

# Mathematical Programming Games

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CANADA  
EXCELLENCE  
RESEARCH  
CHAIR



**DATA SCIENCE  
FOR REAL-TIME  
DECISION-MAKING**



**PRINCETON  
UNIVERSITY**



A Venn diagram with two overlapping circles on a purple background. The left circle is blue and contains the text 'Mathematical Programming' followed by a horizontal line and 'MIP'. The right circle is orange and contains the text 'Algorithmic Game Theory (AGT)'. The intersection of the two circles is a darker purple color.

Mathematical  
Programming  
—  
MIP

Algorithmic Game  
Theory  
(AGT)



Mathematical  
Programming  
Games  
(MPGs)



# A Brief Overview of This Talk

What

are **Mathematical Programming Games**

Why

do we need them, some **applications**, and **core research questions**

How

do we ***solve*** them in practice

# What are *MPGs*?

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What

Why

# What are MPGs?

*D. et al (2021)*

An **MPG** is a (static) **game** among  $n$  players where each **rational** player  $i = 1, 2, \dots, n$  solves the optimization problem

$$\max_{x^i} \{ \underbrace{f^i(x^i, x^{-i})}_{\text{payoff}} : x^i \in \underbrace{\mathcal{X}^i}_{\text{actions}} \}$$

The payoff function for  $i$

$$f^i(x^i, x^{-i}) : \prod_{j=1}^n \mathcal{X}^j \rightarrow \mathbb{R}$$

Is **parametrized in**  $x^{-i}$

The set of actions for  $i$

$\mathcal{X}^i$

$$\max_{x^i} \{ \underline{f^i(x^i, x^{-i})} : x^i \in \underline{\mathcal{X}^i} \}$$

The payoff function for  $i$

$$f^i(x^i, x^{-i}) : \prod_{j=1}^n \mathcal{X}^j \rightarrow \mathbb{R}$$

is **parametrized in**  $x^{-i}$

The choices of  $i$ 's opponents  
affect its payoff

The set of actions for  $i$   
 $\mathcal{X}^i$

However, they do not affect  
 $i$ 's actions



$$\max_{x^i} \{f^i(x^i, x^{-i}) : x^i \in \mathcal{X}^i\}$$

### Action Representation

Each player's actions are represented with **an arbitrary** set  $\mathcal{X}^i$

### Modeling Requirements

In many applications,  $\mathcal{X}^i$  may include a **complex set of operational requirements**

### Language and Objectives

MPGs provide a **unified framework** to represent games from both AGT and Optimization

