DAGSTUHL SEMINAR 22452

Computational Social Dynamics

Organizers:

Martin Hoefer Sigal Oren Roger Wattenhofer

6-11 November 2022

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Schedule

Any updates in the schedule can be found at:

 $\tt https://docs.google.com/document/d/1BLu8aDuomC4609qgycQp3TEgivPXnzGHvxG9-23QjqY$

Monday, 7 November 2022

9:00-10:00	Opening and Lightning Session	
10:00-10:30	Coffee Break	
10:30-11:30	I. Caragiannis	Fairness in allocation problems (Tutorial)
11:30-12:00	M. Klimm	Impartial selection problems
12:00-14:00		Lunch Break
14:00-15:30		Break
15:30-16:15		Cake Time
16:15-16:45	J. Witkowski	Incentive-Compatible Forecasting Competitions
16:45-17:15	C. Ventre	Systemic risk in financial networks – a computational perspective
17:15-17:45	D. Schmand	Asynchronous Opinion Dynamics in Social Networks
18:00		Dinner

Tuesday, 8 November 2022

9:00-10:00	M. Feldman	Algorithmic Contract Design (Tutorial)
10:00-10:30		Coffee Break
10:30-12:00		Open Problems Rump Session
12:00-14:00		Lunch Break
14:00-15:30		Discussion
15:30-16:15	Cake Time	
16:15-16:45	G. Benadè	Dynamic fair division with partial information
16:45-17:15	N. Rathi	New Fairness Notions for Resource Allocation
17:15-17:45	Y. Zick	A Simple, General Framework for Fair Allocation Under Matroid Rank Valuations
18:00		Dinner

Wednesday, 9 November 2022

0.00 10.00	0:00–10:00 O. Plonsky	Predictably Irrational? Can behavioral decision making
9:00-10:00		research help predict human choice? (Tutorial)
10:00-10:30		Coffee Break
	K Louton Proven	Mobile Games: An Exciting New Domain for
10:30-11:00	K. Leyton-Brown	Behavioral Game Theory
	DIengnen	Dynamics in Network Creation and Residential
11:00-11:30	P. Lenzner	Segregation
	V Dahishanka	Regret-minimizing aggregation of anonymous
11:30-12:00	Y. Babichenko	information
12:00-14:00		Lunch Break
14:00-15:30		Discussion
15:30-16:15		Cake Time
16:15-17:45		Discussion Summary

Thursday, 10 November 2022

9:00-10:30	R. Wattenhofer	Does Computation Change Society? (Tutorial)
10:00-10:30		Coffee Break
10:30-11:00	R. Lavi	Competition among Contests
11:00-11:30	V. Markakis	On multiplicative weights update and mirror-prox methods for zero-sum games
11:30-12:00	G. Varricchio	Best of Both Worlds: Agents with Entitlements
12:00-14:00		Lunch Break
14:00-18:00		Hike
18:00		Dinner

Friday, 11 November 2022

9:00-9:30	D. Melnyk	Byzantine Adversaries in Social Choice
0.20 10.00	L. Wilhelmi	Seniorities and Minimal Clearing in Financial Network
9:30–10:00 L. Wilh	L. willenni	Games
10:00-10:30	Coffee Break	
10:30-11:00	G. Christodoulou	The Nisan-Ronen conjecture
	R. Reiffenhäuser	Allocating Indivisible Goods to Strategic Agents: Pure
11:00-11:30	n. nemennauser	Nash Equilibria and Fairness
12:00-14:00		Lunch Break

List of Abstracts

Tutorials

Fairness in allocation problems

Ioannis Caragiannis, Aarhus University, DK

We will present variations of the problem of allocating indivisible items to agents with (mainly additive) valuations for the items. We will define basic fairness concepts such as proportionality and envy-freeness and discuss their basic properties. Next, we will introduce approximate versions of these concepts, such as envy-freeness up to some/any item (EF1/EFX) and maximin share fairness (MMS). We will present examples and many open problems.

No advanced or special mathematical background is needed to follow the talk.

