\sum q_i = 1$ and $0 \leq P_i \leq 1$ increases with Y_i.

[comments]

Clearly, $\hat{q}_i = 1/n$ (suppose Y_i are all different). This constrained maximization turns out to be solved by the following steps:
(i) Plot the points $(i, \sum_{Y_j \le Y_i} \Delta_j), i = 1, ..., n$. This is called the cumulative sum diagram.
(ii) Form the $H^*(t)$, the greatest the convex minorant of the cumulative sum diagram.
(iii) Let $\hat{P}_i$ be the left derivative of H^* at i.
Then $(\hat{P}_1, ..., \hat{P}_n)$ maximizes the objective function.

[comments]

- Summary of NPMLE
  - The NPMLE is a generalization of the maximum likelihood estimation in the parametric model to semiparametric or nonparametric models.
  - We replace the functional parameter by an empirical function with jumps only at observed data and maximize a modified likelihood function.
  - Both computation of the NPMLE and the asymptotic property of the NPMLE can be difficult and vary for different specific problems.

[comments]

Alternative Efficient Estimation

- One-step efficient estimation
  - start from a strongly consistent estimator for parameter θ, denoted by $\tilde{\theta}_n$, assuming that $|\tilde{\theta}_n - \theta_0| = O_p(n^{-1/2})$.
  - One-step procedure is a one-step Newton-Raphson iteration in solving the likelihood score equation;

$$\hat{\theta}_n = \tilde{\theta}_n - \left\{\ddot{l}_n(\tilde{\theta}_n)\right\}^{-1} \dot{l}_n(\tilde{\theta}_n),$$

    where $\dot{l}_n(\theta)$ is the sore function and $\ddot{l}_n(\theta)$ is the derivative of $\dot{l}_n(\theta)$.

[comments]

- Result about the one-step estimation

Theorem 5.6 Let $l_\theta(X)$ be the log-likelihood function of θ. Assume that there exists a neighborhood of θ_0 such that in this neighborhood, $|l_\theta^{(3)}(X)| \leq F(X)$ with $E[F(X)] < \infty$. Then

$$\sqrt{n}(\hat{\theta}_n - \theta_0) \rightarrow_d N(0, I(\theta_0)^{-1}),$$

where $I(\theta_0)$ is the Fisher information.

[comments]

Proof Since $\tilde{\theta}_n \to_{a.s.} \theta_0$, we perform the Taylor expansion on the right-hand side of the one-step equation and obtain

$$\hat{\theta}_n = \tilde{\theta}_n - \left\{\ddot{l}_n(\tilde{\theta}_n)\right\}\left\{\dot{l}_n(\theta_0) + \ddot{l}_n(\theta^*)(\tilde{\theta}_n - \theta_0)\right\}$$

where θ^* is between $\tilde{\theta}_n$ and θ_0. $\Rightarrow$

$$\hat{\theta}_n - \theta_0 = \left[I - \left\{\ddot{l}_n(\tilde{\theta}_n)\right\}^{-1}\ddot{l}_n(\theta^*)\right](\tilde{\theta}_n - \theta_0) - \left\{\ddot{l}_n(\tilde{\theta}_n)\right\}\dot{l}_n(\theta_0).$$

On the other hand, by the condition that $|l_\theta^{(3)}(X)| \le F(X)$ with $E[F(X)] < \infty$,

$$\frac{1}{n}\ddot{l}_n(\theta^*) \to_{a.s.} E[\ddot{l}_{\theta_0}(X)], \quad \frac{1}{n}\ddot{l}_n(\tilde{\theta}_n) \to_{a.s.} E[\ddot{l}_{\theta_0}(X)].$$

$\Rightarrow$

$$\hat{\theta}_n - \theta_0 = o_p(|\tilde{\theta}_n - \theta_0|) - \left\{E[\ddot{l}_{\theta_0}(X)] + o_p(1)\right\}^{-1}\frac{1}{n}\dot{l}_n(\theta_0).$$

[comments]

- Sightly different one-step estimation

$$\hat{\theta}_n = \tilde{\theta}_n + I(\tilde{\theta}_n)^{-1} \dot{l}(\tilde{\theta}_n).$$

- Other efficient estimation

the Bayesian estimation method (posterior mode, minimax estimator etc.)

[comments]

- Conclusions
  - The maximum likelihood approach provides a natural and simple way of deriving an efficient estimator.
  - Other estimation approaches are possible for efficient estimation such as one-step estimation, Bayesian estimation etc.
  - Generalization from parametric models to semiparametric or nonparametric models. How?

[comments]

READING MATERIALS: Ferguson, Sections 16-20, Lehmann and Casella, Sections 6.2-6.7