

Stochastic Processes

MATH 447

Nicholas Hayek

Taught by Prof. Louigi Addario-Berry

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Index of Definitions

We assume working knowledge of probability and no knowledge of measure theory (though a grasp of analysis is essential). See these [MATH 356 notes](#), also taught by Louigi!

I Markov Chains

Conditional expectations will be important in this course. Recall $\mathbb{E}[X|Y = y_0]$, where X, Y are random variables. If Y is continuous, writing $\mathbb{E}[X|Y = y_0] = \frac{\mathbb{P}(X, Y=y_0)}{\mathbb{P}(Y=y_0)}$, will not work. Instead, we consider the slice of the joint density function $f(x, y)$ at $y = y_0$. The result is a one dimensional function $g(x)$ which may not have probability 1. Hence, we divide by $\int g(x) dx$ to make it into a density function:

$$\mathbb{E}[X|Y = y_0] = \int_{\mathbb{R}} \frac{f(x, y_0)}{\int_{\mathbb{R}} f(x, y_0) dx} x dx$$

DEF 1.1 We frequently write $f_{X|Y}(x) = f(x, y)/\int_{\mathbb{R}} f(x, y) dx$, and call this the *conditional density* of X given Y . For fixed y , then, $\mathbb{E}[X|Y = y] = \mathbb{E}[Z]$, where $Z \sim f_{X|Y}$.

INTRODUCTION

Before providing definitions, we give some examples of stochastic processes:

Eg. 1.1 A simple random walk: $S_{i+1} = S_i + X_i$, where $X_i \sim \text{Ber}(p)$ and $S_0 = 0$. We might ask: does S_i ever return to 0, i.e.

$$\mathbb{P}(\exists i > 0 : S_i = 0)$$

Eg. 1.2 A branching process: as in asexual reproduction, we have an initial node. Each node n has a number of children X_n , where $\frac{X_n}{2} \sim \text{Ber}(p)$. We denote Z_i to be the number of individuals in the i -th generation. We might ask: does Z_i ever have no children, i.e.

$$\mathbb{P}(\exists i > 0 : Z_i = 0)$$

Eg. 1.3 Choose k independent random points in the square $[0, \sqrt{k}]^2$. On average, then, there is 1 point within any unit square $U \subseteq [0, \sqrt{k}]^2$.

DEF 1.2 Given a finite or countable set V , a *Markov chain* with *state space* V is a sequence $X_n : n \geq 0$ of random variables, with $X_n \in V$, such that:

$$\mathbb{P}(\underbrace{X_{n+1} = v_{n+1}}_{\text{future}} | \underbrace{X_0 = v_0, \dots, X_{n-1} = v_{n-1}}_{\text{past}}, \underbrace{X_n = v_n}_{\text{present}}) = \mathbb{P}(X_{n+1} = v_{n+1} | X_n = v_n)$$

In other words, the future only depends on the past via the present. This is called the

Markov property.

Sometimes we allow Markov chains to be only finitely large (i.e. $0 \leq n \leq m$). For instance, we limit ourselves to one weekend of gambling in Las Vegas. A graphical example would look something like:



We can decompose walks on Markov chains by discrete "steps":

PROP 1.1

$$\mathbb{P}(X_1 = v_1, \dots, X_n = v_n | X_0 = v_0) = \prod_{i=1}^n \mathbb{P}(X_i = v_i | X_{i-1} = v_{i-1})$$

PROOF.

$$\begin{aligned} & \mathbb{P}(X_1 = v_1, \dots, X_n = v_n | X_0 = v_0) \\ &= \mathbb{P}(X_2 = v_2, \dots, X_n = v_n | X_0 = v_0, X_1 = v_1) \mathbb{P}(X_1 = v_1 | X_0 = v_0) \quad \text{by cond. prob.} \\ &\vdots \\ &= \mathbb{P}(X_1 = v_1 | X_0 = v_0) \cdot \mathbb{P}(X_2 = v_2 | X_0 = v_0, X_1 = v_1) \cdots \mathbb{P}(X_n = v_n | X_0 = v_0, \dots, X_{n-1} = v_{n-1}) \\ &= \mathbb{P}(X_1 = v_1 | X_0 = v_0) \cdot \mathbb{P}(X_2 = v_2 | X_1 = v_1) \cdots \mathbb{P}(X_n = v_n | X_{n-1} = v_{n-1}) \quad \text{by Markov prop} \end{aligned}$$

□

Time-Homogeneous Markov Chains

We often write
THMC

We say that a Markov chain is *time-homogeneous* if, for all $u, v \in V$ and $n \geq 0$

DEF 1.5

$$\mathbb{P}(X_{n+1} = v | X_n = u) = \mathbb{P}(X_1 = v | X_0 = u)$$

In other words, the chain's behavior is described entirely by $\mathbb{P}(X_1 = v | X_0 = u)$ for each $(v, u) \in V \times V$. In this case, we can describe such probabilities in a *transition matrix* P :

DEF 1.6

$$P = (p_{u,v})_{(u,v) \in V^2} = (\mathbb{P}(X_1 = v | X_0 = u))_{(u,v) \in V^2}$$

Eg. 1.4 Recall the game Snakes and Ladders. A 6×6 grid is indexed $1, \dots, 36$. Players start at the 1 cell. The game ends when a player reaches the 36 cell. A die roll dictates how many spots one advances. There are some directed edges between cells (increasing: "ladders", decreasing: "snakes"). One must follow these

edges when one lands at its tail. Suppose a ladder exists from 11 to 27. Then

$$\mathbb{P}(X_{11} = 27 | X_{10} = 6, X_9 = 3) = \frac{1}{6} = \mathbb{P}(X_{11} = 27 | X_{10} = 6) = \mathbb{P}(X_2 = 27 | X_1 = 6)$$

We see that Snakes and Ladders is naturally modeled as a time-homogeneous Markov chain.

Eg. 1.5 Sampling without replacement is *not* a Markov chain. If we sample from $|X| = 10$, we have

$$\begin{aligned}\mathbb{P}(X_3 = a | X_2 = b) &= 1/9 \\ \mathbb{P}(X_3 = a | X_2 = b, X_1 = c) &= 1/8 \\ \mathbb{P}(X_3 = a | X_2 = b, X_1 = a) &= 0\end{aligned}$$

so we do not satisfy the Markov property.

Eg. 1.6 Returning to the Snakes and Ladders example, consider $S \subseteq V$. Let $T_S = \inf\{n \geq 0 : X_n \in S\}$, which we call the "*hitting time*" of S . We may ask...

- What is the average number of rounds to finite? We can write this as $\mathbb{E}[T_{\{36\}} | X_0 = 1]$.
- What is the probability of landing on 18 or 19 before the game ends? We can write this as $\mathbb{P}(T_{\{18,19\}} < T_{\{36\}} | X_0 = 1)$.
- What is the average number of visits to 6 before the game ends? We can write this as

$$\mathbb{E}[\#\{n \in [T_{\{36\}}] : X_n = 6\} | X_0 = 1]$$

- What is the expected proportion of time spent on state 5 before the game ends?
- If we allow two players, what is the probability that player 1 wins? Is this still a Markov chain?