Algorithmic Contract Design

Michal Feldman, Tel Aviv University, IL

Up until recently, Algorithmic Game Theory has mainly focused on the design of mechanisms that incentivize agents to truthfully report their private preferences. However, algorithms and incentives interact in many additional ways; the design of contracts being a prime example. While mechanism design deals with hidden preferences, contract design deals with hidden actions, and studies how best to incentivize agents to take costly actions, when their actions are hidden from the principal. With the transition of classic applications of contracts into computational platforms, algorithm design for such applications becomes timely and relevant.

In this talk, I will survey two papers on combinatorial contracts, which highlight different sources of complexity that arise in contract design.

Based on joint work with Tomer Ezra, Paul Duetting and Thomas Kesselheim.

Predictably Irrational? Can behavioral decision making research help predict human choice?

Ori Plonsky, Technion – Haifa, IL

Humans are said to be predictably irrational, yet accurate predictions of human choice behavior remain a major challenge. Behavioral science research often demonstrates contradictory deviations from rational choice, and predicting the direction of deviation is not easy. In this talk, I will review some of the classical findings and the most robust behavioral tendencies in human choice behavior. I will then demonstrate when and how understanding and accounting for them can aid the development of state-of-the-art predictive models.

Does Computation Change Society?

Roger Wattenhofer, ETH Zürich, CH

In our Dagstuhl seminar, we talk about better mechanisms to organize problems of society in a better (for instance fairer) way. We believe that by now computation should have had a huge impact on society, governments, and markets. However, many government mechanisms are still organized the same way as 100 years ago, pretty much ignoring all technical progress. In this talk, we discuss a few examples of computation in society. In the first part, we discuss systems that can help making voting decisions, or the benefits of electronic voting systems. We even fantasize about having a democracy without the need of politicians (made scalable by artificial intelligence). In the second part of the talk, we discuss some aspects of markets, in particular decentralized exchanges. This talk is not trying to be technically deep, but we will try to get some perspective and discussions.

Contributed Talks

Monday, 7th

Impartial selection problems

Max Klimm, TU Berlin, DE

Impartial selection problems are concerned with situations where a group of agents selects a subset of the agents based on nominations from within the set. The fact that the agents act both as voters and as nominees may give rise to incentive issues when some agents may not be willing to communicate their true opinion about who should be selected in order to influence their own chances of being selected. These issues may arise in a number of applications such as voting in committees, peer review in conferences where committee members also submit papers, and peer grading. One way to circumvent these incentive issues is to use impartial mechanism that have the property that the selection probability of each agent is independent of its nominations. In this talk, I will give an overview on impartial selection mechanisms

and point to some open problems in this area.

Incentive-Compatible Forecasting Competitions

Jens Witkowski, Frankfurt School of Finance & Management, DE

We initiate the study of incentive-compatible forecasting competitions in which multiple forecasters make predictions about one or more events and compete for a single prize. We have two objectives: (1) to incentivize forecasters to report truthfully and (2) to award the prize to the most accurate forecaster. Proper scoring rules incentivize truthful reporting if all forecasters are paid according to their scores. However, incentives become distorted if only the best-scoring forecaster wins a prize, since forecasters can often increase their probability of having the highest score by reporting more extreme beliefs. In this paper, we introduce two novel forecasting competition mechanisms. Our first mechanism is incentive compatible and guaranteed to select the most accurate forecaster with probability higher than any other forecaster. Moreover, we show that in the standard single-event, two-forecaster setting and under mild technical conditions, no other incentive- compatible mechanism selects the most accurate forecaster with higher probability. Our second mechanism is incentive compatible when forecasters' beliefs are such that information about one event does not lead to belief updates on other events, and it selects the best forecaster with probability approaching 1 as the number of events grows. Our notion of incentive compatibility is more general than previous definitions of dominant strategy incentive compatibility in that it allows for reports to be correlated with the event outcomes. Moreover, our mechanisms are easy to implement and can be generalized to the related problems of outputting a ranking over forecasters and hiring a forecaster with high accuracy on future events.

