Abstract

We prove several results concerning classifications, based on successive observations \((X_1, \ldots, X_n)\) of an unknown stationary and ergodic process, for membership in a given class of processes, such as the class of all finite order Markov chains.

Key words: Nonparametric classification, stationary and ergodic processes

Mathematics Subject Classifications (2000): 62G05, 60G25, 60G10

1 Introduction and Statement of Results

If \(\mathcal{G}\) is a subclass of all stationary and ergodic binary processes then a sequence of functions \(g_n : \{0, 1\}^n \to \{YES, NO\}\) is a classification for \(\mathcal{G}\) in probability if

\[
\lim_{n \to \infty} P(g_n(X_1, \ldots, X_n) = YES) = 1
\]

for all processes in \(\mathcal{G}\), and

\[
\lim_{n \to \infty} P(g_n(X_1, \ldots, X_n) = NO) = 1
\]

for all processes not in \(\mathcal{G}\).
Similarly, \( g_n : \{0, 1\}^n \rightarrow \{YES, NO\} \) is a classification for \( \mathcal{G} \) in a pointwise sense if

\[
g_n(X_1, \ldots, X_n) = YES \text{ eventually almost surely}
\]

for all processes in \( \mathcal{G} \), and

\[
g_n(X_1, \ldots, X_n) = NO \text{ eventually almost surely}
\]

for all processes not in \( \mathcal{G} \). Of course, if \( g_n \) is a classification in a pointwise sense then it is a classification in probability but a classification in probability is not necessarily a classification in a pointwise sense.

For the class \( \mathcal{M}_k \) of \( k \)-step mixing Markov chains of fixed order \( k \), there is a pointwise classification of the type we have just described. (For mixing Markov chains see Proposition I.2.10 in Shields (1996).) It was carried out in detail for independent processes by Bailey (1976). (Actually he proved the result only for independent processes and indicated how to generalize his result for the class of \( \mathcal{M}_k \).) For the class \( \mathcal{M}_{mix} = \bigcup_{k=0}^{\infty} \mathcal{M}_k \) of mixing Markov chains of any order, Bailey showed that no such classification exists. See Ornstein and Weiss (1990) for some further results on this kind of question. Our concern in this paper is with the class of finitarily Markovian processes which is defined as follows.

Let \( \{X_n\}_{n=1}^{\infty} \) be a stationary and ergodic binary time series. A one sided stationary time series \( \{X_n\}_{n=1}^{\infty} \) can always be thought to be a two sided time series \( \{X_n\}_{n=-\infty}^{\infty} \). For \( m \leq n \) let \( X^n_m = (X_m, \ldots, X_n) \).

**Definition:** A stationary and ergodic binary time series \( \{X_n\} \) is said to be finitarily Markovian if for almost every \( x_{-\infty}^{-1} \) there is a finite \( K(x_{-\infty}^{-1}) \) such that for all \( i > 0 \) and
\[ y_{-i} \text{ if } P(X_0 = 1|X_{-K-i} = y_{-i}, X_{-K} = x_{-K}) > 0 \text{ then} \]

\[ P(X_0 = 1|X_{-K} = x_{-K}) = P(X_0 = 1|X_{-K-i} = y_{-i}, X_{-K} = x_{-K}). \]

This class includes all finite order Markov chains (mixing or not) and many other processes such as the finitarily deterministic processes of Kalikow, Katzenelson and Weiss (1992).

**Example 1** First we define a Markov process which serves as the technical tool for our construction. Let the state space \( S \) be the non-negative integers. The transition probabilities are as follows: with probability one move from 0 to 1 and from 1 to 2, for all \( s \geq 2 \) move with equal probability 0.5 to 0 and \( s + 1 \). This construction yields a stationary and ergodic Markov process \( \{M_i\} \) with stationary distribution

\[ P(M_i = 0) = P(M_i = 1) = \frac{1}{4} \]

and

\[ P(M_i = j) = \frac{1}{2^j} \text{ for } j \geq 2. \]

Now we define the binary hidden Markov chain \( \{X_i\} \), which we denote as, \( X_i = f(M_i) \). Let \( f(0) = 0 \), \( f(1) = 0 \), and \( f(s) = 1 \) for all even states \( s \). A feature of this definition of \( f(\cdot) \) is that whenever \( X_n = 0, X_{n+1} = 0, X_{n+2} = 1 \) we know that \( M_n = 0 \) and vice versa.