# Equilibria as Solutions

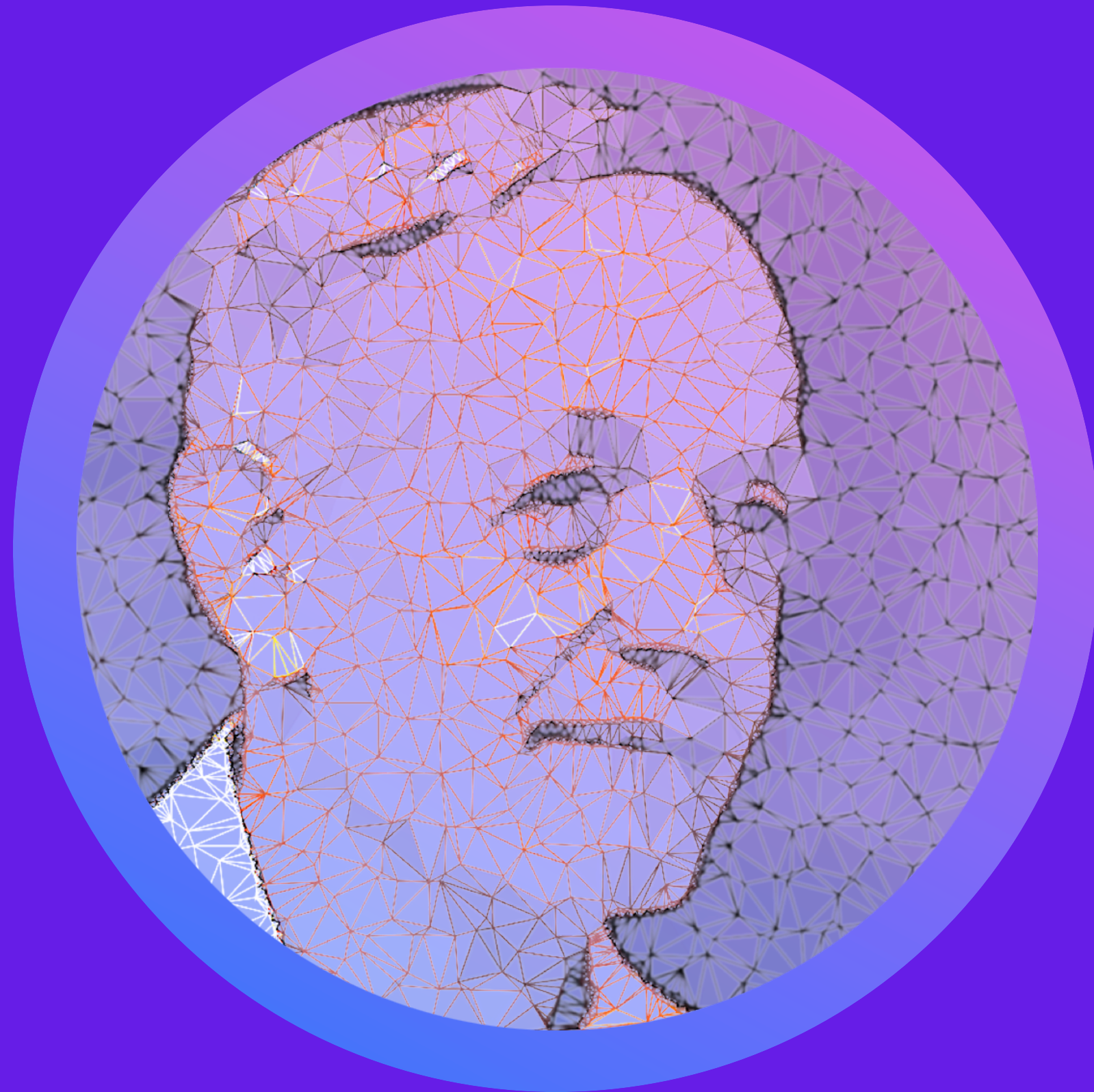
A profile  $\bar{x} = (\bar{x}^1, \dots, \bar{x}^n)$  — with  $\bar{x}^i \in \mathcal{X}^i$  for any  $i$  — is a Pure Nash Equilibrium (**PNE**) if

$$f^i(\bar{x}^i, \bar{x}^{-i}) \geq f^i(\hat{x}^i, \bar{x}^{-i}) \quad \forall \hat{x}^i \in \mathcal{X}^i$$

Does at least **one exist**? **How hard** is it to **compute** one?

**How do we compute** an NE, if any? And how do we **select one** when multiple equilibria exist?

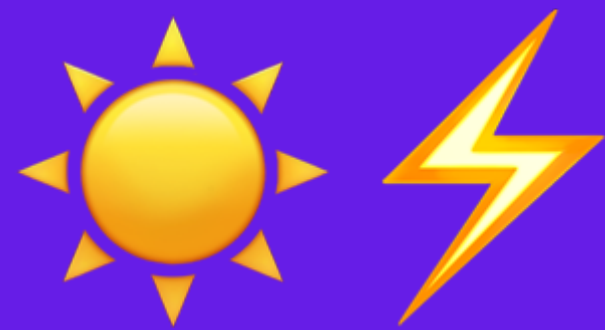
How **efficient** is this NE?



# A Few Examples



**Integer Programming Games**, or games among parametrized Integer Programs



**Bilevel Programming and simultaneous games**, specifically for energy



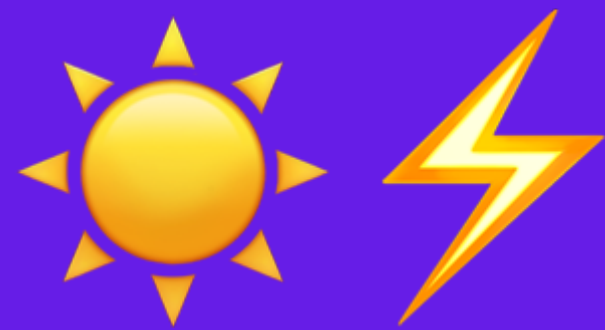
**Network Formation Games**, cost-sharing games for critical infrastructure development