Joint work with Rupert Freeman, Jennifer Wortman Vaughan, David Pennock and Andreas Krause.

Systemic risk in financial networks-a computational perspective

Carmine Ventre, King's College London, GB

We are given a network modelling assets and liabilities of the financial institutions in the system. We study the following basic question: Can we efficiently compute the exposure rate of each bank to defaults in the system?

The answer is yes if there are no financial derivatives (i.e., conditional obligations) in the network. When we introduce derivatives, specifically Credit Default Swaps (CDS), the problem is complete for the complexity class PPAD if one is content with "almost" (that is, weakly approximate) solutions that could grossly under- and over-estimate each bank's exposure.

What about solutions where the rate is precise to say 1%? We prove that computing these strong approximations up to any given precision is complete for the class FIXP, capturing hardness due to numerical aspects (in particular, the irrationality of the actual solution) in addition to the combinatorial issues modelled by PPAD.

We also study the relationship between the network structure and the (ir)rationality of the solution, the robustness of our findings to different payment rules of insolvent banks and the computational complexity of questions motivated by the needs of regulators. Overall, our results support a ban of the purely speculative naked CDS and uncover a connection between FIXP and efficient algorithms in the real computational model of Blum-Shub-Smale.

Talk based on joint work with Stavros Ioannidis and Bart de Keijzer.

Asynchronous Opinion Dynamics in Social Networks

Daniel Schmand, Universität Bremen, DE

Opinion spreading in a society decides the fate of elections, the success of products, and the impact of political or social movements. The model by Hegselmann and Krause is a well-known theoretical model to study such opinion formation processes in social networks. In contrast to many other theoretical models, it does not converge towards a situation where all agents agree on the same opinion. Instead, it assumes that people find an opinion reasonable if and only if it is close to their own. The system converges towards a stable situation where agents sharing the same opinion form a cluster, and agents in different clusters do not influence each other.

We focus on the social variant of the Hegselmann-Krause model where agents are connected by a social network and their opinions evolve in an iterative process. When activated, an agent adopts the average of the opinions of its neighbors having a similar opinion. By this, the set of influencing neighbors of an agent may change over time. To the best of our knowledge, social Hegselmann-Krause systems with asynchronous opinion updates have only been studied with the complete graph as social network. We show that such opinion dynamics with random agent activation are guaranteed to converge for any social network. We provide an upper bound of $O(n|E|^2(\varepsilon/\delta)^2)$ on the expected number of opinion updates until convergence, where |E| is the number of edges of the social network. For the complete social network we show a bound of $O(n^3(n^2 + (\varepsilon/\delta)^2))$ that represents a major improvement over the previously best upper bound of $O(n^9(\varepsilon/\delta)^2)$. Our bounds are complemented by simulations that indicate asymptotically matching lower bounds.

Tuesday, 8th

Dynamic fair division with partial information

Gerdus Benadè, Boston University, US

We consider the problem of fairly and efficiently allocating T indivisible items among n agents with additive preferences. Items arrive over a sequence of rounds, and must be allocated immediately and irrevocably before the next one arrives. When the agents' valuations for the items are drawn from known distributions, it is possible to find allocations that are envy-free with high probability and Pareto efficient ex-post.

We study a partial-information setting, where values are drawn from unknown distributions and it is possible to elicit ordinal but not cardinal information. When a new item arrives, the algorithm can query each agent for the relative rank of this item with respect to a subset of the past items. We provide algorithms with strong simultaneous fairness and efficiency guarantees even with minimally expressive queries that ask for a comparison to a single previous item and show they are asymptotically optimal.

New Fairness Notions for Resource Allocation

Nidhi Rathi, Aarhus University, DK

We consider the fundamental problem in resource allocation setting that entails fairly dividing a set of discrete goods among agents. The notion of envy-freeness up to any good (EFX) is the most compelling notion of fairness in this line of work. We say an allocation is EFX when every agent (weakly) prefers her own bundle than any other agent j's bundle after removing her least postively-valued item from j's bundle. Despite significant efforts over the past few years, existence of EFX allocations is not known even for additive valuations. Therefore, there has been a lot of work focused on finding relaxations and approximations of EFX. In this talk, I will propose two natural relaxations (one comparison-based and one threshold-based) of fairness notions that is inspired from EFX.