DEF 1.8 A matrix $P = (p_{u,v})_{(u,v) \in V^2}$ is called a *stochastic matrix* if every row sums to 1, i.e.

$$\forall u \in V, \sum_{v \in V} p_{u,v} = 1$$

Note that any stochastic matrix is the transition matrix of some time-homogeneous Markov chain with state space V and transition probabilities

$$\mathbb{P}(X_{n+1} = v | X_n = u) = \mathbb{P}(X_1 = v | X_0 = u) = p_{u,v}$$

A directed graph, together with its stochastic matrix, can visualize any THMC:



Eg. 1.7 Random walks on an undirected weighted graph, where edge weights dictate the proportional probability of transitioning between two states, are a special class of THMCs. In particular, given a graph $G = (V, E)$ with weights $w(e) > 0 : e \in E$, we set

$$p_{u,v} = \frac{w(\{u, v\})}{\sum_{z \in N(u)} w(\{u, z\})}$$

If there are no edges $u \leftrightarrow v$, we write $p_{u,v} = 0$.

Not every THMC can be represented by a random walk on an undirected weighted graph. In particular, see the directed graph listed above, or any transition matrix which is not symmetric.

As a concrete example, we can consider a random walk on the number line \mathbb{Z} , where, if $w(k, k+1) = \alpha$, $w(k-1, k) = \frac{\alpha}{2}$.

$$\dots \frac{1}{16} -3 \frac{1}{8} -2 \frac{1}{4} -1 \frac{1}{2} 0 \frac{1}{4} 1 \frac{2}{3} 2 \frac{4}{5} 3 \frac{8}{7} \dots$$

Multi-Step Transition Probabilities

Given a THMC $X = X_n : n \geq 0$ with a transition matrix P , we write

$$\begin{aligned} \mathbb{P}(X_2 = v | X_0 = u) &= \sum_{w \in V} \mathbb{P}(X_2 = v, X_1 = w | X_0 = u) \\ &= \sum_{w \in V} \mathbb{P}(X_1 = w | X_0 = u) \mathbb{P}(X_2 = v | X_1 = w, X_0 = u) \quad \text{by Markov property} \\ &= \sum_{w \in V} p_{u,w} p_{w,v} = (P^2)_{u,v} \quad \text{or write } P_{u,v}^2 \end{aligned}$$

Hence, to determine a two-step transition probability, and by extension an n -step transition probability from u to w , we consider $P_{u,v}^n$. PROP 1.2

PROOF.

See [Prop 1.1](#) to expand probabilities, using Bayes', as needed. We get that

$$\begin{aligned}\mathbb{P}(X_n = v | X_0 = u) &= \sum_{v_1, \dots, v_{n-1} \in V} \mathbb{P}(X_1 = v_1, \dots, X_{n-1} = v_{n-1}, X_n = v | X_0 = u) \\ &= \sum_{v_1, \dots, v_{n-1} \in V} p_{u, v_1} p(v_1, v_2) \cdots p(v_{n-1}, v) = (P^n)_{u, v} \quad \square\end{aligned}$$

PROP 1.3 Thus, if P is a stochastic matrix, then so is P^n .

PROOF.

$$\sum_{v \in V} P_{u, v}^n = \sum_{v \in V} \mathbb{P}(X_n = v | X_0 = u) = 1. \quad \square$$

Theorem 1.1 Markov Property

If $X_n : n \geq 0$ is a THMC with state space V , then for all $u_0, \dots, u_{n-1}, u, v \in V$,

$$\mathbb{P}(X_{n+m} = v | X_0 = u_0, \dots, X_{n-1} = u_{n-1}, X_n = u) = \mathbb{P}(X_{n+m} = v | X_n = u) = P_{u, v}^m$$

PROOF.

One shows this by combining the Markov property with [Prop 1.2](#). □

We also call this the Markov property.

In particular, [Thm 1.1](#) is the Markov property combined with a claim about $P_{u, v}^m$

DEF 1.9 We say that a Markov chain has an *initial distribution* $\alpha = (\alpha_v : v \in V)$ if $\mathbb{P}(X_0 = v) = \alpha_v$ for each $v \in V$. If this is the case, we often write α as a subscript of our state probabilities. For instance,

$$\mathbb{P}_\alpha(X_n = v) = \sum_{u \in V} \mathbb{P}_\alpha(X_0 = u, X_n = v) = \sum_{u \in V} \mathbb{P}_\alpha(X_0 = u) \mathbb{P}_\alpha(X_n = v | X_0 = u) = \sum_{u \in V} \alpha_u P_{u, v}^n$$

PROP 1.4 For an event E , depending only on X_0, \dots, X_n , with $\mathbb{P}(X_n = u, E) > 0$, we have

$$\mathbb{P}(X_{n+m} = v | X_n = u, E) = P_{u, v}^m$$

PROOF.

For any such event E , we can determine whether E occurs exactly when we know the realized values u_i of X_i for $i = 1, \dots, n-1$. Hence, we may write \mathcal{S} to be the set of tuples (u_0, \dots, u_{n-1}) that guarantee E . It follows that

$$\mathbb{P}(X_n = u, E) = \sum_{\mathbf{s} \in \mathcal{S}} \mathbb{P}(\mathbf{X} = \mathbf{s}, X_n = u)$$

Similarly, we have

$$\begin{aligned}\mathbb{P}(X_{n+m} = v, X_n = u, E) &= \sum_{\mathbf{s} \in \mathcal{S}} \mathbb{P}(X_{n+m} = v, X_n = u, \mathbf{X} = \mathbf{s}) \\ &= \sum_{\mathbf{s} \in \mathcal{S}} \mathbb{P}(X_{n+m} = v | X_n = u, \mathbf{X} = \mathbf{s}) \mathbb{P}(X_n = u, \mathbf{X} = \mathbf{s}) \\ &= P_{u,v}^m \sum_{\mathbf{s} \in \mathcal{S}} \mathbb{P}(X_n = u, \mathbf{X} = \mathbf{s}) = P_{u,v}^m \mathbb{P}(X_n = u, E)\end{aligned}$$

Divide and use Bayes, and the result follows. \square

If X is a THMC with transition matrix P , then, for all $k \geq 1$, $X_{kn} : n \geq 0$ is a THMC with transition matrix P^k .

PROP 1.5

For any $n \neq 0$, any sequence $u_0, \dots, u_{n+1} \in V$ satisfies

$$\mathbb{P}(X_{(n+1)k} = u_{n+1} | X_0 = u_0, X_k = u_1, \dots, X_{nk} = u_n) = P_{u_n, u_{n+1}}^k \quad \square$$

PROOF.

