This article was originally published in the *Encyclopedia of Neuroscience* published by Elsevier, and the attached copy is provided by Elsevier for the author's benefit and for the benefit of the author's institution, for non-commercial research and educational use including without limitation use in instruction at your institution, sending it to specific colleagues who you know, and providing a copy to your institution's administrator.

All other uses, reproduction and distribution, including without limitation commercial reprints, selling or licensing copies or access, or posting on open internet sites, your personal or institution's website or repository, are prohibited. For exceptions, permission may be sought for such use through Elsevier's permissions site at:

http://www.elsevier.com/locate/permissionusematerial

Ideal Observer Theory

D Kersten, University of Minnesota, Minneapolis, MN, USA
P Mamassian, CNRS and Université Paris 5, Paris, France

© 2009 Published by Elsevier Ltd.

Introduction

An ideal observer is ideal in the sense that it achieves statistically optimal performance for a specified task. It makes the best decisions or estimates given uncertain sensory information and prior knowledge. What is best is specified in terms of costs and benefits. Ideal observer models can be used to study different types of real test observers, such as in the psychophysical analysis of the input/output behavior of humans and spike-train analysis of information carried by single neurons. If human perceptual performance approaches that of an ideal observer, this can, in principle, rule out a large class of candidate neural mechanisms that are suboptimal relative to the ideal. Although the ideal observer concept can be traced to earlier work, the modern notion of an ideal observer was developed in the 1950s by Peterson, Birdsall, Fox, Tanner, Swets, and others in the context of a general theory of signal detectability. The theory and its initial applications to human auditory and then visual sensitivity are described in a classic 1966 book by Green and Swets. In the late 1970s, Horace Barlow applied ideal observer analysis to higher-level perceptual tasks, such as the perception of symmetric patterns. By the 1990s, comparisons of human and ideal performance were extended to an increasingly wider set of problems, including object and motion perception, perceptual organization, reading, and motor control. Ideal observer analysis has shown, for example, that the way in which human observers integrate depth or motion information takes into account uncertainty in the input image cues, as we might expect from an ideal observer doing the same task.

Defining the Ideal Observer

The key ingredients in defining an ideal observer are (1) the generative model; (2) the task requirements, including a measure of performance; and (3) an observer model that specifies the optimal action rule for the given task requirement. The ideal observer can be defined in terms of four classes of random variables on a directed graph (i.e., one with arrows) that represents how the variables influence one another (see Figure 1). These variables represent states of the world $s$, observations (data) $x$ that result, actions $a$ (e.g., decision or estimate) on the data, and the losses (costs) $L(a, s)$ of action $a$, given the true state $s$. The spaces can be discrete or continuous. For example, a state of the world could mean one of two positions of a light switch or the distance of an object. An action may be only indirectly related to the state, for example, when a person throws a ball, the speed of release of the ball aimed at a distant target versus an estimate of the state itself (distance). We now go over the elements in greater detail.

The Generative Model

The generative model specifies how the states of the world $s$ determine the observed data $x$, that is, sensory input (e.g., the pattern of image intensities). The state space can be discrete or continuous. In general, states and data are multidimensional, $s = (s_1, s_2, s_3, \ldots)$ and $x = (x_1, x_2, x_3, \ldots)$, and the relationship between states and data can have complex dependencies (a simplified example is shown in Figure 1(b)). The generative model consists of the prior probability of the state $s$, $p(S = s)$ and the probability of the observation $x$ given $s$, $p(X = x|s)$. The prior probability can be simple, representing the probability of a hypothesis with just two values, such as a light switch being set to high $S = s_1$ rather than low $S = s_2$. But the prior probability on $s$ can also be used to model complex pattern regularities that take into account covariation among elements of $s$, such as the probability of a surface tending to have smoothly varying, rather than rapidly changing, depths. In this case, validating the model for the prior from real-world data can be a significant problem by itself; however, in the lab, an experimenter can specify the prior. The probability of an observation $x$ given $s$ describes how the signal $s$ is encrypted in the data and is the likelihood of the hypothesis (the state $s$) given the data. The description could be as simple as $x = s + n$, where $x$ is light intensity, $s$ is the average level of one of two fixed light intensities, and $n$ is a sample of Gaussian noise. Then $p(X = x|s) = p(x - s)$. Or $p(X = x|s)$ could be derived from a more complicated function $x = \phi(s, n)$, where $x$ is a vector representing an image, and $\phi$ is a function that describes how a shape $s$ together with a confounding variable $n$, such as viewpoint (or slant angle in the next example), determines the image observation. In the context of a psychophysical experiment, the generative model can be thought of as a probabilistic description of how the stimuli are generated.
The Task Requirements