Consider the class of processes of the above form for all possible labeling of the rest of the states by zero and one. (It is easy to see that this class contains Markov chains of order \( \leq r + 1 \), e.g. when for all \( s \geq r \) \( f(s) = 1 \) and processes which are not Markov of any order, e.g. when \( f(2^i + 1) = 0 \) for \( i = 1, 2, \ldots \) and for the rest of the yet unlabeled odd states \( s, f(s) = 1 \).) This class is a subclass of all stationary and ergodic binary finitarily Markovian processes. (Clearly, the conditional probability \( P(X_1 = 1|X_{0}^{\infty}) \) does
not depend on values beyond the first (going backward) occurrence of 001. Györfi, Morvai and Yakowitz (1998) proved that there is no estimator of the value $P(X_{n+1} = 1 | X^n_1)$ from samples $X^n_1$ such that the error tends to zero as $n$ tends to infinity in the pointwise sense for this class of processes.

**Example 2** Let $\{M_n\}$ be any stationary and ergodic first order Markov chain with finite or countably infinite state space $S$. Let $s \in S$ be an arbitrary state with $P(M_1 = s) > 0$. Now let $X_n = I_{\{M_n = s\}}$. By Shields (1996), Chapter I.2.c.1, the binary time series $\{X_n\}$ is stationary and ergodic. It is also finitarily Markovian. (Indeed, the conditional probability $P(X_1 = 1 | X^n_{-\infty})$ does not depend on values beyond the first (going backwards) occurrence of one in $X^n_{-\infty}$ which identifies the first (going backwards) occurrence of state $s$ in the Markov chain $\{M_n\}$. ) The resulting time series $\{X_n\}$ is not a Markov chain of any order in general. (Indeed, consider the Markov chain $\{M_n\}$ with state space $S = \{0, 1, 2\}$ and transition probabilities $P(X_2 = 1 | X_1 = 0) = P(X_2 = 2 | X_1 = 1) = 1$, $P(X_2 = 0 | X_1 = 2) = P(X_2 = 1 | X_1 = 2) = 0.5$. This yields a stationary and ergodic Markov chain $\{M_n\}$, cf. Example I.2.8 in Shields (1996). Clearly, the resulting time series $X_n = I_{\{M_n = 0\}}$ will not be Markov of any order. The conditional probability $P(X_1 = 0 | X^n_{-\infty})$ depends on whether until the first (going backwards) occurrence of one you see even or odd number of zeros.) These examples include all stationary and ergodic binary renewal processes with finite expected inter-arrival times, a basic class for many applications. (A stationary and ergodic binary renewal process is defined as a stationary and ergodic binary process such that the times between occurrences of ones are independent and identically distributed with finite expectation, cf. Chapter I.2.c.1 in Shields (1996). )

Our main result is that there is no classification for membership in the class of finitarily
Markovian processes. As a byproduct we will also improve Bailey’s result from mixing Markov chains to the class of Markov chains. Our results apply to both pointwise classifications and classifications in probability.

**Theorem 1** Given a sequence of functions \( g_n : \{0, 1\}^n \to \{YES, NO\} \) such that

- for all stationary and ergodic binary Markov chains \( \{X_n\} \) with arbitrary finite order
  \[
  \lim_{n \to \infty} P(g_n(X_1^n) = YES) = 1 \quad (1)
  \]
- for all stationary and ergodic binary non finitarily Markovian processes
  \[
  \lim_{n \to \infty} P(g_n(X_1^n) = NO) = 1 \quad (2)
  \]
we construct a single stationary and ergodic binary process \( \{X_n\} \) such that

\[
\limsup_{n \to \infty} P(g_n(X_1^n) = YES) = 1 \quad \text{and} \quad \limsup_{n \to \infty} P(g_n(X_1^n) = NO) = 1.
\]

**Corollary 1** There is no classification for the class of all stationary and ergodic binary Markov chains with arbitrary finite order, in a pointwise sense or in probability.