Theorem 1.2 Chapman-Kolmogorov

For any Markov chain X with state space V , any $m, n \geq 0$, and $u, v \in V$,

$$\mathbb{P}(X_{m+n} = v | X_0 = u) = \sum_{w \in V} \mathbb{P}(X_n = w | X_0 = u) \mathbb{P}(X_{m+n} = v | X_n = w)$$

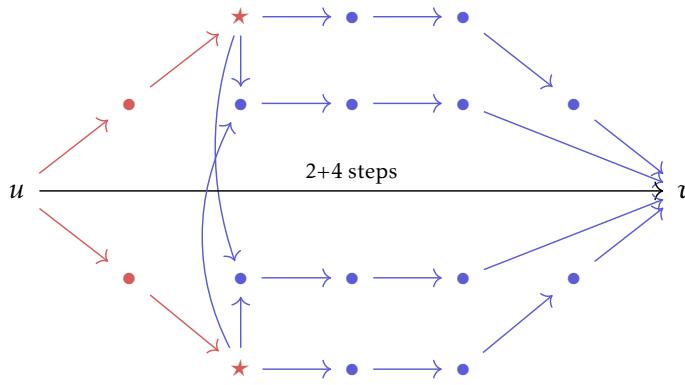
If the X is time homogeneous, then this is $P_{u,v}^{n+m}$, which agrees with [Prop 1.2](#).

PROOF.

$$\begin{aligned}\mathbb{P}(X_{m+n} = v | X_0 = u) &= \sum_{w \in V} \mathbb{P}(X_{m+n} = v, X_n = w | X_0 = u) \\ &= \sum_{w \in V} \mathbb{P}(X_{m+n} = v | X_n = w, X_0 = u) \mathbb{P}(X_n = w | X_0 = u) \\ &= \sum_{w \in V} \mathbb{P}(X_{m+n} = v | X_n = w) \mathbb{P}(X_n = w | X_0 = u)\end{aligned}$$

Below is a visualization of the Chapman-Kolmogorov equation: to get from u to v over 6 steps, we pick some partition (e.g. $2 + 4 = 6$), and sum the probabilities of reaching v via

length 2 (red) and length 4 (blue) paths.



You should count 6 such combinations in the sample below.

STATIONARY AND LIMITING DISTRIBUTIONS

DEF 1.10 Recall from probability the *law of large numbers*: if $Y_n : n \geq 1$ are IID with common mean μ , then $\frac{S_n}{n} \rightarrow \mu$ in probability, where $S_n = \sum_{i=1}^n Y_i$, i.e. $\forall \varepsilon > 0$,

$$\limsup_{n \rightarrow \infty} \mathbb{P}\left(\left|\frac{S_n}{n} - \mu\right| > \varepsilon\right) = 0$$

If $Y_i \in \mathbb{Z}$ is a THMC, for $k, \ell \in \mathbb{Z}$ and $i \in [n-1]$,

$$\begin{aligned} P_{k,\ell} &:= \mathbb{P}(S_{n+1} = \ell | S_n = k, S_i = u_i \forall i) = \mathbb{P}(Y_{n+1} = \ell - k | S_n = k, S_i = u_i \forall i) \\ &= \mathbb{P}(Y_{n+1} = \ell - k | Y_1 = u_1 - u_0, Y_2 = u_2 - u_1, \dots, Y_n = k - u_{n-1}) \\ &= \mathbb{P}(Y_{n+1} = \ell - k) = \mathbb{P}(Y_1 = \ell - k) \end{aligned}$$

We conclude that $S_n : n \geq 0$ may be viewed as a THMC, with transition matrix P .

From now on, we denote by $\mathbb{P}_v(E)$ the probability $\mathbb{P}(E|v)$.

Eg. 1.8 A general two-state chain, with states A and B , can be described by

$$P = \begin{pmatrix} 1 - \alpha & \alpha \\ \beta & 1 - \beta \end{pmatrix}$$

Let $q_n = \mathbb{P}_A(X_n = A) = \mathbb{P}(X_n = A | X_0 = A)$. Then

$$\begin{aligned} q_{n+1} &= \mathbb{P}_A(X_{n+1} = A, X_n = A) + \mathbb{P}_A(X_{n+1} = A, X_n = B) \\ &= \mathbb{P}_A(X_{n+1} = A | X_n = A)\mathbb{P}_A(X_n = A) + \mathbb{P}_A(X_{n+1} = A | X_n = B)\mathbb{P}_A(X_n = B) \\ &= (1 - \alpha)q_n + \beta(1 - q_n) = \beta + (1 - \alpha - \beta)q_n \end{aligned}$$

This recurrence has a unique solution. In particular, one can find

$$q_n = \frac{\beta}{\alpha + \beta} + (1 - \alpha - \beta)^n \frac{\alpha}{\alpha + \beta}$$

It follows that $q_n \rightarrow \frac{\beta}{\alpha+\beta}$, and hence $\mathbb{P}_A(X_n = B) = 1 - q_n \rightarrow \frac{\alpha}{\alpha+\beta}$. Likewise:

$$\mathbb{P}_B(X_n = B) = \frac{\alpha}{\alpha + \beta} + (1 - \alpha - \beta)^n \frac{\beta}{\alpha + \beta}$$

So $\mathbb{P}_B(X_n = B) \rightarrow \frac{\alpha}{\alpha+\beta}$.

Let $\pi := (\pi_A, \pi_B) := \left(\frac{\beta}{\alpha+\beta}, \frac{\alpha}{\alpha+\beta} \right)$ be the distribution of our initial state X_0 . Then

$$\mathbb{P}_\pi(X_1 = A) = \pi_A \mathbb{P}_A(X_1 = A) + \pi_B \mathbb{P}_B(X_1 = A) = \pi_A$$

and, similarly, $\mathbb{P}_\pi(X_1 = B) = \pi_B$. Hence, if X_0 has initial distribution π , then X_1 also has distribution π . By induction, X_n has distribution $\pi \forall n \geq 0$.

When we say $X = \text{Markov}(P)$, we mean that X is a THMC with transition matrix P .

A probability distribution π is called *stationary* if $\pi P = \pi$. Similarly, a probability distribution λ is called a *limiting distribution* if, for each $u, v \in V$

$$(P^n)_{u,v} \rightarrow \lambda_v \text{ as } n \rightarrow \infty$$

In other words, $\mathbb{P}_u(X_n = v) \rightarrow \lambda_v$. Note that, for any initial distribution α , we have $\alpha P^n \rightarrow \lambda$, i.e. $(\alpha P^n)_v \rightarrow \lambda_v$, where λ is limiting. As proof:

DEF 1.11

DEF 1.12

PROOF.

$$(\alpha P^n)_v = \sum_{u \in V} \alpha_u P_{u,v}^n \rightarrow \sum_{u \in V} \alpha_u \lambda_v = \lambda_v$$

□

If λ is a limiting distribution for P , then λ is stationary for P .

PROP 1.6

Fix any initial distribution α , we have

$$\lambda = \lim_{n \rightarrow \infty} (\alpha P^n) = \lim_{n \rightarrow \infty} (\alpha P^{n-1} P) = (\lim_{n \rightarrow \infty} \alpha P^{n-1}) P = \lambda P \quad \square$$

PROOF.

Stationary distributions need not be unique, but limiting distributions are (as the limit $\lim_{n \rightarrow \infty} \alpha P^n$ is well-defined). In general, then, stationary distributions need not be limiting distributions.

When $n = 0$, $P^n = I$, which encapsulates

the idea that, at timestep 0, we will be at our initial positions.

A stochastic matrix P is called *regular* if $\exists n \geq 1$ such that $P^n > 0$ on all entries.