The first notion is that of epistemic EFX (EEFX) which extends the definition of epistemic envy-freeness from [ABC+18]. An allocation is said to be EEFX if for every agent i, it is possible to shuffle/redistribute the goods of the other agents such that agent i does not envy any other agent up to any good (in this new allocation). Interestingly, we show that EEFX allocations are always guaranteed to exist for additive valuations, and can be found in polynomial-time.

Next, we introduce a threshold-based fairness criteria of minimum EFX value (MXS) with

agent thresholds defined using EFX allocations. The MXS threshold for agent i is defined to be the minimum value she receives in any allocation where she does not envy any other agent up to any good. Finally, we prove that it is NP-hard to compute the MXS threshold of any agent in a given fair-division instance. It is relevant to note that, despite this hardness constraint, we prove that an MXS allocation can always be computed in polynomial time for instances with additive valuations.

Joint work with Ioannis Caragiannis, Jugal Garg, Eklavya Sharma, and Giovanna Varricchio

A Simple, General Framework for Fair Allocation Under Matroid Rank Valuations

Yair Zick, University of Massachusetts - Amherst, US

We study the problem of fairly allocating a set of indivisible goods among agents with matroid rank valuations. We present a simple framework that efficiently computes any fairness objective that satisfies some mild assumptions. Along with maximizing a fairness objective, the framework is guaranteed to run in polynomial time, maximize utilitarian social welfare and ensure strategyproofness. Our framework can be used to achieve four different fairness objectives: (a) Prioritized Lorenz dominance, (b) Maxmin fairness, (c) Weighted leximin, and (d) Max weighted Nash welfare. In particular, our framework provides the first polynomial time algorithms to compute weighted leximin and max. weighted Nash welfare allocations for matroid rank valuations.

Wednesday, 9th

Mobile Games: An Exciting New Domain for Behavioral Game Theory

Kevin Leyton-Brown, University of British Columbia – Vancouver, CA

Two and a half billion people play mobile games worldwide, spending \$180.3B USD in 2021 alone. More than half of this revenue comes from free-to-play mobile games. These games make money through carefully optimized monetization strategies based on optional in-game purchases. Mobile games also often leverage social dynamics to recruit new players and convert existing players into paying customers. Because player behavior in games, while thoughtful, often deviates from standard definitions of rationality, mobile games constitute a rich laboratory for research in behavioural game theory.

In our first work on this topic we looked at the phenomenon of "skips" in which players pay real money to avoid game content. We leverage existing tools of mechanism design to answer questions like "Why would a player ever value skips?" and "Can expensive skips be good for player welfare?". The talk will focus particularly on open questions from our ongoing work, which investigates elaborating both the behavioral model of player engagement (drawing on recent work from Kleinberg et. al.); incorporating the effects that virality and social networks can have on a game's success; and studying the pervasive monetization scheme in which players are given a handful of "lives" and are forced to wait for a timer to reset these are depleted (or to buy more lives).

Dynamics in Network Creation and Residential Segregation

Pascal Lenzner, Hasso-Plattner-Institut, Universität Potsdam, DE

I will focus on dynamics in two different game-theoretic models, one focusing on network creation and the other one modelling location choice in a residential area.

Network creation games are motivated by the observation that the structure of many realworld networks like the Internet or (online) social networks is the outcome of a complex interaction of selfish agents. These settings can be modeled as strategic games and methods from Algorithmic Game Theory can be employed to rigorously analyze them. I will survey recent results on popular variants of network creation games with a focus on the most intriguing open problem: finding equilibria via suitable game dynamics.

Based on Schelling's seminal model for residential segregation, recently game-theoretic variants of it have become popular. In these models agents with different types strategically select a location on a given graph that models the residential area. Each agent's utility depends on the agent type distribution in its respective neighborhood. Given this, studying the game dynamics of such models provides insights into why large metropolitan areas are segregated along various dimensions like ethnicity or household income. I will survey recent work on these dynamic aspects.