**Remark 1** For motivation consider the universal intermittent estimation problem where the goal is to find stopping times \( \tau_k \) such that one can estimate \( P(X_{\tau_k+1} = 1 | X_1^{\tau_k}) \) from samples \( X_1^{\tau_k} \) in the pointwise sense for all stationary and ergodic binary time series. Such a universal scheme was proposed in Morvai (2003). Unfortunately the stopping times of Morvai (2003) grow very rapidly. Had one classified the Markov chains from
non Markov chains then one could have improved the scheme of Morvai such that it would have remained universally pointwise consistent for all stationary and ergodic processes and particularly, if the process turned out to be Markov, one could have estimated the conditional probability $P(X_{k+1} = 1|X_1^k)$ eventually for all $k$ that is, $\tau_{n+1} = \tau_n + 1$ eventually. Indeed, if $g_n(X_1^n)$ classified the process as Markov then one could simply use a Markov order estimator (e.g. of Csiszár and Shields (2000)) and count frequencies of blocks with length equal to the order and this estimator is consistent in the pointwise sense for Markov chains. Otherwise one could use the universal estimator of Morvai (2003).

**Corollary 2** There is no classification for the class of all stationary and ergodic binary finitarily Markovian processes, in a pointwise sense or in probability.

**Remark 2** Concerning the above mentioned intermittent estimation problem, one could have improved the universal estimator of Morvai (2003) for finitarily Markovian processes. Had $g_n(X_1^n)$ classified the process as a finitarily Markovian process one could use the stopping times and estimator e.g. as in Morvai and Weiss (2003) which estimator is not universal but it works for all finitarily Markovian processes and the growth of the stopping times is much more moderate compared to the stopping times associated with the universal estimator in Morvai (2003). For non finitarily Markovian processes one could use the universal estimator of Morvai (2003).

## 2 Proofs

The following lemma is well known.
Lemma 1 Let \( \{X_n\} \) be a stationary and ergodic binary time series and \( N \) a positive integer. Then there is a stationary and ergodic binary Markov chain \( \{Z_n\} \) of some finite order \( \leq N \) such that the \( N \) dimensional distributions of \( \{X_n\} \) and \( \{Z_n\} \) are identical.

Proof: Put \( P(Z_{N+1} = z | Z_1^N = x_1^N) = P(X_{N+1} = z | X_1^N = x_1^N) \). This yields a stationary and ergodic Markov chain \( \{Z_n\} \) of some finite order \( \leq N \) with the original marginal distribution \( P(Z_1^N = x_1^N) = P(X_1^N = x_1^N) \), that is, for \( n > N \), define

\[
P(Z_1^n = x_1^n) = P(Z_1^N = x_1^N) \prod_{i=N+1}^{n} P(Z_i = z_i | Z_{i-N}^{i-1} = x_{i-N}^{i-1}).
\]

Clearly \( \{Z_n\} \) is a stationary Markov chain of some finite order \( \leq N \) since \( \{X_n\} \) was stationary. The chain \( \{Z_n\} \) can be thought of as one step Markov chain by passing to \( N \)-tuples. The ergodicity of the \( \{X_n\} \) process guarantees that this chain is irreducible when considered as a chain on those \( N \)-tuples which have positive measure under the distribution of \( X_1^N \). The process \( \{Z_n\} \) is also ergodic since stationary binary irreducible Markov chains of some finite order are ergodic by Proposition I.2.9 in Shields (1996). (Cf. also Kemeny and Snell (1960).) The proof of Lemma 1 is complete.

Definition: The entropy rate \( H \) associated with a stationary binary time series \( \{X_n\} \) is defined as

\[
H = -E \left\{ P(X_0 = 1 | X_{-\infty}^{-1}) \log_2 P(X_0 = 1 | X_{-\infty}^{-1}) + P(X_0 = 0 | X_{-\infty}^{-1}) \log_2 P(X_0 = 0 | X_{-\infty}^{-1}) \right\}.
\]

Lemma 2 Given a stationary and ergodic binary process \( \{X_n\} \), an integer \( N > 0 \) and a real number \( 0 < \delta < 1 \), there exists a stationary and ergodic non finitarily Markovian
process \( \{Y_n\} \) such that

\[
\sum_{y_1^N \in \{0,1\}^N} |P(X_1^N = y_1^N) - P(Y_1^N = y_1^N)| < \delta.
\]

(3)

**Proof:** Let \( \{Z_n\} \) be a stationary and ergodic binary time series with zero entropy rate such that all finite words have positive probability. It is well known that such processes exist. For the sake of completeness we supply a proof in Lemma 3 in the Appendix. This process is clearly not finitarily Markovian.

By ergodicity of the \( \{X_n\} \) process, there exists an \( r \) and a word \( w_r^r \) such that the empirical counts of all \( N \) blocks from \( w_r^r \) are \( \delta/2^{N+1} \) close to the probabilities corresponding to the \( \{X_n\} \) process.

