A SHORT PROOF OF THE DOOB-MEYER THEOREM

MATHIAS BEIGLBÖCK, WALTER SCHACHERMAYER, BEZIRGEN VELIYEV

Abstract. Every submartingale $S$ of class $D$ has a unique Doob-Meyer decomposition $S = M + A$, where $M$ is a martingale and $A$ is a predictable increasing process starting at 0.

We provide a short and elementary prove of the Doob-Meyer decomposition theorem. Several previously known arguments are included to keep the paper self-contained.

1. Introduction

Throughout this article we fix a probability space $(\Omega, \mathcal{F}, \mathbb{P})$ and a right-continuous complete filtration $(\mathcal{F}_t)_{0 \leq t \leq T}$.

An adapted process $(S_t)_{0 \leq t \leq T}$ is of class $D$ if the family of random variables $S_\tau$ where $\tau$ ranges through all stopping times is uniformly integrable ([Mey62]).

The purpose of this paper is to give a short and elementary proof of the following

**Theorem 1.1** (Doob-Meyer). Let $S = (S_t)_{0 \leq t \leq T}$ be a càdlàg submartingale of class $D$. Then, $S$ can be written in a unique way in the form

$$S = M + A$$

where $M$ is a martingale and $A$ is a predictable increasing process starting at 0.

Doob [Doo53] noticed that in discrete time an integrable process $S = (S_n)_{n=1}^\infty$ can be uniquely represented as the sum of a martingale $M$ and a predictable process $A$ starting at 0; in addition, the process $A$ is increasing iff $S$ is a submartingale. The continuous time analogue, Theorem 1.1, goes back to Meyer [Mey62, Mey63], who introduced the class $D$ and proved that every submartingale $S = (S_t)_{0 \leq t \leq T}$ can be decomposed in the form (1), where $M$ is a martingale and $A$ is a natural process. The modern formulation is due to Doléans-Dade [DD67, DD68] who obtained that an increasing process is natural iff it is predictable. Further proofs of Theorem 1.1 were given by Rao [Rao69], Bass [Bas96] and Jakubowski [Jak05].

Rao works with the $\sigma(L^1, L^\infty)$-topology and applies the Dunford-Pettis compactness criterion to obtain the desired continuous time decomposition as a weak-$L^1$ limit from discrete approximations. To obtain that $A$ is predictable one then invokes the theorem of Doléans-Dade.

Bass gives a more elementary proof based on the dichotomy between predictable and totally inaccessible stopping times.

Jakubowski proceeds as Rao, but notices that predictablity of the process $A$ can also be obtained through an application of Komlos’ Lemma [Kom67].

The proof presented subsequently combines ideas from [Jak05] and [BSV10] to construct the continuous time decomposition using a suitable Komlos-type lemma.

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2. Proof of Theorem 1.1

The proof of uniqueness is standard and we have nothing to add here; see for instance [Kal02, Lemma 25.11].

For the remainder of this article we work under the assumptions of Theorem 1.1 and fix $T = 1$ for simplicity.

Denote by $D_n$ and $D$ the set of $n$-th resp. all dyadic numbers $j/2^n$ in the interval $[0,1]$. For each $n$, we consider the discrete time Doob decomposition of the sampled process $S^n = (S_t)_{t \in D_n}$, that is, we define $A^n, M^n$ by $A^n_0 := 0,$

$$A^n_t - A^n_{t-1/2^n} := \mathbb{E}[S_t - S_{t-1/2^n} | \mathcal{F}_{t-1/2^n}]$$

and

$$M^n_t := S_t - A^n_t$$

so that $(M^n_t)_{t \in D_n}$ is a martingale and $(A^n_t)_{t \in D_n}$ is predictable with respect to $(\mathcal{F}_t)_{t \in D_n}$.

The idea of the proof is, of course, to obtain the continuous time decomposition (1) as a limit, or rather, as an accumulation point of the processes $M^n, A^n, n \geq 1$.