The task requirements are twofold: (1) decide what is to be done with the data, for example, detect the presence or absence of the signal (e.g., high vs. low contrast? or animal present or not?), identify the signal (e.g., which letter, A, B, or C?), and estimate a continuous value (e.g., what is the depth of the object?); and (2) determine the value of achieving or not achieving the goal. Not all elements of the state variable, \( s = (s_1, s_2, s_3, \ldots) \), are equally important and need to be determined accurately. In classic signal detection theory, state variables are divided into two types – the relevant variables to be inferred accurately (signals) and those to be discounted (noise) – with associated losses for right and wrong answers. Generally, the value of accuracy can be expressed in terms of a loss function (or, alternatively, a gain function, equal to one minus the loss function). For example, different degrees of relevance can be placed on the state variables by specifying a loss function \( L(a_1, a_2; s_1, s_2) \), which puts a cost on choosing actions \( a_1, a_2 \) when the true states are \( s_1 \) and \( s_2 \). If the action is an estimate of \( s \), \( a = \hat{s} \), loss may be expressed in terms of differences, \( L(\hat{s} - s) \).

Optimal Action or Decision Rule

Of the many possible observer models, the ideal observer is defined as one that uses an action rule \( a(x) \) that minimizes the risk for the task. The expected risk is defined as the loss averaged over both state and observation variables: \( R(ax) = \sum_{s, x} L(s, a(x))p(s, x) \). For a given observation \( x \), the decision rule is to choose action \( a \) so as to minimize \( R(ax) = \sum_{s, x} L(s, a(x))p(s|x) \). Often the action space has a simple relationship with the signal state space. For example, in a detection or discrimination task, the state space is discrete and binary, and the action is to decide whether the signal was sent or not (answer yes or no to questions such as ‘Is Thomas there?’ or ‘Is Thomas bigger than Simon?’). For identification, the state space is discrete with multiple values (\( S = \{ \text{Thomas, Simon, Hermann, Jacob} \} \)), and the actions are decisions based on \( x \) (‘Is it Thomas? Simon? Hermann? Jacob?’). For estimation, the action is an estimate of the state variable, \( a = \hat{s} \) from observation \( x \) (e.g., ‘How tall is she?’). If the loss is uniformly high for all wrong decisions and low for the correct decision, then the optimal action is to pick the most probable state \( s \) given the data \( x \). This is the maximum a posteriori (MAP)
observer: $a(x) = \text{argmax}_p p(s|x)$. This rule yields the smallest average error. If the loss is the squared error between the state and estimated state variables, then the optimal action is to choose the mean of the posterior. Next, we illustrate task requirements with examples for detection and estimation tasks.

## Applications of Ideal Observer Theory

We can distinguish two types of applications of ideal observer theory. For the purposes of this article, we refer to the first as ideal observer analysis; in this application, the test observer (humans or neural system) competes against the ideal observer in the same well-defined laboratory task. Because the experimenter controls the conditions for the stimuli and task, no observer can do better (on average) for the specified task. In this case, the performance of an ideal observer can be thought of as a benchmark against which to measure human performance. The emphasis is on departures from ideal performance, which provides clues to the underlying, generally subideal mechanisms. Ideal observer analysis is a useful addition to the experimenter’s toolbox alongside linear and nonlinear systems analysis. Ideal observer analysis has been used to show that humans perform some tasks with strikingly high efficiency relative to the ideal observer but perform others quite poorly. One of the historic success stories was to show that the human ability to discriminate light intensity under nighttime viewing conditions can be extremely high. Following on the work of Hecht, Schlaer, and Pirenne in the 1940s, Horace Barlow showed in the early 1960s that human quantum efficiencies were sufficiently high as to rule out any explanation that required the retinal transduction of more than a few photons.