# A Few Examples



**Integer Programming Games**, or games among parametrized Integer Programs



**Bilevel Programming and simultaneous games**, specifically for energy



**Network Formation Games**, cost-sharing games for critical infrastructure development



# Open 2 Convenience Stores



$$\max_{x^1} \quad 6x_1^1 + x_2^1$$

$$\text{s.t.} \quad 3x_1^1 + 2x_2^1 \leq 4$$

$$x^1 \in \{0,1\}^2$$



Their products **interact!**



$$\max_{x^1} \quad 6x_1^1 + x_2^1 - 4x_1^1x_1^2 + 6x_2^1x_2^2$$

$$\text{s.t.} \quad 3x_1^1 + 2x_2^1 \leq 4$$

$$x^1 \in \{0,1\}^2$$

$$\max_{x^2} \quad 4x_1^2 + 2x_2^2 - x_1^2x_1^1 - x_2^2x_2^1$$

$$\text{s.t.} \quad 2x_1^2 + 3x_2^2 \leq 4$$

$$x^2 \in \{0,1\}^2$$

Knapsack Games (Carvalho et al., 2022)



# Energy

Carvalho, ***D.***, Lodi, Feijoo, Sankaranarayanan (2020)





SolarCorp Inc.

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Simultaneous  
Game

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Hydro Inc.



Canada taxes and regulates the production



SolarCorp Inc.

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Simultaneous  
Game

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Hydro Inc.



Sequential  
“Stackelberg” Game



SolarCorp Inc.

Simultaneous  
Game



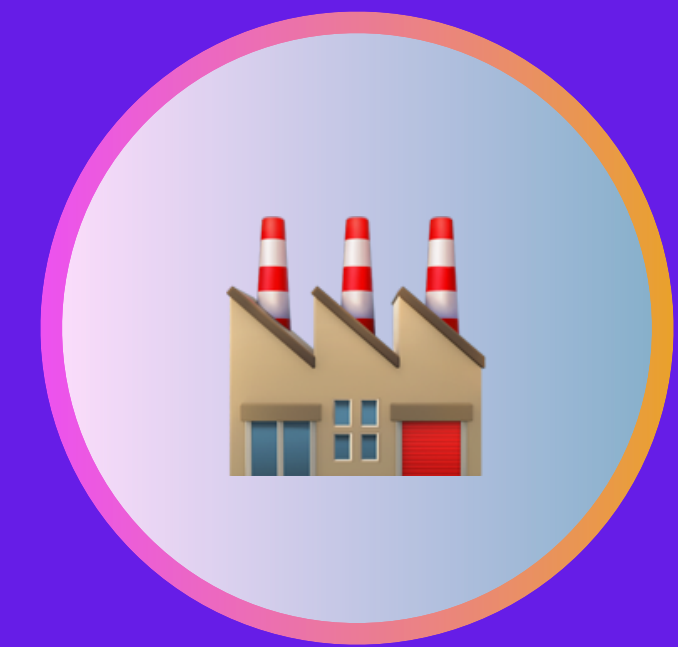
Hydro Inc.