DEF 1.13

Theorem 1.3 Fundamental Theorem of Markov Chains

Every finite, regular stochastic matrix P has a limiting distribution π .

Incorporating some of the formulations above, this is equivalent to saying: *For a regular stochastic matrix, there exists a unique distribution $\pi = (\pi_v : v \in V)$ such that $\pi P = \pi$ and $\mathbb{P}_u(X_n = v) \rightarrow \pi_v \forall u, v \in V$.*

In this case, there is a unique stationary distribution, and it is the unique limiting distribution.

A stationary distribution always exists!

Let $\rho = \langle 1, \dots, 1 \rangle$. Then note that $P\rho = \rho$, since the sum of any row in P must be 1. Hence, P has eigenvalue 1. It follows that it has a left eigenvector, i.e. $\pi : \pi P = \pi$. This is exactly a stationary distribution, as long as we scale suitably such that π is a distribution.

However, the process of scaling into a distribution is non-trivial. Since π may have negative coordinates, and hence $\sum \pi_i = 0$, we must consider instead $|\pi|$, i.e. prove it is also an eigenvalue.

Periodicity of States

This is true, but requires the fact that P is stochastic

DEF 1.14 For $u, v \in V$, we say that v is *accessible* from u if $\exists n \geq 0$ such that $(P^n)_{u,v} > 0$. Equivalently, in the directed graph generated by P , there is a directed path from u to v . When v is accessible from u , we write $u \rightarrow v$.

DEF 1.15 States u and v *communicate* if $u \rightarrow v$ and $v \rightarrow u$. When u and v communicate, we write $u \leftrightarrow v$. Observe that communication is a equivalence relation. Hence, the state space V can be written as a disjoint union of mutually-communicating states, called a **DEF 1.16 communication class**. Note that, in the directed graph generated by P , these correspond to the strongly connected components.

DEF 1.17 We say that P is *irreducible* if there is only one communication class.

Clearly, if P is regular, then it is irreducible

PROP 1.7 $u \rightarrow v \iff \mathbb{P}_u(T_{\{v\}} < \infty) > 0$.

DEF 1.18 The *period* of a state $u \in V$ is

$$d(u) := \gcd(n > 0 : P_{u,u}^n > 0)$$

DEF 1.19 If $d(u) = 1$, we call u *aperiodic*. By extension, P is aperiodic if $d(u) = 1 \forall u \in V$, and X is aperiodic if $X = \text{Markov}(P)$ for P aperiodic.

PROP 1.8 If $u \leftrightarrow v$, then $d(u) = d(v)$.

PROOF.

Let $I = \{n > 0 : P_{u,u}^n > 0\}$, and similarly J for v . Hence, $d(u) = \gcd(I)$ and $d(v) = \gcd(J)$. Let $a, b > 0$ such that $P_{u,v}^a > 0$ and $P_{v,u}^b > 0$. Then

$$P_{u,u}^{a+b} \geq P_{u,v}^a P_{v,u}^b > 0$$

$\implies a + b \in I$, so $d(u)|a + b$. Now, if $n \in J$, then

$$P_{u,u}^{a+b+n} \geq P_{u,v}^a P_{v,v}^n P_{v,u}^b > 0$$

$\implies a + b + n \in I$, so $d(u)|n + a + b$. But, by the previous line, $d(u)|n$. Since $n \in J$ is arbitrary, we can write $d(u)|\gcd(J) = d(v)$.

Symmetrically, we could conclude that $d(v)|d(u)$, so indeed $d(v) = d(u)$. \square

PROP 1.9 Let $I = \{n > 0 : P_{u,u}^n > 0\}$. If $\gcd(I) = 1$, then $\exists a, b \in I$ such that $\gcd(a, b) = 1$.

PROOF.

This is not true for any I (and thus relies not only on number theory). Let $\ell, m \in I$, with $\ell < m$. Let $k = m - \ell$. If $k = 1$, then $\gcd(\ell, m) = 1$. Otherwise, since $\gcd(I) = 1$, there is an $n \in I$ with $k \nmid n$. We then write $n = qk + r$, with $r \in [k - 1]$. Then $m' \in (q+1)m \in I$, since $P_{u,u}^{(q+1)m} \geq (P_{u,u}^m)^{q+1}$. Symmetrically, we can argue $\ell' = (q+1)\ell \in I$.

Similarly, $\ell^* := \ell' + n \in I$, since $P_{u,u}^{\ell'+n} \geq P_{u,u}^{\ell'} P_{u,u}^n$. We have

$$\begin{aligned} m' - \ell^* &= (q+1)m - (q+1)\ell - n = (q+1)(m - \ell) - n \\ &= (q+1)k - n = k - r \in [k - 1] \end{aligned}$$

TODO...

□

Theorem 1.4 Postage Stamp Lemma

If P is irreducible and aperiodic, then $\forall u, v \in V, \exists N$ such that $P_{u,v}^n > 0 \forall n \geq N$.

PROOF.

Before proving this, we note that, for $a, b \geq 1$ with $\gcd(a, b) = 1$, then for any $q \geq ab$, we can write $q = ja + kb$ for integers $j, k \geq 0$.

Fix $u, v \in V$. Since P is aperiodic, there are $a, b \geq 1$ with $P_{u,u}^a, P_{u,u}^b > 0$ and $\gcd(a, b) = 1$, by [Prop 1.9](#). Since P is irreducible, there is some $m > 0$ with $P_{u,v}^m > 0$. Thus, let $N = m + ab$. For any $n \geq N$, let $q = n - m$. We have that $q \geq ab$, so we can find $j, k \geq 0$ with $q = ja + kb$. Then

$$P_{u,v}^n = P_{u,v}^{q+m} = P_{u,v}^{ja+kb+m} \geq P_{u,u}^j P_{u,u}^{kb} P_{u,v}^m \geq (P_{u,u}^a)^j (P_{u,u}^b)^k P_{u,v}^m$$

All are positive, so $P_{u,v}^n > 0$, as desired.

□

Theorem 1.5 Characterization of Regular Markov Chains

Let $P = (p_{u,v})_{u,v \in V}$ be a stochastic matrix, where $|V| < \infty$. Then

$$P \text{ is regular} \iff P \text{ is irreducible and aperiodic}$$

PROOF.

We first note why finiteness is necessary. Consider:



with all edges having weight 1. This graph is clearly aperiodic and irreducible, but not regular.

(\implies) If P is regular, then $\exists n > 0$ s.t. $P_{u,v}^n > 0$ for all $u, v \in V$. Then, for all $u, v \in V$, we have $u \rightarrow v$ and $v \rightarrow u$. Hence, P is irreducible. Now, if P is irreducible, then for all $u \in V$, there is some $v \in V$ such that $P_{v,u} > 0$ (think about this in graph theoretic

terms). Then, let $n > 0$ be such that $P_{u,u}^n$ is positive. We have

$$P_{u,u}^{n+1} \geq P_{u,v}^n P_{v,u} > 0$$

So, with $I = \{m > 0 : P_{u,u}^m > 0\}$, $d(u) = \gcd(I) \leq \gcd(n, n+1) = 1$. It follows that $d(u) = 1$, so u is aperiodic (and hence P is aperiodic).