The second application of ideal observer theory is as an approximate theory or model of performance. The primary distinction between the two applications is that the second typically makes simplifying assumptions about the generative model (see the section titled ‘Estimation’), including the nature of the input representation (e.g., the ideal observer may have geometrical features as input, whereas the human observer receives image intensities as input, from which geometrical information is derived) or how the data are caused by the states of the world (e.g., Gaussian noise is added, whereas the actual noise may be non-Gaussian). In other words, the ideal observer is optimal with respect to a generative model that may differ in detail from the true generative model, either as defined in a particular laboratory study or in a real-world task. The primary reason for these simplifying assumptions is practical – the true ideal observer is too hard to calculate. Even though humans are in general suboptimal, an ideal observer model may nonetheless go a long way in explaining the observed behavior. In this second type of application, ideal observer theories are equivalent to Bayesian theories of perceptual performance. As a modeling tool, a general advantage of the Bayesian ideal observer approach is that it avoids a commitment to untestable mechanistic details, such as a particular neural architecture, while still providing quantitative predictions of behavior (Table 1).

## Examples of Ideal Observer Analysis

### Signal Detection

Figure 2 illustrates a classic task in signal detection theory in which a switch is set to high or low and the observer has to guess the setting based on an observation, in this case a measurement of light intensity.

#### The generative model

The switch setting is the state variable. If the two switch settings are equally likely, independent of the data, then the prior is constant and equal to one-half, $p(S = s) = 1/2$. The second part of the generative model, the likelihood, specifies how the observations depend on the state. Suppose that when the switch is set to high the average light intensity is higher than when the switch is set to low. However, because of trial-to-trial fluctuations (noise), the measured or observed light intensity varies. So sometimes the measured light intensity is higher for the low setting than for the high switch setting. Note that in ideal observer analysis, we may be able to test the validity of the generative model, apart from questions of optimal inference. Thus, for example, the

---

**Table 1: Ideal observer model equations**

<table>
<thead>
<tr>
<th>Terms</th>
<th>Equations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conditioning</td>
<td>$p(x</td>
</tr>
<tr>
<td>Marginalization</td>
<td>$p(x) = \int p(x</td>
</tr>
<tr>
<td>Bayes’s rule</td>
<td>$p(s</td>
</tr>
<tr>
<td>Signal-to-noise ratio for equal variance Gaussian case</td>
<td>$d_{opt} = (\mu_s - \mu_h)/\sigma$</td>
</tr>
<tr>
<td>ROC in terms of $z$</td>
<td>$z(P_H) = (\sigma_n/\sigma_s)z(P_{FA}) - [((\mu_s - \mu_h)/\sigma_s]$</td>
</tr>
<tr>
<td>$d^2$ for 2AFC from proportion correct</td>
<td>$d_{zinh}^2 = -\sqrt{2}z(P_c)$</td>
</tr>
<tr>
<td>Efficiency</td>
<td>$E = (d_{zinh}/d_{opt})^2$</td>
</tr>
</tbody>
</table>

2AFC, two-alternative forced-choice task; ROC, receiver operating characteristic; snr, signal-to-noise ratio.
light switch model assumes additive Gaussian noise (although at low intensities at which fluctuations in photon emission and absorption may dominate; a Poisson model is a better choice). Figure 2(c) (top) shows the Gaussian distributions of observations under the two possible state conditions. The noise is additive because the high switch setting produces the same distribution as that of the lower setting, except that the mean is shifted by an added amount. The standard deviation remains the same.

The task Suppose that given an observation the observer has to decide whether it was due to a high or a low switch setting. Further, suppose that the task requires that the probability of error $p(L=1)$ be as small as possible. Loss is represented by $1 - \delta_{s,i}$ (the Kronecker delta function, $\delta_{s,i} = 1$ if $s = i$, and $\delta_{s,i} = 0$ otherwise). Another common task in psychophysics is the two-alternative, forced-choice task (2AFC). The test observer (e.g., a human subject) and ideal observer share the same state, observation, and action space, as well as loss function (scoring system). In general, they differ in their mappings of observations to actions, that is, their decision rules.

The optimal decision rule Intuitively, we guess that the best strategy might be to choose $s_{H}$ if $p(x|s_{H}) > p(x|s_{L})$, and, in fact, this is the optimal rule for the constant prior case if we want to have the smallest error rate. In our example, this rule is equivalent to choosing $s_{H}$ if $x > x_{c}$, where $x_{c}$ is the point where the two curves in Figure 2(c) (top) cross one another. However, the general rule for minimizing error is the MAP rule, which takes into account the prior probability and picks the state with the higher posterior probability; that is, it chooses $s_{H}$ if $p(s_{H}|x) > p(s_{L}|x)$. The posterior $p(s|x)$ is determined by the prior and likelihood through Bayes’s rule: $p(s|x) = p(x|s)p(s)/p(x)$. If, for example, the prior probability of the switch setting high is bigger than the probability of low, this is equivalent to moving the criterion to $x_{m}$ (i.e., choosing $s_{H}$ if $x > x_{m}$). Compare the upper and lower panels of Figure 2(c). But there are other rules depending on the loss function we choose. The loss function is a $2 \times 2$ payoff matrix with loss values for hit (true positive), false alarm (false positive), correct rejection (true negative), and miss (false negative). We can assign distinct losses to each of these outcomes, in which, for example, false
alarms are more or less costly. In general, this results in a different rule \( r \) based on minimizing the risk – choose \( s_{1} \) if \( r(s_{1} | x) > r(s_{1} | x) \). Standard results in signal detection theory show that for this problem the optimal rule is equivalent to: choose \( s_{1} \) if \( x > x_{m} \), where the value of \( x_{m} \) (the criterion) depends on the loss matrix.