Canada



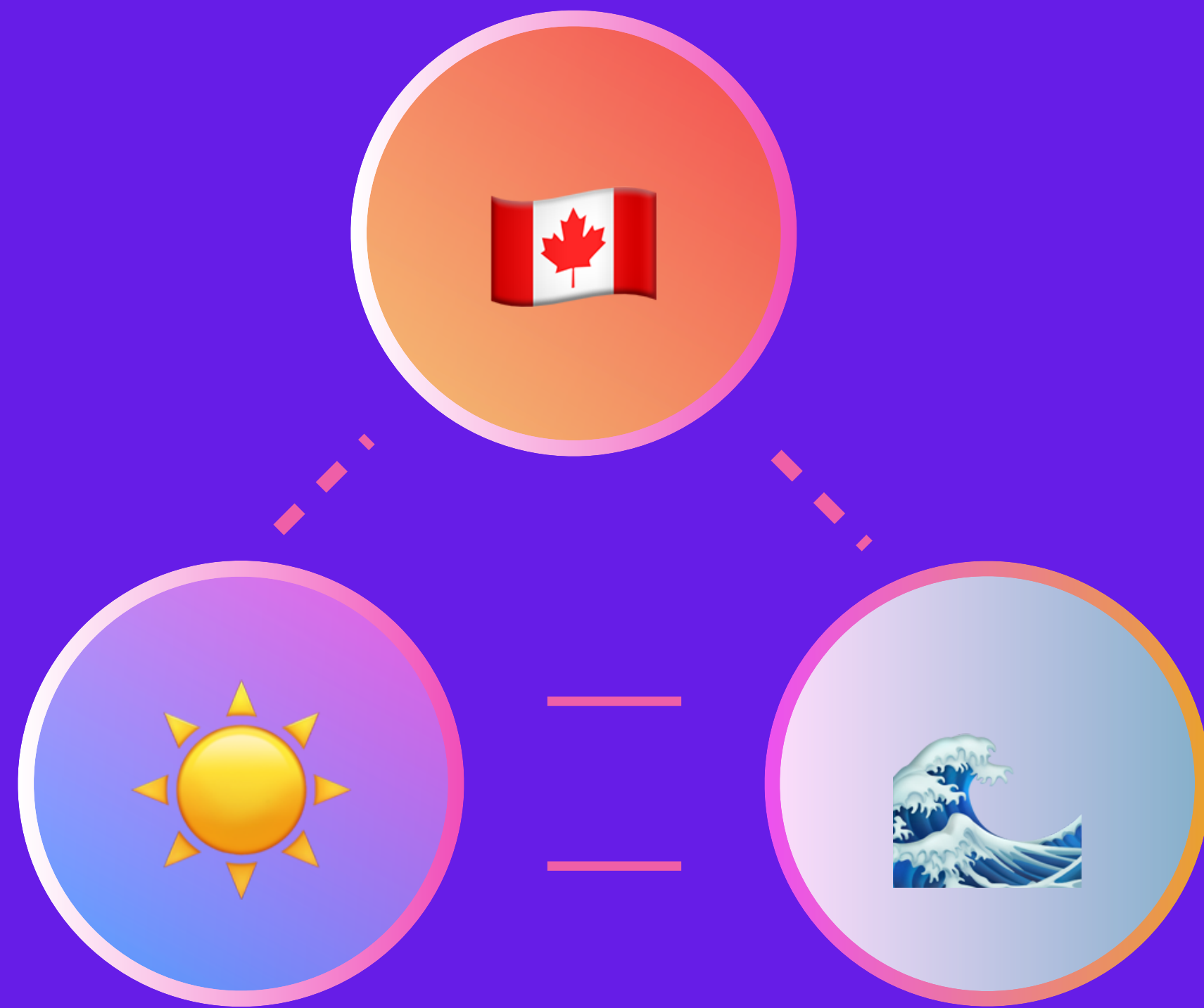
Simultaneous  
Game

U.S.