We would like to define a process in which we alternate between the fixed word \( w_r^r \) and the \( Z_n \)'s, \( Z_1, w_r^r, Z_2, w_r^r, \ldots \). If we can do this and identify uniquely the position of the \( Z_n \)'s then this process will not be finitarily Markovian. In order to uniquely identify the positions of the \( Z_n \)'s we will add a synchronizing word \( u_m \) whose length is very small compared to the length of \( w_r^r \) and which appears only where we place it. The fact that its length is small means that the finite distributions will remain close to the finite distribution of the \( \{X_n\} \) process. For \( u_m \) to synchronize we need to know that when looking across a string like \( Z_1, u_m, w_r^r, Z_2, u_m, w_r^r, Z_3 \) the word appears only in the two locations where it is written.

Now choose some word \( u_m \) with length \( m = \lceil 10 \log_2 r \rceil \) such that this word \( u_m \) does not appear in the word \( w_r^r \) and it has no reasonable non-trivial self overlap. More precisely, there is no non-trivial self overlap greater than \( 2/5m \) and there is no overlap with \( w_r^r \) greater than \( 2/5m \). The number of words with length \( m \) which have greater self overlap is at most \( 2m^2 3^{5/m} \). The number of words of length \( m \) which have overlap with \( w_r^r \) greater
than $2/5m$ but not completely contained in $w_1^r$ is at most $2m2^{3/5m}$. The number of words with length $m$ completely contained in $w_1^r$ is at most $r$. Summing up the number of these possible bad words we get

$$r + 4m2^{3/5m} < 2^m.$$  

Thus there is at least one word $u_1^m$ with the desired property. The word $u_1^m$ will serve as a synchronizing word.

We will define the desired $\{Y_n\}$ process in two steps. First we will define a nonstationary process $\{W_n\}$ as follows. Consider $n - 1 = \eta(m + r + 1) + \theta$, where $0 \leq \theta \leq m + r$ and $\eta \geq 0$. The process $\{W_n\}$ will be obtained by inserting a fixed block $u_1^m, w_r^r$ of length $m + r$ between successive symbols of the process $\{Z_n\}$. Define the process $\{W_n\}$ as follows. Let

$$W_n = \begin{cases} 
Z_{\eta+1} & \text{if } \theta = 0 \\
u_\theta & \text{if } 1 \leq \theta \leq m \\
w_{\theta-m} & \text{if } m + 1 \leq \theta \leq m + r.
\end{cases}$$

Our assumptions on the synchronizing word imply that such a process will not be stationary and to ensure stationarity we need to randomize over $m + r + 1$. Here is a formal description. Let $\zeta$ be distributed on $\{0, \ldots, m + r\}$ uniformly. Let $\zeta$ be independent from $\{W_n\}$. Define $\{Y_n\}$ as $Y_n = W_n + \zeta$. (That is, $\{Y_n\}$ is constructed from $\{W_n\}$ by averaging over the $m + r + 1$ shifts of the $\{W_n\}$ process.)

The fact that $u_1^m$ was synchronizing means that $\zeta$ is a function of the $\{Y_n\}$ process. Thus from $\{Y_n\}$ one recovers exactly the $\{Z_n\}$ process. Now $\{Y_n\}$ is a stationary and ergodic binary non finitarily Markovian time series since $\{Z_n\}$ was such. To see that (3) is satisfied one uses the property of $w_1^r$ and takes $r$ sufficiently large so that the edge effects caused by $u_1^m$ are negligible. The proof of Lemma 2 is complete.
Proof of Theorem \[1\]: To construct \( \{X_n\} \) we will alternately use the two lemmas to construct a sequence of processes \( \{Y_n^{(i)}\} \), which for odd \( i \) will be a Markov chain and for even \( i \) will not even be finitarily Markovian but the entire sequence will converge to an ergodic process \( \{X_n\} \) which will have the required properties. Here is how this is done.