(\Leftarrow) By [Thm 1.4](#), for each $u, v \in V$, there exists $N : P_{u,v}^N > 0 \forall n \geq N$. Let N^* be the maximum value of N determined over all pairs $(u, v) \in V^2$. Then, for $n \geq N^*$ and all $u, v \in V$, $P_{u,v}^n > 0$. It follows that all entries of P^n are positive, and we are done. \square

Finding Stationary Distributions

Recall that $x = (x_v : v \in V)$ is a stationary distribution if $xP = x$. Let V be finite. Then, for a stationary distribution x , we have

$$\begin{aligned} x_1 p_{1,1} + \cdots + x_n p_{n,1} &= x_1 \\ x_1 p_{1,2} + \cdots + x_n p_{n,2} &= x_2 \\ &\vdots \\ x_1 p_{1,n} + \cdots + x_n p_{n,n} &= x_n \end{aligned}$$

We have n equations, n unknowns, and a homogeneous system, so there is not a unique solution. If

$$P = \begin{pmatrix} 0 & 1 & 0 \\ 0 & 0.5 & 0.5 \\ 0.5 & 0 & 0.5 \end{pmatrix}$$

We can compute $x = \langle t, 2t, 2t \rangle$. But, noting that x is a probability distribution, and hence $5t = 1$, this yields $x = \langle 1/5, 2/5, 2/5 \rangle$. We'll consider some special cases.

UNDIRECTED GRAPHS

Let $G = (V, E)$ be undirected. Then we define a THMC by

$$P_{u,v} = \begin{cases} \frac{1}{\deg(u)} & \{u, v\} \in E \\ 0 & \text{o.w.} \end{cases}$$

This is distinct from
[Example 1.7](#)

Let $x = (\deg(v) : v \in V)$. We have

$$\begin{aligned} (xP)_v &= \sum_{u \in V} \deg(u) P_{u,v} = \sum_{u \in N(v)} \deg(u) \cdot \frac{1}{\deg(u)} \\ &= \deg(v) \end{aligned}$$

Hence, $xP = x$. Recalling that $\sum_{v \in V} \deg(v) = 2|E|$, we conclude that

$$\left(\frac{\deg(v)}{2|E|} : v \in V \right)$$

is a stationary distribution.

UNDIRECTED WEIGHTED GRAPHS

This is not distinct from [Example 1.7](#)

Let $G = (V, E)$ be undirected. Then, we define a THMC by

$$P_{u,v} = \begin{cases} \frac{w(\{u,v\})}{\sum_{z \in N(u)} w(\{u,z\})} & v \in N(u) \\ 0 & \text{o.w.} \end{cases}$$

Let $x = (\sum_{e:e \ni v} w(e) : v \in V)$. Then we can compute $xP = x$, and similar to above,

$$x = \left(\frac{\sum_{e:e \ni v} w(e)}{2 \sum_{e \in E} w(e)} : v \in V \right)$$

is a stationary distribution.

Transience and Recurrence

Recall $T_S = \inf\{n \geq 0 : X_n \in S\}$, the "hitting time" of S . We let $R_S = \inf\{n > 0 : X_n \in S\}$. Note that if $T_S > 0$, $T_S = R_S$. Otherwise, R_S gives the first "*return time*" to the set S .

DEF 1.20

A state $v \in V$ is called *recurrent* if $\mathbb{P}_v(R_{\{v\}} < \infty) = 1$. If all states of v are recurrent, we may P and $X = \text{Markov}(P)$ recurrent. Otherwise, we call v *transient*, and similarly extend the notion to the transition matrix and chain when all state are transient.

DEF 1.21

DEF 1.22

For a given state $v \in V$, we call $L_v = |\{n \geq 0 : X_n = v\}|$ the *local time* of v . Note that, if $v = X_j$ and v is recurrent, then $L_v = \infty$.

DEF 1.23

Let $X = \text{Markov}(P)$. For any state $v \in V$ and $k > 1$,

$$\mathbb{P}_v(L_v > k) = \mathbb{P}_v(L_v > 1)^k$$

Using the law of total probability:

$$\begin{aligned} \mathbb{P}_v(L_v > k) &= \mathbb{E}[\mathbb{P}_v(L_v > k | R_v)] = \sum_{t=1}^{\infty} \mathbb{P}_v(R_v = t) \mathbb{P}_v(L_v > k | R_v = t) \\ &= \sum_{t=1}^{\infty} \mathbb{P}_v(R_v = t) \mathbb{P}_v(L_v > k | R_v = t, X_t = v) \\ &= \sum_{t=1}^{\infty} \mathbb{P}_v(R_v = t) \mathbb{P}_v(L_v > k - 1) \\ &= \mathbb{P}_v(L_v > k - 1) \sum_{t=1}^{\infty} \mathbb{P}_v(R_v = t) \\ &= \mathbb{P}_v(L_v > k - 1) \mathbb{P}_v(R_v < \infty) = \mathbb{P}_v(L_v > k - 1) \mathbb{P}_v(L_v > 1) \end{aligned}$$

The result follows by induction. □

PROOF.

Intuitively, if $L_v > k$
when $X_0 = v$, then
 $L_v > k - 1$ when
 $X_{i_1} = v$, where i_1 is
the first time we
return to v .

As $R_v = t \iff$
 $R_v = t \wedge X_t = v$

$$\mathbb{P}_v(L_v = \infty) = \begin{cases} 1 & v \text{ recurrent} \\ 0 & v \text{ transient} \end{cases}$$

PROP 1.11

PROOF.

This follows directly from [Prop 1.10](#) + monotonicity of probability. □

PROP 1.12

$$\sum_{n=0}^{\infty} P_{v,v}^n = \begin{cases} \infty & v \text{ recurrent} \\ \frac{1}{1-\mathbb{P}_v(R_{\{v\}}<\infty)} & v \text{ transient} \end{cases}$$

PROOF.

This follows from linearity of expectation, and the fact that, for a non-negative integer variable X , $\mathbb{E}[X] = \sum_{i=0}^{\infty} \mathbb{P}(X > i)$ (We use, and prove, this fact later).

$$\begin{aligned} \sum_{n=0}^{\infty} P_{v,v}^n &= \sum_{n=0}^{\infty} \mathbb{P}_v(X_n = v) = \sum_{i=0}^{\infty} \mathbb{E}[\mathbb{1}_{X_i=v}] \\ &= \mathbb{E}\left[\sum_{i=0}^{\infty} \mathbb{1}_{X_i=v}\right] = \mathbb{E}_v[L_v] = \sum_{i=0}^{\infty} \mathbb{P}(L_v > i) \\ &= \sum_{i=0}^{\infty} \mathbb{P}_v(L_v > 1)^i = \begin{cases} \infty & X \text{ recurrent} \\ \frac{1}{1-\mathbb{P}_v(L_v>1)} & X \text{ transient} \end{cases} \end{aligned}$$

Note that $\mathbb{P}_v(L_v > 1) \equiv \mathbb{P}_v(R_v < \infty)$ □

PROP 1.13

If $u \leftrightarrow v$, then u is transient $\iff v$ is transient.

PROOF.

