

COL866: Special Topics in Algorithms

Lecture 9




Fairness and Efficiency

Sep 01, 2023




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The Model

	(A)	(B)	(C)	(D)	(E)
	4	1	2	2	2
	1	0	5	1	1
	1	1	5	1	1

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Additive
valuations

$$\begin{aligned} \triangle \{ (B) (D) (E) \} &= \triangle \{ (B) \} + \triangle \{ (D) \} + \triangle \{ (E) \} \\ &= 0 + 1 + 1 = 2 \end{aligned}$$



Envy-Freeness Up To One Good [Budish, 2011]

Envy can be eliminated by removing some good in the envied bundle.

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My bundle is better
if (A) is removed



My bundle is better
if (C) is removed



(A)

(B)

(C)

4

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Allocation $A = (A_1, \dots, A_n)$ is EF1 if for every pair of agents i, k , there exists a good $j \in A_k$ such that $v_i(A_i) \geq v_i(A_k \setminus \{j\})$.

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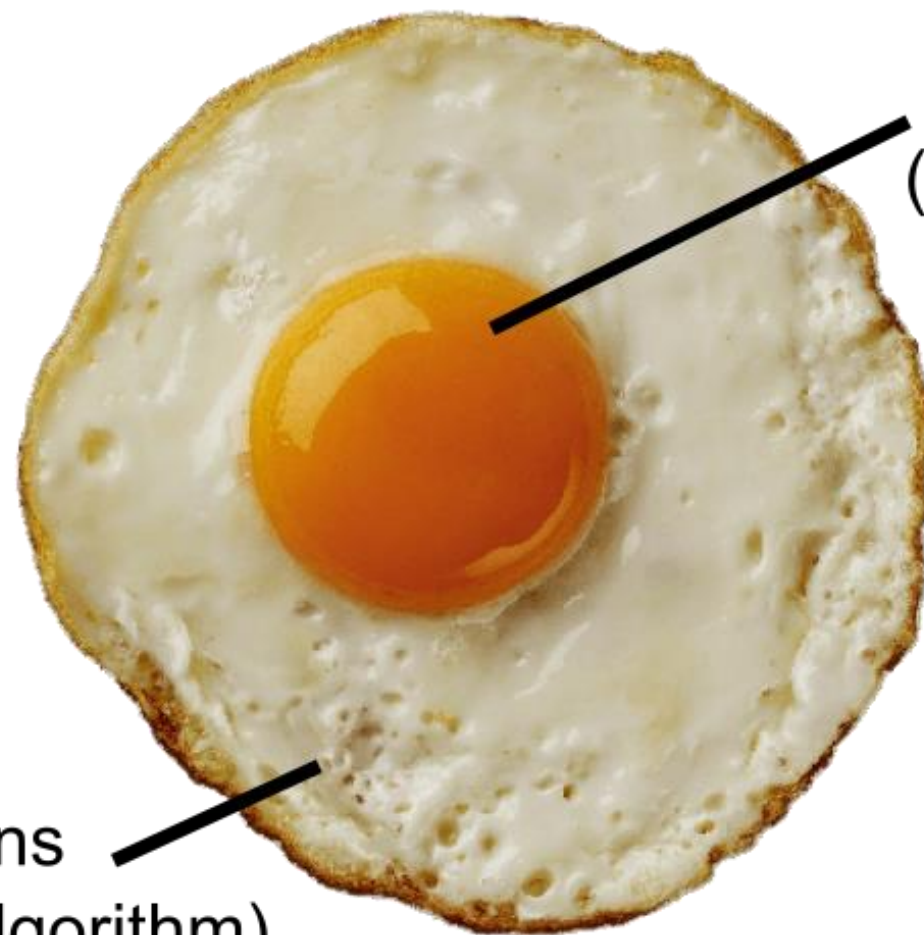
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Guaranteed to exist and efficiently computable

Last Time

Algorithms for finding an EF1 allocation



Additive valuations
(Round-robin algorithm)

Monotone valuations
(Envy-cycle elimination algorithm)

A trivial way of achieving fairness: **Don't allocate anything!**

A bare minimum efficiency requirement: **Completeness**



WHEN A COMPLETE ALLOCATION



SIMPLY ISN'T ENOUGH

"Obvious" Improvement

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☺	4	3	1	1	1
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"obviously"
improved
by

"Obvious" Improvement

	(A)	(B)	(C)	(D)	(E)
Red smiley	4	3	1	1	1
Blue smiley	5	2	1	1	1
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Strictly improving someone without hurting anyone else



Pareto Optimality

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To make someone better off, someone else must be made worse off.