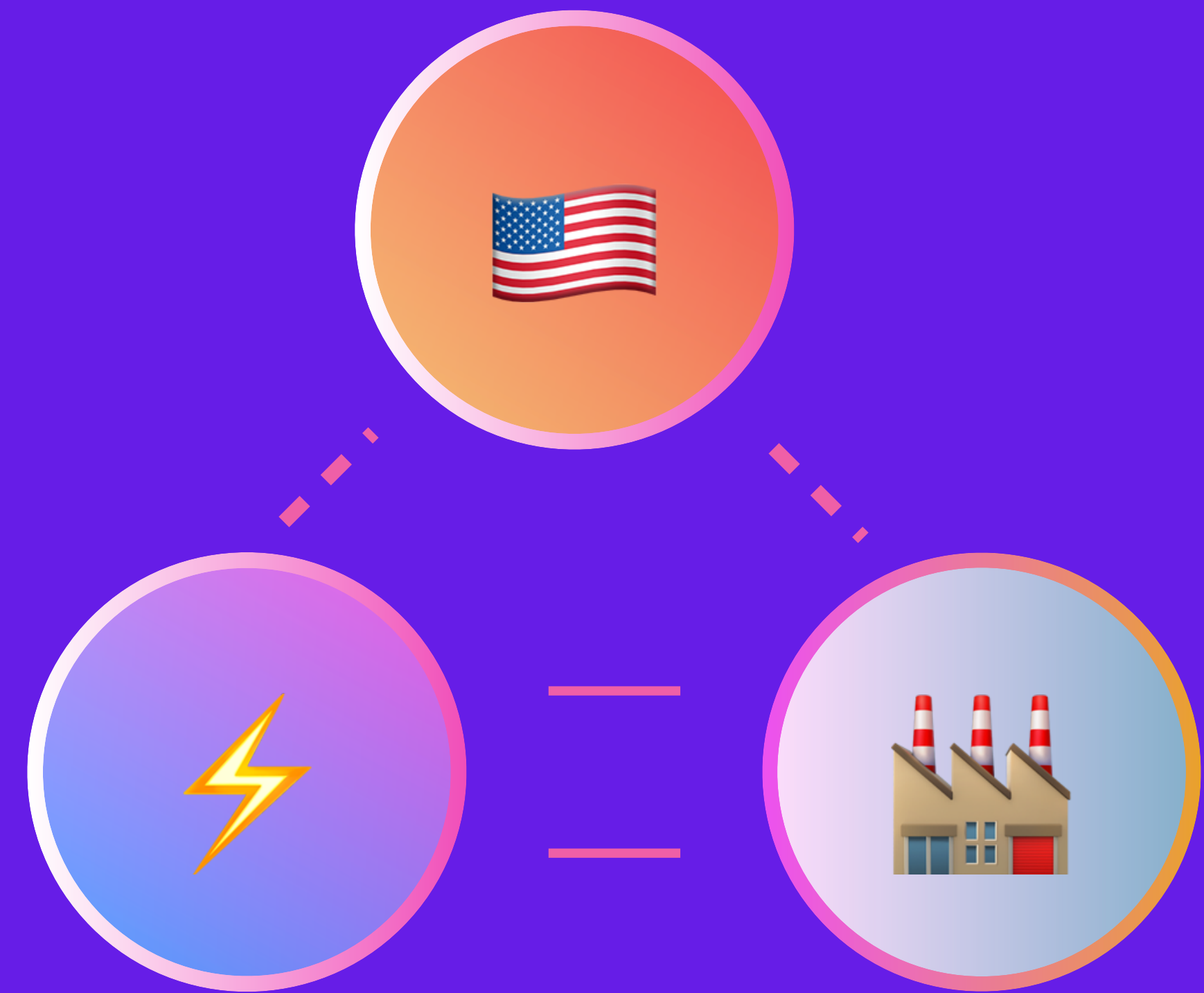


This is a simultaneous game among bilevel (i.e., sequential)  
programs

Canada



U.S.