Fix $a, b \geq 0$ with $P_{u,v}^a, P_{v,u}^b > 0$. Then

$$\begin{aligned} \sum_{n=0}^{\infty} P_{v,v}^n &\geq \sum_{n=0}^{\infty} P_{v,v}^{a+b+n} = \sum_{n=0}^{\infty} P_{v,u}^b P_{u,u}^n P_{u,v}^a \\ &= P_{v,u}^b P_{u,v}^a \sum_{n=0}^{\infty} P_{u,u}^n \end{aligned}$$

Thus, if v is transient, then $\sum_{n=0}^{\infty} P_{v,v}^n < \infty$, so it must be that $\sum_{n=0}^{\infty} P_{u,u}^n < \infty$, i.e. u is transient. The argument is identical in reverse. □

Eg. 1.9 If $u \leftrightarrow v$ and u is recurrent, then $\mathbb{P}_u(T_{\{v\}} < \infty) = 1$.

Eg. 1.10 The following chain is completely transient:



In fact, we could replace $2/3$ by p , and $1/3$ by $1-p$. In this case, the chain is irreducible. To see that it is transient, we have

$$P_{0,0}^{2n} = \binom{2n}{n} p^n (1-p)^n$$

Then

$$\sum_{n=0}^{\infty} P_{0,0}^{2n} < \sum_{n=0}^{\infty} 2^{2n} p^n (1-p)^n = \sum_{n=0}^{\infty} (4p(1-p))^n < \infty \quad \text{if } p \neq \frac{1}{2}$$

By [Prop 1.12](#). Notice that $\sum_{n=0}^{\infty} P_{0,0}^n = \sum_{n=0}^{\infty} P_{0,0}^{2n}$, since it is only possible to return on even-length cycles.

We conclude that the chain is transient when $p \neq \frac{1}{2}$.

Stirling's Formula provides

$$m! \sim \left(\frac{m}{e}\right)^m \sqrt{2\pi m}$$

in that

$$\lim_{m \rightarrow \infty} \frac{m!}{\left(\frac{m}{e}\right)^m \sqrt{2\pi m}} = 1$$

These facts, though out of the scope of this course, can be derived from a careful treatment of Reimann sums

This fact implies

$$e\left(\frac{n}{e}\right)^n \leq n! \leq \frac{e(n+1)}{4} \left(\frac{n+1}{e}\right)^n$$

Eg. 1.11 We return to the previous example, letting $p = \frac{1}{2}$. Then

$$\begin{aligned} \sum_{n=0}^{\infty} P_{0,0}^{2n} &= \sum_{n=0}^{\infty} \frac{(2n)!}{(n!)^2} [p(1-p)]^n \sim \sum_{n=0}^{\infty} \frac{\left(\frac{2n}{e}\right)^{2n} \sqrt{2\pi(2n)}}{\left[\left(\frac{n}{e}\right)^n \sqrt{2\pi n}\right]^2} [p(1-p)]^n \\ &= \sum_{n=0}^{\infty} \frac{[4p(1-p)]^n}{\sqrt{\pi n}} = \sum_{n=0}^{\infty} \frac{1}{\sqrt{\pi n}} = \infty \end{aligned}$$

We conclude that the chain is recurrent when $p = \frac{1}{2}$.

If V is finite, then there is at least one recurrent state.

PROP 1.14

Fix an initial distribution $\alpha = (\alpha_v : v \in V)$. Then $\mathbb{P}_{\alpha}(\sum_{v \in V} L_v = \infty) = 1$. We conclude

PROOF.

that there is at least one state $v \in V$ with $\mathbb{P}_\alpha(L_v = \infty) > 0$. But also:

$$\begin{aligned}\mathbb{P}_\alpha(L_v = \infty) &= \sum_{n=0}^{\infty} \mathbb{P}_\alpha(L_v = \infty, T_v = n) = \sum_{n=0}^{\infty} \mathbb{P}_\alpha(L_v = \infty | T_v = n) \mathbb{P}_\alpha(T_v = n) \\ &= \sum_{n=0}^{\infty} \mathbb{P}_\alpha(L_v = \infty | T_v = n, X_n = v) \mathbb{P}_\alpha(T_v = n) \\ &= \sum_{n=0}^{\infty} \mathbb{P}_\alpha(L_v = \infty | X_n = v) \mathbb{P}_\alpha(T_v = n) \\ &= \sum_{n=0}^{\infty} \mathbb{P}_v(L_v = \infty) \mathbb{P}_\alpha(T_v = n)\end{aligned}$$

So $\mathbb{P}_v(L_v = \infty) > 0 \implies \mathbb{P}_v(L_v = \infty) = 1$, by [Prop 1.11](#). \square

PROP 1.15 Finite, irreducible chains are recurrent.

PROOF.

Since the chain is finite it has at least one recurrent state, by [Prop 1.14](#). Then all states must be recurrent, since the chain is irreducible, by [Prop 1.13](#). \square

Canonical Decompositions

Fix a transition matrix P and list the communication classes of V as

$$D_1, D_2, \dots \quad (\text{transient}) \qquad C_1, C_2, \dots \quad (\text{recurrent})$$

Note that we can split the chain up in this way by [Prop 1.13](#). Set $D = \cup_{i \geq 0} D_i$. Then the **canonical decomposition** of the chain is defined to be

$$D \sqcup C_1 \sqcup C_2 \sqcup \dots$$

DEF 1.24 We say that a communication class C is **closed** if, for any $u \in C, v \notin C$, $p_{u,v} = 0$. Intuitively, if $X_0 \in C$, or we enter C at some later time, we will never leave C .

PROP 1.16 If C is a recurrent communication class, then C is closed.

PROOF.

Fix $u \in C, v \notin C$. Suppose $v \mapsto u$. If $p_{u,v} > 0$, then $u \mapsto v$, so $v \in C \not\subseteq C$. Suppose $v \not\mapsto u$. Then $\mathbb{P}_u(R_u = \infty) \geq \mathbb{P}_u(X_1 = v) = p_{u,v}$. But $\mathbb{P}_u(R_u = \infty) = 0$, since u is recurrent. It follows that $p_{u,v} = 0$. \square

The converse of [Prop 1.16](#) is not true in generality, but it is in the finite case:

PROP 1.17 Finite, closed communication classes are recurrent.

PROOF.

From any starting state in C , we must visit some state $u \in C$ infinitely often, as $|C| < \infty$ and $X_t \in C \forall t$. But recurrence is a class property by [Prop 1.13](#). Hence, all of C is recurrent. \square

When our communication classes are closed, we have



Proof of Fundamental Theorem of Markov Chains

Recall [Thm 1.3](#):

Every finite, regular stochastic matrix P has a limiting distribution π .

We will prove this in two steps. First, we will find some stationary distribution. Then, we will prove that this is a limiting distribution.

Theorem 1.6 Existence Theorem

Let P be irreducible and recurrent. Let $(X_n : n \geq 0) = \text{Markov}(P)$. Fix $u \in V$, which we call a reference vertex, and, for any $v \in V$, define

$$\gamma_v = \mathbb{E}_u[|\{0 \leq n < R_u : X_n = v\}|]$$

Let $\gamma = (\gamma_v : v \in V)$. Then $\gamma P = \gamma$, and $0 < \gamma_v < \infty \forall v \in V$.