Clearly, in infinite dimensional spaces a (bounded) sequence need not have a convergent subsequence. As a substitute for the Bolzano-Weierstrass Theorem we establish the Komlos-type Lemma 2.1 in Section 2.1.

In order to apply this auxiliary result, we require that the sequence $(M^n_t)_{n \geq 1}$ is uniformly integrable. This follows from the class $D$ assumption as shown by [Rao69]. To keep the paper self-contained, we provide a proof in Section 2.2.

Finally, in Section 2.3, we obtain the desired decomposition by passing to a limit of the discrete time versions. As the Komlos-approach guarantees convergence in a strong sense, predictability of the process $A$ follows rather directly from the predictability of the approximating processes. This idea is taken from [Jak05].

2.1. Komlos’ Lemma. Following Komlos [Kom67]¹, it is sometimes possible to obtain an accumulation point of a bounded sequence in an infinite dimensional space if appropriate convex combinations are taken into account.

A particularly simple result of this kind holds true if $(f_n)_{n \geq 1}$ is a bounded sequence in a Hilbert space. In this case

$$A = \sup_{n \geq 1} \inf \{ \|g\|_2 : g \in \text{conv}\{f_n, f_{n+1}, \ldots\} \}$$

is finite and for each $n$ we may pick some $g_n \in \text{conv}\{f_n, f_{n+1}, \ldots\}$ such that $\|g_n\|_2 \leq A + 1/n$. If $n$ is sufficiently large with respect to $\varepsilon > 0$, then $\|\langle g_k, g_m \rangle / 2\|_2 > A - \varepsilon$ for all $m, k \geq n$ and hence

$$\|g_k - g_m\|_2^2 = 2\|g_k\|_2^2 + 2\|g_m\|_2^2 - \|g_k + g_m\|_2^2 \leq 4(A + \frac{1}{n})^2 - (A - \varepsilon)^2.$$  

By completeness, $(g_n)_{n \geq 1}$ converges in $\|\cdot\|_2$.

By a straightforward truncation procedure this Hilbertian Komlos-Lemma yields an $L^1$-version which we will need subsequently.²

Lemma 2.1. Let $(f_n)_{n \geq 1}$ be a uniformly integrable sequence of functions on a probability space $(\Omega, \mathcal{F}, \mathbb{P})$. Then there exist functions $g_n \in \text{conv}(f_n, f_{n+1}, \ldots)$ such that $(g_n)_{n \geq 1}$ converges in $\|\|_{L^1(\Omega)}$.

Proof. For $i, n \in \mathbb{N}$ set $f^{(i)}_n := f_{n^k \cdot \lfloor |f_n| \leq i \rfloor}$ such that $f^{(i)}_n \in L^2(\Omega)$.

We claim that there exist for every $n$ convex weights $\lambda^{(i)}_n, \ldots, \lambda^{(i)}_n$ such that the functions

$$\lambda^{(i)}_n f^{(i)}_n + \ldots + \lambda^{(i)}_n f^{(i)}_n$$

converge in $L^2(\Omega)$ for every $i \in \mathbb{N}$.

¹Indeed, [Kom67] considers Cesaro sums along subsequences rather than arbitrary convex combinations. But for our purposes, the more modest conclusion of Lemma 2.1 is sufficient.

²Lemma 2.1 is also a trivial consequence of Komlos’ original result [Kom67] or other related results that have been established through the years. Cf. [KS09, Chapter 5.2] for an overview.
To see this, one first uses the Hilbertian lemma to find convex weights $\lambda_n^1, \ldots, \lambda_n^N$ such that $(\lambda_n^1 f_n^{(1)} + \ldots + \lambda_n^N f_n^{(N)})_{n \geq 1}$ converges. In the second step, one applies the lemma to the sequence $(\lambda_n^1 f_n^{(2)} + \ldots + \lambda_n^N f_n^{(N)})_{n \geq 1}$, to obtain convex weights which work for the first two sequences. Repeating this procedure inductively we obtain sequences of convex weights which work for the first $m$ sequences. Then a standard diagonalization argument yields the claim.

