

Speaker : Prof. Jean-Pierre Drugeon
(Paris Jourdan Sciences Economiques, Kobe University)
Date : November 23rd, Wednesday
Time : 16:30~18:00
Venue : Large Conference Room in IDEC(1F)
Language : English

Abstract

The article establishes a dynamic programming argument for a maximin problem in the line of Gilboa-Schmeidler, where priors are defined on compact set of discount rates. Even though the consideration of a maximin criterion results in a program that is not convex and not stationary over time, it is proved that a careful reference to extended dynamic programming principles and a minmax functional equation however allows for circumventing these difficulties and recovering an optimal sequence that is time consistent. This in its turn brings about a stationary dynamic programming argument.

Keywords: maximin principle, non-convexities, value function, policy function, supermodularity.

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