By \mathbb{E}_u , we mean the expectation, under the assumption that

$$X_0 = u$$

Observe that $\gamma_u = 1$. Write

$$\gamma_v = \mathbb{E}_u \left[\sum_{n=0}^{R_u-1} \mathbb{1}_{X_n=v} \right] = \mathbb{E}_u \left[\sum_{n=1}^{R_u} \mathbb{1}_{X_n=v} \right] = \mathbb{E}_u \left[\sum_{n=1}^{\infty} \mathbb{1}_{X_n=v} \mathbb{1}_{n \leq R_u} \right]$$

We utilize a second indicator variable in order to use linearity of expectation (otherwise, our sum would index over a random variable, which is not valid). Then

$$\gamma_v = \sum_{n=1}^{\infty} \mathbb{E}_u[\mathbb{1}_{X_n=v} \mathbb{1}_{n \leq R_u}] = \sum_{n=1}^{\infty} \mathbb{P}_u(X_n = v, n \leq R_u)$$

Now, using the law of total probability,

$$\begin{aligned} \mathbb{P}_u(X_n = v, n \leq R_u) &= \sum_{w \in V} \mathbb{P}_u(X_{n-1} = w, X_n = v, n \leq R_u) \\ &= \sum_{w \in W} \mathbb{P}_u(X_n = v | X_{n-1} = w, n \leq R_u) \mathbb{P}_u(X_{n-1} = w, n \leq R_u) \\ &= \sum_{w \in V} \mathbb{P}_u(X_{n-1} = w, n \leq R_u) P_{w,v} \end{aligned}$$

PROOF.

So

$$\begin{aligned}
\gamma_v &= \sum_{n=1}^{\infty} \sum_{w \in W} P_{w,v} \mathbb{P}_u(X_{n-1} = w, n \leq R_u) = \sum_{w \in V} P_{w,v} \left(\sum_{n=1}^{\infty} \mathbb{P}_u(X_{n-1} = w, n-1 < R_u) \right) \\
&= \sum_{w \in V} P_{w,v} \sum_{n=0}^{\infty} \mathbb{P}_u(X_n = w, n < R_u) = \sum_{w \in V} P_{w,v} \sum_{n=0}^{\infty} \mathbb{E}_u[\mathbb{1}_{X_n=w} \mathbb{1}_{n < R_u}] \\
&= \sum_{w \in V} P_{w,v} \mathbb{E}_u \left[\sum_{n=0}^{R_u-1} \mathbb{1}_{X_n=w} \right] = \sum_{w \in V} P_{w,v} \gamma_w = (\gamma P)_v
\end{aligned}$$

$\implies \gamma P = \gamma$. Furthermore, $\gamma_v > 0$, since $u \mapsto v$. Letting $n : P_{v,u}^n > 0$, we have $\gamma_u = (\gamma P^n)_u \geq \gamma_v P_{v,u}^n$. Noting that $\gamma_u = 1$, this shows $\gamma_v < \infty$. \square

PROP 1.18 As a corollary, under the same conditions, if $\mathbb{E}_u[R_u]$ is finite, $\pi = (\pi_v : v \in V)$, where

$$\pi_v = \frac{\gamma_v}{\sum_{w \in V} \gamma_w}$$

is a stationary distribution.

PROOF.

Observe

$$\sum_{w \in V} \gamma_w = \sum_{w \in V} \mathbb{E}_i \left[\sum_{n=0}^{R_n-1} \mathbb{1}_{X_n=w} \right] = \mathbb{E}_u \left[\sum_{n=0}^{R_u-1} \sum_{w \in V} \mathbb{1}_{X_n=w} \right] = \mathbb{E}_u[R_u]$$

So we require that $\mathbb{E}_u[R_u] < \infty$, then a stationary distribution exists. \square

An an exercise, if u is recurrent and $u \mapsto v$, then $\mathbb{P}_u(T_v < \infty) = 1 \forall v \in V$.

PROP 1.19

π , as defined above, is a limiting distribution.

PROOF.

Consider two independent copies $X_n, Y_n = \text{Markov}(P)$. Then (X_n, Y_n) is a Markov chain with transition matrix $Q = (q_{(v,w),(x,y)})_{(v,w),(x,y) \in V \times V}$. In particular,

$$q_{(v,w),(x,y)} = p_{v,x} p_{w,y}$$

Fix some state $u \in V$. Let α be the initial distribution that has $X_0 = u$ and $Y_0 \sim \pi$.

$$\alpha_{(x,y)} = \begin{cases} \pi(y) & x = u \\ 0 & \text{o.w.} \end{cases}$$

Remark that, as π is stationary, $Y_n \sim \pi \forall n \geq 0$. For any $u \in V$, we'd like that $P_{u,v}^n \rightarrow \pi(v)$.

Let $M = \inf\{n \geq 0 : X_n = Y_n\}$ be the first meeting time of the X_n and Y_n chains. If P is

finite and regular, then Q is finite and regular. Then

$$\mathbb{P}_\alpha(M < \infty) \geq \mathbb{P}_\alpha(T_{(v,v)} < \infty) = \sum_{(x,y) \in V \times V} \alpha(x, y) \mathbb{P}_{(x,y)}(T_{v,v} < \infty) = 1$$

It follows that $\lim_{n \rightarrow \infty} \mathbb{P}_\alpha(M > n) = 0$. We claim that $\mathbb{P}_\alpha(X_n = v, M \leq n) = \mathbb{P}_\alpha(Y_n = v, M \leq n) \forall n \geq 0$. Assuming this, then

$$\begin{aligned} \mathbb{P}_u(X_n = v) &= \mathbb{P}_\alpha(X_n = v) = \mathbb{P}_\alpha(X_n = v, M \leq n) + \mathbb{P}_\alpha(X_n = v, M > n) \\ \mathbb{P}_\pi(Y_n = v) &= \mathbb{P}_\alpha(Y_n = v) = \mathbb{P}_\alpha(Y_n = v, M \leq n) + \mathbb{P}_\alpha(Y_n = v, M > n) \\ \implies \mathbb{P}_u(X_n = v) - \pi(v) &= \mathbb{P}_\alpha(X_n = v, M > n) - \mathbb{P}_\alpha(Y_n = v, M > n) \\ \implies |\mathbb{P}_u(X_n = v) - \pi(v)| &= |\mathbb{P}_\alpha(X_n = v, M > n) - \mathbb{P}_\alpha(Y_n = v, M > n)| \leq \mathbb{P}_\alpha(M > n) \end{aligned}$$

But $P_\alpha(M > n) \rightarrow 0$, so it must be that $\mathbb{P}_u(X_n = v) \rightarrow \pi(v)$.