By uniform integrability, $\lim_{i \to \infty} \|f_n^{(i)} - f_n\|_1 = 0$, uniformly with respect to $n$. Hence, once again, uniformly with respect to $n$,

$$\lim_{i \to \infty} \|(\lambda_n^1 f_n^{(i)} + \ldots + \lambda_n^N f_n^{(N)}) - (\lambda_n^1 f_n + \ldots + \lambda_n^N f_n)\|_1 = 0.$$  

Thus $(\lambda_n^1 f_n + \ldots + \lambda_n^N f_n)_{n \geq 1}$ is a Cauchy sequence in $L^1(\Omega)$. \hfill \Box

2.2. Uniform integrability of the discrete approximations.

Lemma 2.2. The sequence $(M_n^1)_{n \geq 1}$ is uniformly integrable.

Proof. Subtracting $\mathbb{E}[S_1 | F_1]$ from $S_t$ we may assume that $S_t = 0$ and $S_t \leq 0$ for all $0 \leq t \leq 1$. Then $M_n^1 = -A_n^1$, and for every $(F_t)_{t \in \mathbb{D}_n}$-stopping time $\tau$

$$S_\tau = -\mathbb{E}[A_n^1 | F_\tau] + A_n^\tau.$$  

We claim that $(A_n^1)_{n \geq 1}$ is uniformly integrable. For $c > 0, n \geq 1$ define

$$\tau_n(c) = \inf\{(j-1)/2^n : A_{j/2^n} > c\} \wedge 1.$$  

From $A_n^{\tau_n(c)} \leq c$ and (4) we obtain $S_{\tau_n(c)} \leq -\mathbb{E}[A_n^1 | \mathcal{F}_{\tau_n(c)}] + c$. Thus,

$$\int_{\{A_n^1 > c\}} A_n^1 \, d\mathbb{P} = \int_{\{\tau_n(c) < 1\}} \mathbb{E}[A_n^1 | \mathcal{F}_{\tau_n(c)}] \, d\mathbb{P} \leq c\mathbb{P}[\tau_n(c) < 1] - \int_{\{\tau_n(c) < 1\}} S_{\tau_n(c)} \, d\mathbb{P}.$$  

Note $\{\tau_n(c) < 1\} \subseteq \{\tau_n(\frac{c}{2}) < 1\}$, hence, by (4)

$$\int_{\{\tau_n(\frac{c}{2}) < 1\}} -S_{\tau_n(\frac{c}{2})} \, d\mathbb{P} = \int_{\{\tau_n(\frac{c}{2}) < 1\}} A_n^1 - A_n^{\tau_n(\frac{c}{2})} \, d\mathbb{P} \geq \int_{\{\tau_n(c) < 1\}} A_n^1 - A_n^{\tau_n(c)} \, d\mathbb{P} \geq \frac{c}{2}\mathbb{P}[\tau_n(c) < 1].$$  

Combining the above inequalities we obtain

$$\int_{\{A_n^1 > c\}} A_n^1 \, d\mathbb{P} \leq -2\int_{\{\tau_n(\frac{c}{2}) < 1\}} S_{\tau_n(\frac{c}{2})} \, d\mathbb{P} - \int_{\{\tau_n(c) < 1\}} S_{\tau_n(c)} \, d\mathbb{P}.$$  

On the other hand

$$\mathbb{P}[\tau_n(c) < 1] = \mathbb{P}[A_n^1 > c] \leq \mathbb{E}[A_n^1] / c = -\mathbb{E}[M_n^1] / c = -\mathbb{E}[S_0] / c,$$  

hence, as $c \to \infty$, $\mathbb{P}[\tau_n(c) < 1]$ goes to 0, uniformly in $n$. As $S$ is of class $D$, (5) implies that the sequence $(A_n^1)_{n \geq 1}$ is uniformly integrable and hence $(M_n^1)_{n \geq 1} = (S_1 - A_n^1)_{n \geq 1}$ is uniformly integrable as well. \hfill \Box