Let \( 0 < \epsilon_k < 1 \) such that \( \epsilon_k \to 0 \) and \( 0 < \delta_k < 1 \) such that \( \sum_{k=1}^{\infty} \delta_k < 0.25 \). We construct our process as follows: Let \( \{Y_1, \ldots, Y_N\} \) be independent and identically distributed random variables assuming the values \( \{0, 1\} \) with equal probabilities. Let \( N_1 > 1 \) be so large that

\[
P(g_{N_1}(Y_1, \ldots, Y_{N_1}) = YES) \geq 1 - \epsilon_1
\]

and there exists a set \( \mathcal{U}_{N_1} \subseteq \{0, 1\}^{N_1} \) such that \( P((Y_1, \ldots, Y_{N_1}) \in \mathcal{U}_{N_1}) > 1 - \epsilon_1 \) and

\[
\max_{u_1^{N_1}, v_1^{N_1} \in \mathcal{U}_{N_1}} \left| \frac{1}{N_1} \sum_{x \in \{0, 1\}} \sum_{i=0}^{N_1-1} \left( I_{\{u_{i+1} = x\}} - I_{\{v_{i+1} = x\}} \right) \right| < \epsilon_1.
\]

Assume for \( k = 2, \ldots, i - 1 \) we have already defined a sequence of stationary and ergodic binary time series \( \{Y_n^{(k)}\} \) and positive integers \( N_k > k^2 \) and sets \( \mathcal{U}_{N_k} \subseteq \{0, 1\}^{N_k} \) such that \( P((Y_1^{(k)}, \ldots, Y_{N_k}) \in \mathcal{U}_{N_k}) > 1 - \epsilon_k \),

\[
\sum_{y_1^{N_{k-1}} \in \{0, 1\}^{N_{k-1}}} \left| P(Y_1^{(k-1)} = y_1, \ldots, Y_{N_{k-1}} = y_{N_{k-1}}) - P(Y_1^{(k)} = y_1, \ldots, Y_{N_{k-1}} = y_{N_{k-1}}) \right| < \delta_{k-1},
\]

and

\[
\max_{u_k^{N_k}, v_k^{N_k} \in \mathcal{U}_{N_k}} \sum_{x_1^{k} \in \{0, 1\}^k} \frac{1}{N_k - k + 1} \left| \sum_{i=0}^{N_k-k} \left( I_{\{u_{i+k} = x_i\}} - I_{\{v_{i+k} = x_i\}} \right) \right| < \epsilon_k,
\]

(4)

and

- if \( k \) is even then \( \{Y_n^{(k)}\} \) is not finitarily Markovian and

\[
P(g_{N_k}(Y_1^{(k)}, \ldots, Y_{N_k}) = NO) \geq 1 - \epsilon_k
\]

9
• if $k$ is odd then $\{Y_n^{(k)}\}$ is a Markov chain with some order and

$$P(g_N(Y_1^{(k)}, \ldots, Y_{N_k}^{(k)}) = YES) \geq 1 - \epsilon_k.$$  

Now we define it for $i$. If $i$ is odd then apply Lemma $1$ for $\{Y_n^{(i-1)}\}$ with $N_{i-1}$. Let $\{Y_n^{(i)}\}$ denote the resulting stationary and ergodic binary Markov chain. Now let $N_i > i^2$ be so large that

$$P(g_N(Y_1^{(i)}, \ldots, Y_{N_i}^{(i)}) = YES) \geq 1 - \epsilon_i$$

and there is a set $U_{N_i} \subseteq \{0, 1\}^{N_i}$ such that $P((Y_1^{(i)}, \ldots, Y_{N_i}^{(i)}) \in U_{N_i}) > 1 - \epsilon_i$ and

$$\max_{u_{N_i}, x_{N_i} \in U_{N_i}, x_1 \in \{0, 1\}} \left| \frac{1}{N_i - i + 1} \sum_{j=0}^{N_i-1} \left( I\{u_j^{(i)} = x_1\} - I\{v_j^{(i)} = x_1\} \right) \right| < \epsilon_i.$$

By assumption $1$ and the ergodicity of $\{Y_n^{(i)}\}_{n=1}^{\infty}$ there exists such an $N_i$.

If $i$ is even then apply Lemma $2$ for $\{Y_n^{(i-1)}\}$ with $N_{i-1}$ and $\delta_{i-1}$. Let $\{Y_n^{(i)}\}$ denote the resulting non finitarily Markovian process. Now let $N_i > i^2$ be so large that

$$P(g_N(Y_1^{(i)}, \ldots, Y_{N_i}^{(i)}) = NO) \geq 1 - \epsilon_i$$

and there is a set $U_{N_i} \subseteq \{0, 1\}^{N_i}$ such that $P((Y_1^{(i)}, \ldots, Y_{N_i}^{(i)}) \in U_{N_i}) > 1 - \epsilon_i$ and

$$\max_{u_{N_i}, x_{N_i} \in U_{N_i}, x_1 \in \{0, 1\}} \left| \frac{1}{N_i - i + 1} \sum_{j=0}^{N_i-1} \left( I\{u_j^{(i)} = x_1\} - I\{v_j^{(i)} = x_1\} \right) \right| < \epsilon_i.$$

By assumption $2$ and the ergodicity of $\{Y_n^{(i)}\}_{n=1}^{\infty}$ there exists such an $N_i$.