**How to compare test and ideal observers?** The test observer can perform no better than the ideal and in general does worse because of suboptimal action rules, such as systematically failing to use all the relevant information in the input stimulus. In this specific example, an observer can be suboptimal by putting the criterion \( x_{m} \) at the wrong place – a response bias. As the criterion shifts, the values of the hit and false alarm rates also shift. A graph of hit versus false alarm rates is known as the ‘receiver operating characteristic’ (ROC). A key contribution of signal detection theory was to show that underlying human sensitivity to a sensory signal (\( d' \)) could be teased apart from the value of the criterion.

In theory, the ideal and test observers can be compared in terms of their scores (average loss, i.e., proportion of errors) or \( d'_{\text{perf}} \) given the same states and resulting observations. However, it is often not practical to directly compare error rates (when the ideal is making a modest number of mistakes, the test observer may be near chance and would thus require too many measurements to estimate \( d'_{\text{perf}} \)); alternatively, we can compare state parameters in the generative model that produce identical performances (e.g., sensitivities \( d'_{\text{perf}} \), \( d'_{\text{perf}} \), \( d'_{\text{perf}} \), \( d'_{\text{perf}} \), for test and ideal in an equal-variance Gaussian noise-detection task are determined by the signal-to-noise ratios \( d'_{\text{snr}} \) and \( d'_{\text{snr}} \)). Suppose, for example, that a human and ideal observer both have the same proportion correct in a 2AFC task; then, the ideal observer can be used as a benchmark, where a standard measure of comparison is statistical efficiency \( E = \frac{(\text{Number of samples required by the ideal observer})}{(\text{Number of samples required by test observer})} \). In the case of additive Gaussian noise, this is equivalent to \( E = \frac{(d'_{\text{snr}})}{(d'_{\text{snr}})} \). If the noise is the same, efficiency takes on the simple form of the ratio of the squared threshold values of the ideal observer to the human observer. In the case of detecting an image pattern in additive Gaussian noise, an observer can be suboptimal by failing to use all the image samples (pixels) or by performing as if there were additional noise. These two sources of suboptimality have been teased apart in psychophysical experiments, measured in terms of calculation (or central) efficiency or transduction efficiency. Efficiency provides a unit-free measure of performance that allows for the stimulus complexity and task constraints.

**Estimation**

Perception is critical to a wide range of tasks, of which signal detection is just one. Consider the problem of determining the dimensions of a three-dimensional object from a two-dimensional projected image. In this case, a major source of uncertainty results from the loss of information due to projection. Figure 3 illustrates a Bayesian ideal observer model for a simple task to estimate the height and slant of a class of elliptical disks. Given an elliptical shape on the retina, what object could have produced it? It could be an elliptical disk, but a flat circular disk could also produce an elliptical image.

**The generative model** For simplicity, assume that the world consists of elliptical disks of width equal to 1 but with various heights \( b \). These disks can have various slants, \( \alpha \), with respect to a viewer. The states are continuous and can be represented by \( s = (s_{1}, s_{2}) = (b, \alpha) \). We can hypothesize a prior, \( p(s) = p(b, \alpha) \) on these values. Figure 3 shows the graph of a bivariate Gaussian prior that assumes that the average slant is \( \pi/4 \) and the average height is 1. If viewed from a far distance, the width of the projection of any disk from this state space is a constant value (say, 1); but the height of the projection depends on both the true height of the disk and the slant. An observation of the height \( x \) of the retinal image provides data that constrains but, without additional information, does not uniquely determine the possible states. In the signal-detection example, uncertainty resulted from added Gaussian noise; here, although we assume some additional measurement noise, the critical uncertainty results from the property that the surface could be slanted away from the viewer by various unknown degrees. For a distant view, the image observation \( x \) can be approximated as \( x \sim b \cos(\alpha) + n \). Assuming Gaussian noise, this determines the likelihood function, \( p(x | b, \alpha) \), where \( p(n) = e^{-n^{2}/2\sigma^{2}}/(\sqrt{2\pi}) \) is the standard formula for a Gaussian distribution with 0 mean.

