Econometrics **May 6, 2023**

Topic 14: Regularization Methods in Thresholded Parameter Space

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Key points: The connections and differences of all regularization methods and some interesting phase transition phenomena.

Disclaimer: *The note is built on Prof. Jinchi Lv's lectures of the course at USC, DSO 607, High-Dimensional Statistics and Big Data Problems.*

14.1 Model Setup

Now, consider a generalized linear model (GLM) linking a p-dimensional predictor $\mathbf{x}$ to a scalar response Y. With canonical link, the conditional distribution of Y given $\mathbf{x}$ has density

$$f(y;\theta,\phi) = \exp\left[y\theta - b(\theta) + c(y,\phi)\right]$$

where $\theta = \mathbf{x}'\boldsymbol{\beta}$ with $\boldsymbol{\beta}$ a $p-$dimensional regression coefficient vector, $b(\dot{})$ and $c(\cdot,\cdot)$ are know functions and ϕ is dispersion parameter. Again, $\boldsymbol{\beta} = \left(\beta_{0,1},\cdots,\beta_{0,p}\right)'$ is sparse with many zero components, and $\log p = O(n^a)$ for some $0 < a < 1$.

The penalized negative log-likelihood is

$$Q_n(\boldsymbol{\beta}) = -n^{-1}\left[\mathbf{y}'\mathbf{X}\boldsymbol{\beta} - \mathbf{1}'\mathbf{b}(\mathbf{X}\boldsymbol{\beta})\right] + \|p_\lambda(\boldsymbol{\beta})\|_1$$

where

- $\mathbf{y} = \left(y_1,\cdots,y_n\right)'$, $\mathbf{X} = (\mathbf{x}_1,\cdots,\mathbf{x}_n)'$, each column of $\mathbf{X}$ is rescaled to have L_2-norm $\sqrt{n}$
- $\mathbf{b}(\boldsymbol{\theta}) = (b(\theta_1),\cdots,b(\theta_n))'$ with $\boldsymbol{\theta} = (\theta_1,\cdots,\theta_n)'$
- $\|p_\lambda(\boldsymbol{\beta})\|_1 = \sum_{j=1}^p p_\lambda(|\beta_j|)$

Next, define **robust spark** κ_c

Definition 14.1.1: Robust spark κ_c

The robust spark κ_c of the $n\times p$ design matrix $\mathbf{X}$ is defined as the smallest possible positive integer s.t. there exists an $n\times\kappa_c$ submatrix of $\frac{1}{\sqrt{n}}\mathbf{X}$ having a singular value less than a given positive constant c (Zheng et al., 2014), and

$$\kappa_c \leq n+1$$

Bounding sparse model size can control collinearity and ensure model identifiability and stability, and as $c \to 0+$, κ_c approaches the spark. Robust spark can be some large number diverging with n:

Proposition 14.1.2: Order of κ_c

Assume $\log p = o(n)$ and that the rows of the $n\times p$ random design matrix $\mathbf{X}$ are i.i.d. as $\mathcal{N}(\mathbf{0},\boldsymbol{\Sigma})$, where $\boldsymbol{\Sigma}$ has smallest eigenvalue bounded from below by some positive constant. Then there exist positive constants c and $\tilde{c}$ s.t. with asymptotic probability one, $\kappa_c \geq \frac{\tilde{c}n}{\log p}$

Next, we define a thresholded parameter space

Definition 14.1.3: Thresholded parameter space

$$\mathcal{B}_{\tau,c} = \left\{\boldsymbol{\beta} \in \mathbb{R}^p : \|\boldsymbol{\beta}\|_0 < \frac{\kappa_c}{2}, \text{ and for each } j, \beta_j = 0 \text{ or } |\beta_j| \geq \tau\right\}$$

where $\boldsymbol{\beta} = \left(\beta_1, \cdots, \beta_p\right)'$. τ is some positive threshold on parameter magnitude:

Here, τ is very important:

- τ is key to distinguishing between important covariates and noise covariates for the purpose of variable selection
- τ typically needs to satisfy $\tau\sqrt{n/\log p} \xrightarrow{n\to\infty} \infty$

It turns out that the solution to the regularizaiton problem has the (very natural) hard-thresholding property:

Proposition 14.1.4: Hard-thresholding property

or the L_0-penalty $p_\lambda(t) = \lambda \mathbf{1}_{t\neq 0}$, the global minimizer $\hat{\boldsymbol{\beta}} = \left(\hat{\beta}_1, \cdots, \hat{\beta}_p\right)'$ of the regularization problem over $\mathbb{R}^p$ satisfies that each component $\hat{\beta}_j$ is either 0 or has magnitude larger than some positive threshold