Now it follows from the construction that for any $n \leq N_k$ and $k \leq K$,

$$|P(Y_1^{(k)} = y_1, \ldots, Y_n^{(k)} = y_n) - P(Y_1^{(K)} = y_1, \ldots, Y_n^{(K)} = y_n)| \leq \sum_{i=k}^{\infty} \delta_i$$
which tends to zero as $k \to \infty$. Now define $\{X_n\}$ in the following way: For each $n$ let

$$P(X^n_1 = x^n_1) = \lim_{k \to \infty} P(Y^{(k)}_1 = x_1, \ldots, Y^{(k)}_n = x_n).$$

Clearly $\{X_n\}$ is stationary since all $\{Y^{(k)}_n\}$ were stationary. Since $P((X_1, \ldots, X_{N_k}) \in U_{N_k}) > 1 - \epsilon_k - \sum_{i=k}^{\infty} \delta_i$, $N_k > k^2$, (4) and Lemma 4 in the Appendix, $\{X_n\}$ is also ergodic. Now it follows from the construction that

$$|P(X^n_1 = x^n_1) - P(Y^{(k)}_1 = x_1, \ldots, Y^{(k)}_n = x_n)| \leq \sum_{i=k}^{\infty} \delta_i.$$

Thus for $k$ even,

$$P(g_{N_k}(X_1, \ldots, X_{N_k}) = NO) \geq 1 - \epsilon_k - \sum_{i=k}^{\infty} \delta_i$$

and the right hand side tends to 1 as $k \to \infty$. Similarly, when $k$ is odd,

$$P(g_{N_k}(X_1, \ldots, X_{N_k}) = YES) \geq 1 - \epsilon_k - \sum_{i=k}^{\infty} \delta_i$$

and the right hand side tends to 1 as $k \to \infty$. The proof of Theorem 1 is complete.

3 Appendix

We present now the proofs of two fairly standard lemmas that we used before.

**Lemma 3** There exists a stationary and ergodic time series $\{Z_n\}$ with zero entropy rate such that all finite words have positive probability.

**Proof:** Let $T : [0,1] \to [0,1]$ denote the mapping $x \to x + \alpha \mod 1$ where $\alpha$ is a fixed irrational. Denote the Lebesgue measure on $[0,1]$ by $\mu$. For a measurable subset $A$ of $[0,1]$ let $\tau_A(x) = \min\{n \geq 1 : T^n x \in A\}$ denote the first return time to $A$. 

11
Partition $A$ into $A_k = \{ x \in A : \tau_A(x) = k \}$. Note that $T^i A_k : 0 \leq i < k$ are disjoint sets. We will define a particular set $A$ with the property that for all $k$ the sets $A_k$ will have positive measure. Indeed, one can choose inductively points $\{ x_n \}$ and $\delta_n > 0$, $\sum_{m=n+1}^{\infty} m \delta_m < 0.1 \delta_n$ sufficiently small so that if $I_n = [x_n - \delta_n, x_n + \delta_n]$ the $A$ defined as follows will have the required property:

$$A = \bigcup_{n=1}^{\infty} [(I_n \cup T^n I_n) - \bigcup_{m=n+1}^{\infty} \bigcup_{i=1}^{m-1} T^i I_m]].$$

It is easy to see that for all $k$, $\mu(A_k) > 0$. In this case we can list all binary words with finite length, $\{0, 1, 00, 01, \ldots \} = \{w_1, w_2, \ldots \}$, and denote by $|w_k|$ the length of $w_k$.