The task Given an observation, say \( x = 1/2 \), the ideal observer needs to determine the height and slant with the least risk. Figure 3 illustrates the steps. It first computes the likelihood of the observation for all possible values of the state variables. The likelihood has a high ridge of constant height, meaning that there are infinitely many pairs of height and slant values that are equally likely. Thus, for example, a height of 4 inclined at 83° is no less likely than a head-on slant of 0 together with a height of 1/2.
This ambiguity can be resolved by multiplying the likelihood by the prior distribution to obtain the posterior distribution, \( p(h, a | x) \). At this point, we could stop and pick off the peak values of the posterior as the most probable values of height and slant. This corresponds to the decision rule for the MAP observer. However, suppose the task is more complex, requiring greater precision, say, in estimating the slant than the height.

The optimal decision rule In this more general case, we use a rule that minimizes risk. A simple model of risk is to define loss in terms of the absolute values of the errors, that is, the difference between the true and estimated state variables. We then assign a uniformly low loss to errors of height that fall within a wide range, but penalize slant errors more narrowly, as shown by the loss function in Figure 3. The risk is then a convolution of the loss function with the posterior, \( R(h, a | x) = \int p(h', a' | x) L(h - h', a - a') dh' da' \), and the decision rule is to pick the pair of state variables corresponding to the lowest values of \( R \). It is straightforward to show that if the tolerance to errors in height and slant are infinitely wide and narrow, respectively, then height effectively drops out of the risk, and minimizing risk corresponds to the MAP estimation on the marginal posterior, \( p(a | x) \).

How to compare test and ideal observers? Even if human observer estimates differ in detail from an ideal observer model, we can still test the degree to which information is optimally combined. Consider the posterior term, which is proportional to the product of the likelihood and prior terms. The ideal observer combines the image cues and the prior information in such a way as to take into account the reliability of each of the sources. Thus, smaller variances on the prior bias the final estimate toward the prior means, and, conversely, highly reliable (e.g., noise-free) image data move the estimates of slant...
and/or height toward values consistent with the data. Task differences also affect shifts in the optimal estimates of the state variables. Although this example illustrates the balance between the prior and likelihood, there is a similar trade-off in the case of cue integration. For example, if there is additional information for the slant of the surface (e.g., a texture gradient), then the ideal observer combines and weights the cues according to their reliabilities. For the case of conditional independence and Gaussian noise, the optimal cue weighting is given by $s_{opt} = \left[ (s_1 r_1) / (r_1 + r_2) \right] + \left[ (s_2 r_2) / (r_1 + r_2) \right]$, where $s_i$ is the estimate of the state variable from cue $i$, and $r_i$ is the reciprocal of the variance for that cue.

**Related Areas**

Ideal observer theory has close connections to several other areas of neuroscience and cognitive science. Optimal control theory has a similar structure to that illustrated in Figure 1(a). In applications to motor control, the state variables change continuously in time and correspond to internal physical parameters that influence a movement. The Bayes's risk function is replaced by a cost function (e.g., physical energy of a movement), and the action rule is replaced by a control law.

Ideal observer analysis can be naturally extended to optimal learning. Bayes's optimal learning corresponds to updating the parameters (e.g., mean and variance) of the posterior distribution as new data come in. Rather than using the data to infer the causes or states of the generative model, we use Bayes' rule to learn the values of the parameters that determine the posterior.

Computational techniques such as expectation maximization (EM) and Bayesian belief propagation, have provided the means to deal with more complicated and non-Gaussian generative models, with applications to inference and learning. Future work should produce a growing number of applications to the experimental study of cognitive and neural processes.

Comparisons of ideal and human perceptual behavior inevitably lead to the question of the nature of the underlying neural mechanisms that might support ideal-like computation. One of the central issues is how information about uncertainty may be represented and processed in the nervous system.

**See also:** Active Perception; Bayesian Cortical Models; Bayesian Models of Motor Control; Decision-Making and Vision; Human Methods: Psychophysics; Motor Psychophysics; Neural Integrator Models; Psychophysics of Attention; Statistical Analysis of Visual Perception.

**Further Reading**


