

A DE FINETTI THEOREM FOR
CAPACITIES: AMBIGUITY ABOUT
CORRELATION*

By Larry G. Epstein⁺ and Kyoungwon Seo⁺⁺
January 16, 2010

ABSTRACT

The de Finetti Theorem on exchangeability is generalized to a frame-work where beliefs are represented by belief functions. This is done while extending the scope of the bridge provided by de Finetti between subjectivist and frequentist approaches. The model is shown to accommodate ambiguity about how experiments are “correlated.”

*This research was supported by the National Science Foundation (awards SES-0917740 and SES-0918248). The material in this paper was formerly contained in the paper titled “Symmetry, Ambiguity and Frequencies,” which no longer exists as a separate paper.

+ Boston University, lepstein@bu.edu

++ Department of Managerial Economics and Decision Sciences, Kellogg School, Northwestern University, k-seo@kellogg.northwestern.edu