Define a partition of $[0, 1]$ into two sets $\{P_0, P_1\}$ by taking the $k$-th word $w_k$ in the list and assigning the first $|w_k|$ sets of $(T^0 A_k), (T^1 A_k), \ldots, (T^{k-1} A_k)$ to $P_0$ or $P_1$ according to the symbols in $w_k$ and then assign to $P_0$ all remaining points in $[0, 1]$. Finally define a stationary and ergodic binary process as follows: Choose $x$ uniformly on $[0, 1]$ and set

$$Z_n(x) = \begin{cases} 1 & \text{if } T^n x \in P_1 \\ 0 & \text{if } T^n x \in P_0. \end{cases}$$

It is clear that all finite words have positive probability. Furthermore it is well known that any process defined by an irrational rotation as above is stationary and ergodic and has zero entropy cf. Cornfeld et al. (1982). The proof of Lemma 3 is complete.

**Lemma 4** A binary stationary time series $\{X_n\}$ is ergodic if there is a sequence of positive integers $N_k > k^2$ tending to $\infty$, $\epsilon_k > 0$ tending to zero and a sequence of sets $U_{N_k} \subseteq \{0, 1\}^{N_k}$ with probability greater than $1 - \epsilon_k$ such that for all $u_1^{N_k}, v_1^{N_k} \in U_{N_k}$,

$$\sum_{x_1^k \in \{0, 1\}^k} \frac{1}{N_k - k + 1} \left| \sum_{i=0}^{N_k-k} \left( I_{\{v_i^{i+k}=x_i^k\}} - I_{\{v_1^{i+k}=x_i^k\}} \right) \right| < \epsilon_k. \quad (5)$$
Proof: First observe that (5) implies that for all $u_1^{N_k}, v_1^{N_k} \in \mathcal{U}_{N_k}$, and for all $j \leq k$,

$$
\sum_{x_j^i \in \{0,1\}^j} \frac{1}{N_k - k + 1} \left| \sum_{i=0}^{N_k-k} \left( I_{\{u_{i+1}^{i+k} = x_j^i\}} - I_{\{v_{i+1}^{i+k} = x_j^i\}} \right) \right| < \epsilon_k. \tag{6}
$$

(Indeed,

$$
\sum_{x_j^i \in \{0,1\}^j} \frac{1}{N_k - k + 1} \left| \sum_{i=0}^{N_k-k} \left( I_{\{u_{i+1}^{i+k} = x_j^i\}} - I_{\{v_{i+1}^{i+k} = x_j^i\}} \right) \right| = \sum_{x_j^i \in \{0,1\}^j} \frac{1}{N_k - k + 1} \left| \sum_{i=0}^{N_k-k} \left( I_{\{u_{i+1}^{i+k} = x_j^i\}} - I_{\{v_{i+1}^{i+k} = x_j^i\}} \right) \right|
$$

$$
\leq \sum_{x_j^i \in \{0,1\}^j} \sum_{x_{j+1}^k \in \{0,1\}^{k-j}} \frac{1}{N_k - k + 1} \left| \sum_{i=0}^{N_k-k} \left( I_{\{u_{i+1}^{i+k} = x_j^i\}} - I_{\{v_{i+1}^{i+k} = x_j^i\}} \right) \right|
$$

$$
= \sum_{x_j^i \in \{0,1\}^j} \frac{1}{N_k - k + 1} \left| \sum_{i=0}^{N_k-k} \left( I_{\{u_{i+1}^{i+k} = x_j^i\}} - I_{\{v_{i+1}^{i+k} = x_j^i\}} \right) \right|
$$

which is, by assumption, less than $\epsilon_k$.)

Now for any $M \leq k$ and $u_1^{N_k}, v_1^{N_k} \in \mathcal{U}_{N_k}$,

$$
\sum_{x_1^M \in \{0,1\}^M} \frac{1}{N_k - M + 1} \left| \sum_{i=0}^{N_k-M} \left( I_{\{u_{i+1}^{i+M} = x_1^M\}} - I_{\{v_{i+1}^{i+M} = x_1^M\}} \right) \right|
$$

$$
\leq \sum_{x_1^M \in \{0,1\}^M} \frac{1}{N_k - k + 1} \left| \sum_{i=0}^{N_k-k} \left( I_{\{u_{i+1}^{i+k} = x_1^k\}} - I_{\{v_{i+1}^{i+k} = x_1^k\}} \right) \right| \frac{N_k - k + 1}{N_k - M + 1}
$$

$$
+ \frac{k - M}{N_k - M + 1} 2^M
$$

$$
\leq \epsilon_k + \frac{k - M}{N_k - M + 1} 2^M. \tag{7}
$$

where we used (6). Thus for any $M \leq k$ and $u_1^{N_k}, v_1^{N_k} \in \mathcal{U}_{N_k}$,

$$
\sum_{x_1^M \in \{0,1\}^M} \frac{1}{N_k - M + 1} \left| \sum_{i=0}^{N_k-M} \left( I_{\{u_{i+1}^{i+M} = x_1^M\}} - I_{\{v_{i+1}^{i+M} = x_1^M\}} \right) \right| \leq \epsilon_k + \frac{k - M}{N_k - M + 1} 2^M. \tag{7}
$$