Regret-minimizing aggregation of anonymous information

Yakov Babichenko, Technion – Haifa, IL

We study a model in which a decision maker aggregates information obtained from several symmetric agents. Each agent provides the decision maker with a recommendation about a binary state of nature, where the state is drawn from a known prior distribution. While the decision maker knows the marginal distribution of each agent's recommendation, the correlation between the recommendations is chosen adversarially. The decision maker's goal is to choose an information aggregation function minimizing the regret - the difference between

her own mistake probability when guessing the state of nature, and the mistake probability of a Bayesian decision maker knowing the correlation between the recommendations.

We provide a characterization of the minimal regret for any number of agents as the maximal Jensen gap of a convex function that captures the probability of a correct guess by a hypothetical Bayesian decision maker. For a large number of agents, we deduce that apart from some borderline cases, the unique optimal aggregation function is the random dictator rule that chooses an agent uniformly at random and adopts her recommendation.

Joint work with Itai Arieli, Inbal Talgam-Cohen, and Konstantin Zabarniy

Thursday, 10th

Competition among Contests

Ron Lavi, University of Bath, GB

We study competition among simultaneous heterogeneous contest designers in a general model that allows for a large space of contest design. Contestants choose in which contest to participate, and the goal of each contest designer is to maximize the contestants' sum of efforts exerted in her contest. Our main result shows that, with symmetric contestants, optimal contests in the monopolistic setting (i.e., those that maximize the sum of efforts in a model with a single contest designer) form Pareto-optimal equilibria when contest designers compete. Under a natural assumption, monopolistic optimal contests are in fact dominant in the competitive case, and the equilibria that they form are unique. In many natural cases, they also maximize social welfare.

On multiplicative weights update and mirror-prox methods for zerosum games

Vangelis Markakis, Athens University of Economics and Business, GR

We follow up on a recent line of works that attempt to establish last-iterate convergence results for iterative first-order methods in min-max optimization. Our work focuses on extra gradient learning algorithms for finding Nash equilibria in bilinear zero-sum games, motivated by related questions in online learning. A typical drawback of several first-order methods, including the standard versions of gradient descent and multiplicative weight updates, is that they converge only in an average sense, but not w.r.t. their last iterate. We propose a new algorithm, that can be considered as a variant of the Mirror Prox method (Nemirovski 2004), using a large learning rate parameter for the intermediate gradient step and a small learning rate in the final step of each iteration. Although counter-intuitive at first sight due to the irrationally large intermediate rate, we prove that this method attains last-iterate convergence. Furthermore, we perform experimental comparisons against other recently proposed algorithms (such as the optimistic variant of the multiplicative weights update method, by Daskalakis and Panageas (2019)), and show that our algorithm has significant practical potential since it offers substantial gains in terms of accelerated convergence.

Best of Both Worlds: Agents with Entitlements

Giovanna Varricchio, Goethe-Universität – Frankfurt am Main, DE

Fair division of indivisible goods is a central challenge in artificial intelligence. For many prominent fairness criteria including envy-freeness (EF) or proportionality (PROP), no allocations satisfying these criteria might exist. Two popular remedies to this problem are randomization or relaxation of fairness concepts. A timely research direction is to combine the advantages of both, commonly referred to as Best of Both Worlds (BoBW).

In the case of equally entitled agents and additive valuations, a lottery that is simultaneously ex-ante EF and ex-post envy-free up to one good (EF1) is known to exist. With our work, we broaden the picture by focusing on agents with different entitlements. Our main result is a lottery that is ex-ante weighted envy-free (WEF), as well as ex-post weighted proportional up to one good (WPROP1) and weighted transfer envy-free up to one good (WEF(1, 1)). In addition, we show that this result is tight – ex-ante WEF is incompatible with any stronger ex-post WEF relaxation.

We also try to extend positive results to more expressive valuation functions; unfortunately, our techniques partially apply in more general settings. Extending BoBW results is an interesting and challenging problem, and developing new tools is a fundamental next step in this direction.