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Allocation **A** is *Pareto optimal* (PO) if no other allocation **B** Pareto improves it.

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Is EF1 compatible with Pareto optimality?

Round Robin Fails Pareto Optimality

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Pareto improved by

Envy-Cycle Elimination Fails Pareto Optimality

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Another natural strategy for EF1+PO

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Start with an EF1 allocation, and repeatedly make Pareto improvements to it.

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Exercise: Pareto improvement can fail to preserve EF1.



Nash Social Welfare

[Nash, 1950; Kaneko and Nakamura, 1979]

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A **Nash optimal** allocation is one that maximizes Nash social welfare.*

*If optimal is 0, then find *any* largest set of agents who can simultaneously be given positive utility and maximize the geometric mean with respect to only those agents.

[Caragiannis, Kurokawa, Moulin, Procaccia, Shah, and Wang, *TEAC* 2019]

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Why PO?

Pareto improvement strictly improves NSW.

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Let $g^* \in \arg \min_{g \in A_k: v_i(\{g\}) > 0} v_k(\{g\})/v_i(\{g\})$.

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Does such a good g^* always exist?

[Caragiannis, Kurokawa, Moulin, Procaccia, Shah, and Wang, *TEAC* 2019]

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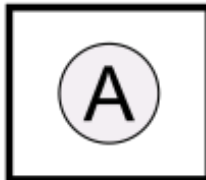




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We will show that transferring g^* from agent k to agent i improves NSW.

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$$\frac{NSW(B)}{NSW(A)} > 1$$

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$$\Leftrightarrow \left(1 - \frac{v_k(g^*)}{v_k(A_k)}\right) \cdot \left(1 + \frac{v_i(g^*)}{v_i(A_i)}\right) > 1$$

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By our choice of g^* :

$$\frac{v_k(g^*)}{v_i(g^*)} \leq \frac{\sum_{g \in A_k} v_k(g)}{\sum_{g \in A_k} v_i(g)} = \frac{v_k(A_k)}{v_i(A_k)}$$

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$$\frac{\text{NSW}(B)}{\text{NSW}(A)} > 1 \Leftrightarrow v_k(A_k) > \frac{v_k(g^*)}{v_i(g^*)} [v_i(A_i) + v_i(g^*)] \leftarrow \text{gives this}$$

By our choice of g^* :

$$\frac{v_k(g^*)}{v_i(g^*)} \leq \frac{\sum_{g \in A_k} v_k(g)}{\sum_{g \in A_k} v_i(g)} = \frac{v_k(A_k)}{v_i(A_k)} \leftarrow \text{combining these}$$

By EF1 violation:

$$v_i(A_i) < v_i(A_k) - v_i(g^*)$$

Any Nash optimal allocation satisfies Pareto optimality (PO) and envy-freeness up to one good (EF1).

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Ok, so an EF1+PO allocation always exists.

But what about computation?

Can a Nash optimal allocation be efficiently computed?

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[Nguyen, Nguyen, Roos, and Rothe, *JAAMAS* 2014; Lee, *IPL*. 2017]

Maximizing Nash social welfare is APX-hard.

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- Polynomial time for bounded valuations
- A 0.69-approximation to Nash social welfare objective



spliddit



Share Rent

Moving into a new apartment with roommates? Create harmony by fairly assigning rooms and sharing the rent.

START >



Split Fare

Fairly split taxi fare, or the cost of an Uber or Lyft ride, when sharing a ride with friends.

START >



Assign Credit

Determine the contribution of each individual to a school project, academic paper, or business endeavor.

START >



Divide Goods



Distribute Tasks



Suggest an App

Next Time

Envy-freeness up to
any good (EFX)



Quiz

Quiz

Construct an instance where no Nash optimal allocation can be achieved as the outcome of round robin algorithm (for any ordering of agents, any tie-breaking choices, etc.).

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