This hard-thresholding property is shared by many other penalties such as SICA penalties. This property guarantees sparcity of the model: weak signals are generally difficult to stand out comparing to noise variables due to impact of high dimensionality

14.2 Asymptotic Equivalence of Regularization Methods

For a universal $\lambda = c_0\sqrt{\log p/n}$ with $c_0 > 0$ and p implicitly as $n \vee p$, consider 2 key events:

$$\mathcal{E} = \left\{\|n^{-1}\mathbf{X}'\boldsymbol{\epsilon}\|_\infty \leq \lambda/2\right\} \qquad \mathcal{E}_0 = \left\{\|n^{-1}\mathbf{X}_{\alpha_0}'\boldsymbol{\epsilon}\|_\infty \leq c_0\sqrt{\log n/n}\right\}$$

where $\boldsymbol{\epsilon} = \mathbf{y} - \mathbb{E}\mathbf{y}$, $\mathbf{X}_\alpha$ is a submatrix of $\mathbf{X}$ consisting of columns in α. Here, let $\alpha_0 = \operatorname{supp}\left(\boldsymbol{\beta}_0\right)$ (non-zero variables in the true model).

For this setting, consider the following technical conditions:

C1 **Error tail distribution**: $\Pr(\mathcal{E}^c) = O(p^{-c_1})$ and $\Pr(\mathcal{E}_0^c) = O(n^{-c_1})$ for some positive constant c_1 that can be sufficiently large for large enough c_0

C2 **Bounded variance**: $b(\theta)$ satisfies that $c_2 \leq b''(\theta) \leq c_2^{-1}$ in its domain, where c_2 is some positive constant

C3 **Concave penalty function**: $p_\lambda(t)$ is increasing and concave in $t \in [0,\infty)$ with $p_\lambda(0) = 0$, and is differentiable with $p_\lambda'(0+) = c_3\lambda$ for some positive constant c_3[1]

C4 **Ultra-high dimensionality**: $\log p = O(n^a)$ for some constant $a \in (0,1)$

[1]A wide class of penalties, including L_1-penalty in Lasso, SCAD, MCP and SICA, satisfy this condition.

C5 **True parameter vector**: $s = o(n^{1-a})$ and $\exists c > 0$ s.t. the **robust spark** $\kappa_c > 2s$. Moreover, $\min_{1\le j\le s}|\beta_{0,j}| \gg \sqrt{\log p/n}$

Given these 5 conditions, we have that the global minimizer $\hat{\boldsymbol{\beta}} = \arg\min_{\boldsymbol{\beta}\in\mathcal{B}_\tau} Q_n(\boldsymbol{\beta})$ exists and satisfies oracle inequalities:

Theorem 14.2.1: Oracle Inequalities

Assume that Condition 1-5 hold and τ is chosen s.t. $\tau < \min_{1\le j\le s}|\beta_{0,j}|$ and $\lambda = c_0\sqrt{\log p/n} = o(\tau)$, then the global minimizer exists, and any such global minimizer satisfies that with probability at least $1 - O(p^{-c_1})$, it holds simultaneously that

- **False sign**:

$$FS(\hat{\boldsymbol{\beta}}) \le \frac{Cs\lambda^2\tau^{-2}}{1 - C\lambda^2\tau^{-2}}$$

- **Estimation losses**:

$$\begin{aligned}
\|\hat{\boldsymbol{\beta}} - \boldsymbol{\beta}_0\|_q &\le C\lambda s^{1/q}(1 - C\lambda^2\tau^{-2})^{-1/q} \qquad \forall q \in [1,2] \\
\|\hat{\boldsymbol{\beta}} - \boldsymbol{\beta}_0\|_\infty &\le C\lambda s^{1/2}(1 - C\lambda^2\tau^{-2})^{-1/2}
\end{aligned}$$

- **Prediction loss**:

$$\frac{1}{\sqrt{n}}\|\mathbf{X}\left(\hat{\boldsymbol{\beta}} - \boldsymbol{\beta}_0\right)\|_2 \le C\lambda s^{1/2}(1 - C\lambda^2\tau^{-2})^{-1/2}$$

where C is some positive constant.

How to understand Thm.14.2.1

References

Zemin Zheng, Yingying Fan, and Jinchi Lv. High dimensional thresholded regression and shrinkage effect. *Journal of the Royal Statistical Society: Series B: Statistical Methodology*, pages 627–649, 2014.