13
Assume the process \( \{X_n\} \) is stationary but not ergodic. Then for some \( M \) and for some \( a_i^M \in \{0, 1\}^M \),
\[
\lim_{n \to \infty} \frac{1}{n} \sum_{i=0}^{n-1} I\{X_{i+1} = a_i^M\}
\]
almost surely exists, but the limit is not a constant on any set of probability one. (Cf. Theorem 7.2.1 in Gray (1988).) This means that there exist \( \delta > 0 \) and positive integer \( n_0 \) such that for all \( n > n_0 \) there will be sets \( E_n, F_n \subseteq \{0, 1\}^n \) of probability > 10\( \delta \) such that for all \( u_1^n \in E_n \) and \( v_1^n \in F_n \),
\[
\frac{1}{n-M+1} \sum_{i=0}^{n-M} \left| I\{u_{i+1}^M = a_i^M\} - I\{v_{i+1}^M = a_i^M\} \right| > 10\delta.
\]
For \( M \) and \( \delta \) above choose \( k \) large enough so that \( M < k, \epsilon_k < 0.5\delta, 2^M(k-M)/(N_k-M+1) < 0.5\delta, \) and \( N_k > n_0 \). (Such a \( k \) exists since \( \epsilon_k \to 0 \) and \( \frac{k}{N_k} < \frac{1}{k} \to 0 \).)
However this leads to a contradiction since \( U_{N_k} \) fills all but \( \delta \) while on sets \( E_{N_k} \) and \( F_{N_k} \), which have probability at least 10\( \delta \), the empirical distributions differ. (\( U_{N_k} \) should have nonempty intersection with both \( E_{N_k} \) and \( F_{N_k} \) and so on \( U_{N_k} \) the empirical distribution should differ by 10\( \delta \) which contradicts (7) and the fact that \( \epsilon_k + 2^M(k-M)/(N_k-M+1) < \delta \).) The proof of Lemma 4 is complete.

References

[1] Bailey, D. H. (1976) Sequential Schemes for Classifying and Predicting Ergodic Processes. Ph. D. thesis, Stanford University.

[2] Cornfeld, I.P. Fomin, S.F. and Sinai, Ya.G. (1982) Ergodic Theory, volume 45 of Grudlehren der Mathematischen Wissenschaften/Fundamental Principles of Mathematical Science. Springer Verlag, New York.
[3] Csiszár, I. and Shields, P. (2000) The consistency of the BIC Markov order estimator. 
Ann. Statist. 28, 1601-1619.

[4] Gray, R.M. (1988) Probability, Random Processes, and Ergodic Properties. Springer 
Verlag, New York.

[5] Györfi, L. Morvai, G. and Yakowitz, S. (1998) Limits to consistent on-line forecasting 
for ergodic time series. IEEE Transactions on Information Theory. 44, 886-892.

[6] Kalikow, S. Katzenelson, Y. and Weiss, B. (1992) Finitarily deterministic generators 
for zero entropy systems. Israel Journal of Mathematics, 79, 33-45.

[7] Kemeny, J.G. and Snell, J.L. (1960) Finite Markov Chains, Van Nostrand Reinhold, 
Princeton, New Jersey.

[8] Morvai, G. (2003) Guessing the output of a stationary binary time series. In Foundations 
of Statistical Inference, Ed. Y. Haitovsky, H.R. Lerche and Y. Ritov. Physica- 
Verlag 207-215.

[9] Morvai, G. and Weiss, B. (2003) Forecasting for stationary binary time series. Acta 
Applicandae Mathematicae, 79, 25-34.

[10] Ornstein, D. and Weiss, B. (1990) How sampling reveals a process The Annals of 
Probability 18, 905-930.

[11] Shields, P.C. (1996) The Ergodic Theory of Discrete Sample Paths, volume 13 of 
Graduate Studies in Mathematics. American Mathematical Society, Providence.