2.3. The limiting procedure. For each $n$, extend $M_n^\alpha$ to a (càdlàg) martingale on $[0,1]$ by setting $M_n^\alpha_t := \mathbb{E}[M_n^\alpha | F_t]$. By Lemma 2.1 and Lemma 2.2 there exist $M \in L^1(\Omega)$ and for each $n$ convex weights $\lambda_n^1, \ldots, \lambda_n^N$ such that with

$$M_n^\alpha := \lambda_n^1 M_n^\alpha + \ldots + \lambda_n^N M_n^N,$$  

we have $M_n^\alpha \to M$ in $L^1(\Omega)$. Then, by Jensen’s inequality, $M_n^\alpha \to M_t := \mathbb{E}[M | F_t]$ for all $t \in [0,1]$. For each $n \geq 1$ we extend $A_n^\alpha$ to $[0,1]$ by

$$A_n^\alpha := \sum_{t \in \mathbb{D}_n} A_n^{\alpha \wedge (t-1/2^n, t)}$$  

and set $A^\alpha := \lambda_n^1 A_n^\alpha + \ldots + \lambda_n^N A_n^N.$
where we use the same convex weights as in (6). Then the càdlàg process
\[(A_t)_{0 \leq t \leq 1} := (S_t)_{0 \leq t \leq 1} - (M_t)_{0 \leq t \leq 1}\]
satisfies for every \(t \in D\)
\[A^\omega_t = (S_t - M^\omega_t) \to (S_t - M_t) = A_t \quad \text{in } L^1(\Omega).\]
Passing to a subsequence which we denote again by \(f\), we obtain that convergence holds also almost surely. Consequently, \(A\) is almost surely increasing on \(D\) and, by right continuity, also on \([0,1]\).

As the processes \(A^n\) and \(A^\omega\) are left-continuous and adapted, they are predictable. To obtain that \(A\) is predictable, we show that for a.e. \(\omega\) and every \(t \in [0,1]\)
\[(9) \quad \lim \sup_n A^n_\tau(\omega) = A_\tau(\omega).\]
If \(f_n, f : [0,1] \to \mathbb{R}\) are increasing functions such that \(f\) is right continuous and \(\lim_n f_n(t) = f(t)\) for \(t \in D\), then
\[(10) \quad \lim \sup_n f_n(t) \leq f(t) \quad \text{for all } t \in [0,1] \quad \text{and} \quad \lim_n f_n(t) = f(t) \quad \text{if } f \text{ is continuous at } t.\]
Consequently, (9) can only be violated at discontinuity points of \(A\). As \(A\) is càdlàg, every path of \(A\) can have only finitely many jumps larger than \(1/k\) for \(k \in \mathbb{N}\).
It follows that the points of discontinuity of \(A\) are of class \((D)\), and therefore it is sufficient to prove \(\lim \sup_n A^n_\tau = A_\tau\) for every stopping time \(\tau\).

By (10), \(\lim \sup_n A^n_\tau \leq A_\tau\) and as \(A^n_\tau \leq A^n = A_1\) in \(L^1(\Omega)\) we deduce from Fatou’s Lemma that
\[\lim \inf_n \mathbb{E}[A^n_\tau] \leq \lim \sup_n \mathbb{E}[A^n] \leq \mathbb{E} \left[ \lim \sup_n A^n_\tau \right] \leq \mathbb{E}[A_\tau].\]
Therefore it suffices to prove \(\lim_n \mathbb{E}[A^n_\tau] = \mathbb{E}[A_\tau]\). For \(n \geq 1\) set
\[\sigma_n := \inf \{t \in D_n : t \geq \tau\}.\]
Then \(A^n_\tau = A^n_{\sigma_n}\) and \(\sigma_n \downarrow \tau\). Using that \(S\) is of class \(D\), we obtain
\[\mathbb{E}[A^n_\tau] = \mathbb{E}[A^n_{\sigma_n}] = \mathbb{E}[S_{\sigma_n}] - \mathbb{E}[M_{\sigma_n}] \to \mathbb{E}[S_\tau] - \mathbb{E}[M_\tau] = \mathbb{E}[A_\tau].\]

**References**