We still must show the claim, however.

$$\begin{aligned} \mathbb{P}_\alpha(X_n = v, M \leq n) &= \sum_{k=0}^n \sum_{w \in V} \mathbb{P}_\alpha(X_n = v, M = k, X_k = w) \\ &= \sum_{k=0}^n \sum_{w \in V} \mathbb{P}_\alpha(M = k, X_k = w) \mathbb{P}_\alpha(X_n = v | X_k = w, M = k) \\ &\stackrel{\text{MP}}{=} \sum_{k=0}^n \sum_{w \in V} \mathbb{P}_\alpha(M = k, X_k = w) P_{w,v}^{n-k} \end{aligned}$$

and now we reverse!

$$\begin{aligned} &= \sum_{k=0}^n \sum_{w \in V} \mathbb{P}_\alpha(M = k, Y_k = w) P_{w,v}^{n-k} \\ &\stackrel{\text{MP}}{=} \sum_{k=0}^n \sum_{w \in V} \mathbb{P}_\alpha(M = k, Y_k = w) \mathbb{P}_\alpha(X_n = v | Y_k = w, M = k) \\ &= \mathbb{P}_\alpha(Y_n = v, M \leq n) \quad \square \end{aligned}$$

HITTING TIMES AND ABSORBING STATES

We call a state $v \in V$ *absorbing* if $\mathbb{P}_v(X_1 = v) = 1$.

DEF 1.26

Eg. 1.12 Consider a game where we continually bet \$1 with winning probability p , until we earn $\$k$ or run out of money. Modeling the state space as our balance, we have absorbing states at $\$0$ and $\$k$.

Observe that each absorbing state forms a recurrent communication class of size 1. As a consequence, we have a variant of the canonical form, where $A \subseteq V$ are absorbing states,

and we write $V = A \sqcup (V \setminus A)$. For a stochastic matrix P and block matrices Q, R , we have:

$$\begin{aligned} P &= \left[\begin{array}{c|c} V \setminus A & A \\ \hline Q & R \\ 0 & I_{|A|} \end{array} \right] \Rightarrow P^2 = \left[\begin{array}{c|c} V \setminus A & A \\ \hline Q^2 & QR + RI \\ 0 & I_{|A|} \end{array} \right] \\ &\Rightarrow P^n = \left[\begin{array}{c|c} V \setminus A & A \\ \hline Q^n & (I_{|V \setminus A|} + Q + \cdots + Q^{n-1})R \\ 0 & I_{|A|} \end{array} \right] \end{aligned}$$

Schematically, then

$$\begin{array}{ccc} \left(\begin{array}{c} Q \\ \downarrow \\ V \setminus A \end{array} \right) & & \left(\begin{array}{c} I_{|A|} \\ \downarrow \\ A \end{array} \right) \\ \xrightarrow{\hspace{1cm}} & & \end{array}$$

PROP 1.20 Let V be finite. Then all states are either absorbing or transient.

PROOF.

Fix an initial distribution $\alpha = (\alpha_v : v \in V)$ and an absorbing state $c \in V$. Then

$$\mathbb{E}_\alpha(T_c) = \sum_{v \in V} \mathbb{P}_\alpha(X_0 = v) \mathbb{E}_\alpha(T_c | X_0 = v) = \sum_{v \in V} \alpha_v \mathbb{E}_v(T_c) =$$

Recall from probability that $\mathbb{E}X = \sum_{n \geq 1} \mathbb{P}(X \geq n)$ whenever X is supported on the non-negative integers. A pictorial proof is as follows

$$\begin{aligned} \mathbb{E}[X] &= \mathbb{P}(X = 1) \\ &\quad + \mathbb{P}(X = 2) + \mathbb{P}(X = 2) \\ &\quad + \mathbb{P}(X = 3) + \mathbb{P}(X = 3) + \mathbb{P}(X = 3) \\ &\quad \vdots \\ &\quad + \mathbb{P}(X = n) + \mathbb{P}(X = n) + \mathbb{P}(X = n) + \cdots + \mathbb{P}(X = n) \\ &= \mathbb{P}(X \geq 1) + \mathbb{P}(X \geq 2) + \cdots + \mathbb{P}(X \geq n) \end{aligned}$$

Assume v is not absorbing. Then

$$\begin{aligned} \mathbb{E}_v(T_c) &= \sum_{n \geq 1} \mathbb{P}_v(T_c \geq n) = \sum_{n \geq 1} \sum_{w \neq c \in V} \mathbb{P}_v(X_{n-1} = w) = \sum_{n \geq 1} \sum_{w \neq c \in V} P_{v,w}^{n-1} \\ &= \sum_{n \geq 1} \sum_{w \in V \setminus A} Q_{w,v}^{n-1} + \sum_{n \geq 1} \sum_{w \neq c \in A} P_{v,w}^{n-1} \end{aligned}$$

where Q is as in the absorbing canonical form above. If there is an absorbing state $b \neq c$ such that $v \mapsto b$, then $\mathbb{E}_v(T_c) = \infty$. Otherwise, the second sum above is 0, and we get

$$\mathbb{E}_v(T_c) = \sum_{w \in V \setminus A} \sum_{n \geq 1} Q_{w,v}^{n-1} = \sum_{w \in V \setminus A} \sum_{n \geq 0} Q_{w,v}^n$$

Here, $I + Q + Q^2 + \cdots = (I - Q)^{-1}$.

□

Why is this invertible?
Genearlly, if $A^n \rightarrow 0$ as $n \rightarrow 0$, then $I - A$ is invertible.

Theorem 1.7 Hitting State Properties

Let P be a finite transition matrix, such that all states are either transient or absorbing. Let A be the absorbing states, with $|A| = m$. Then

$$\lim_{n \rightarrow \infty} P^n = \begin{bmatrix} 0 & (I - Q)^{-1}R \\ 0 & I_m \end{bmatrix}$$

Furthermore, for any transient states u, v ,

$$\mathbb{E}_u(L_v) = (I - Q)_{u,v}^{-1} \quad \text{and} \quad \mathbb{E}_u[T_A] = \sum_{v \in V} (I - Q)_{u,v}^{-1}$$

Finally, for any transient state u and absorbing state c ,

$$\mathbb{P}_u(X_{T_A} = c) = ((I - Q)^{-1}R)_{u,c}$$

Eg. 1.13 Consider Gambler's Ruin, with reward limit k :



Then $A = \{0, k\}$. Let $p_i = \mathbb{P}_i(X_{T_A} = k)$. Computing manually, this is $p_i = pp_{i+1} + (1-p)p_{i-1}$, with boundary conditions $p_0 = 0$ and $p_k = 1$. We conclude that

$$p_i = \begin{cases} \frac{1 - \left(\frac{1-p}{p}\right)^i}{1 - \left(\frac{1-p}{p}\right)^k} & p \neq \frac{1}{2} \\ \frac{i}{k} & p = \frac{1}{2} \end{cases}$$

Similarly, we manually compute $\mathbb{E}_i(T_A) = 1 + p\mathbb{E}_{i+1}(T_A) + (1-p)\mathbb{E}_{i-1}(T_A)$, with boundary conditions $\mathbb{E}_0(T_A) = \mathbb{E}_k(T_A) = 0$. This gives

$$\mathbb{E}_i(T_A) = \begin{cases} \frac{k(1-r^i) - i(1-r^k)}{p(1-r)(1-r^k)} & p \neq \frac{1}{2} \\ i(k-i) & p = \frac{1}{2} \end{cases} \quad \text{where } r = \frac{1-p}{p}$$

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