Friday, 11th

Seniorities and Minimal Clearing in Financial Network Games

Lisa Wilhelmi, Goethe-Universität – Frankfurt am Main, DE

Financial network games model payment incentives in the context of networked liabilities. In this paper, we advance the understanding of incentives in financial networks in two important directions: minimal clearing (arising, e.g., as a result of sequential execution of payments) and seniorities (i.e., priorities over debt contracts). We distinguish between priorities that are chosen endogenously or exogenously. For endogenous priorities and standard (maximal) clearing, the games exhibit a coalitional form of weak acyclicity. A strong equilibrium exists and can be reached after a polynomial number of deviations. Moreover, there is a strong equilibrium that is optimal for a wide variety of social welfare functions. In contrast, for minimal clearing there are games in which no optimal strategy profile exists, even for standard utilitarian social welfare. Perhaps surprisingly, a strong equilibrium still exists and, for a wide range of strategies, can be reached after a polynomial number of deviations. In contrast, for exogenous priorities, equilibria can be absent and equilibrium existence is NP-hard to decide, for both minimal and maximal clearing.

Byzantine Adversaries in Social Choice

Darya Melnyk, Aalto University, FI

In distributed computing, robust communication algorithms that handle a wide variety of adversaries, including network failures, node crashes, and even unpredictable behavior of the network participants, are being developed. In social choice theory, on the other hand, the participants are usually assumed to be selfish or biased towards some opinion, and they only influence the network with this goal in mind. In this talk, I will show how worst-case behavior of participants, the so-called Byzantine behavior, can influence the outcome of different voting protocols. To this end, I will talk about different ways of measuring how much the Byzantine party is able to influence the final result. These results can be used to design voting protocols that better represent the opinion of truthful voters.

The Nisan-Ronen conjecture

Giorgos Christodoulou, Aristotle University of Thessaloniki, GR

The Nisan-Ronen conjecture, a central problem in algorithmic game theory, states that no truthful mechanism for makespan-minimization when allocating a set of tasks to n unrelated machines can have approximation ratio less than n. In this talk, we will discuss recent progress on this conjecture. The results are based on studying an interesting special class of instances that can be represented by multi-graphs in which vertices represent machines and edges represent tasks, and each task should be allocated to one of its two incident machines.

Allocating Indivisible Goods to Strategic Agents: Pure Nash Equilibria and Fairness

Rebecca Reiffenhäuser, Aalto University, FI

When allocating goods to agents (with additive valuations), both fairness and incentive

compatibility are central goals. Unfortunately, each of those is often hard to achieve on its own, and aiming for both in the same (money-free) routine quickly leads to strong impossibility results. This work suggests a way around those, by abandoning the initial goal for a notion of the next-best thing: we show that the very natural round-robin algorithm for additive valuations actually produces EF1-fair, 'truthful equilibria' - even though agents might have misreported their values.

List of Participants

Yakov Babichenko	Technion – Haifa, IL
Gerdus Benadè	Boston University, US
Ioannis Caragiannis	Aarhus University, DK
Giorgos Christodoulou	Aristotle University of Thessaloniki, GR
Andrei Constantinescu	ETH Zürich, CH
Michal Feldman	Tel Aviv University, IL
Tobias Harks	Universität Passau, DE
Martin Hoefer	Goethe-Universität – Frankfurt am Main, DE
Max Klimm	TU Berlin, DE
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Ori Plonsky	Technion – Haifa, IL
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Nidhi Rathi	Aarhus University, DK
Rebecca Reiffenhäuser	University of Amsterdam, NL
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Daniel Schmand	Universität Bremen, DE
Giovanna Varricchio	Goethe-Universität – Frankfurt am Main, DE
Carmine Ventre	King's College London, GB
Roger Wattenhofer	ETH Zürich, CH
Lisa Wilhelmi	Goethe-Universität – Frankfurt am Main, DE
Jens Witkowski	Frankfurt School of Finance & Management, DE
Yair Zick	University of Massachusetts – Amherst, US