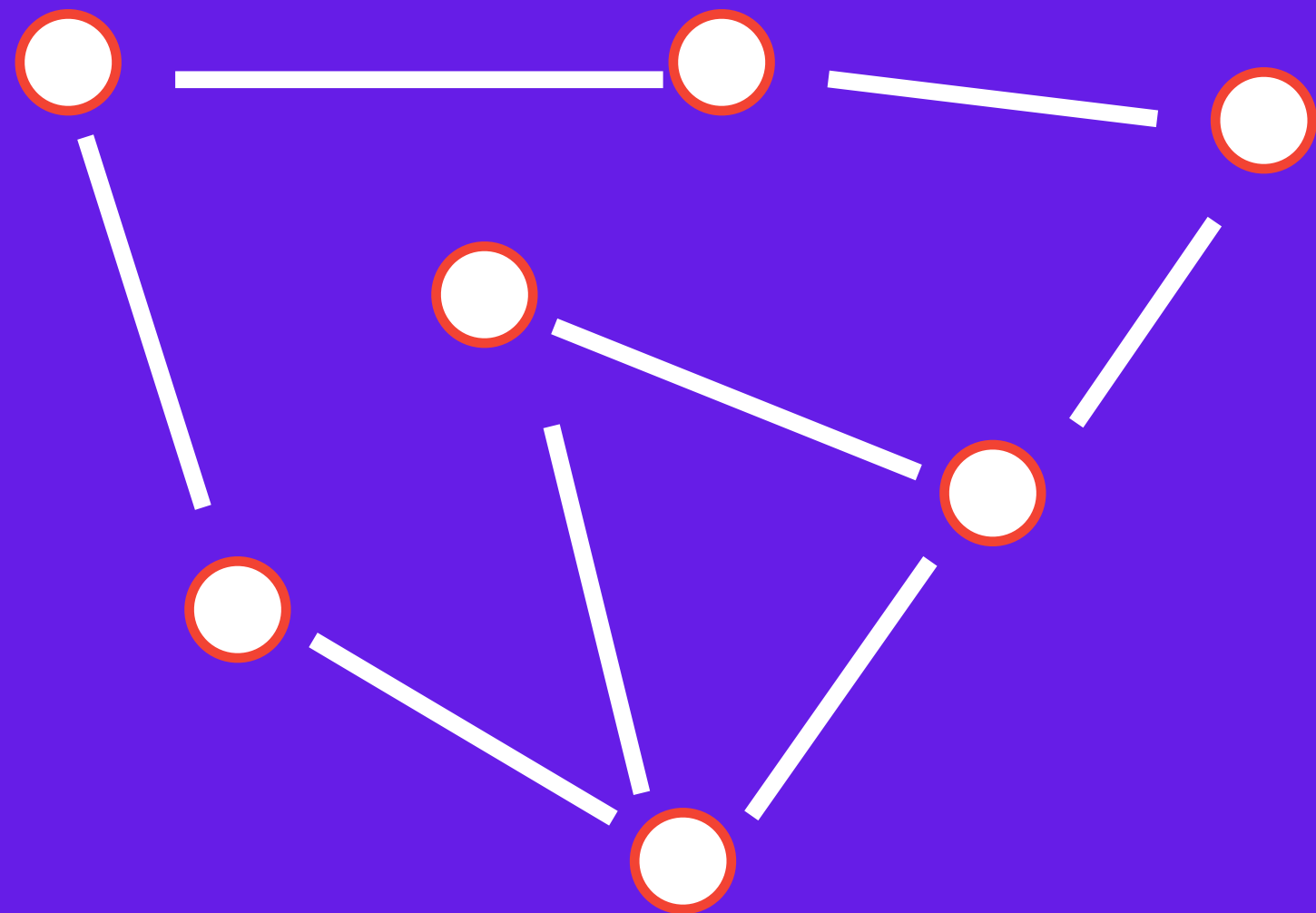


Each  $\mathcal{X}^i$  includes the optimality conditions of each “follower”  
(i.e., producer)



# Network Formation

# Network Formation Game



(Chen and Roughgarden, 2006;  
Anshelevich, et al., 2008;  
Nisan et al., 2008)

Given a graph  $G = (V, E)$ :

- Any  $(h, l) \in E : h, l \in V$  has a cost  $c_{hl} \in \mathbb{Z}^+$
- Player  $i$  needs to go **from**  $s^i$  **to**  $t^i$

Player  $i$  has a weight  $w^i$

The cost of each edge is **split proportionally to each player's weight**

# Core Research Questions



## Modeling

Can MPGs model real-world problems?

## Existence

When does at least an equilibrium exist?

## Efficiency

How do different equilibria (solutions) in MPGs differ?

## Algorithms

How do we compute and select equilibria?

## Insights

Do equilibria promote socially-beneficial outcomes and provide insights?

# How?

What

are ~~Mathematical Programming Games~~

Why

do we need them, some ~~applications~~, and ~~core research questions~~

How

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How

do we use and solve them in practice

ZERO Regrets

Optimizing over equilibria in **Integer Programming Games**

(Dragotto and Scatamacchia, 2021)

# The ZERO Regrets Algorithm

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Joint work with **Rosario Scatamacchia** (Politecnico di Torino, Italy)



How

# Integer Programming Games

*Integer Programming Games (**IPGs**)* are MPGs where each player  $i = 1, 2, \dots, n$  solves

(Köppe et al., 2011)

$$\max_{x^i} \{u^i(x^i, x^{-i}) : x^i \in \mathcal{X}^i\}, \mathcal{X}^i := \{A^i x^i \leq b^i, x^i \in \mathbb{Z}^m\}$$

There is **common knowledge of rationality**, thus each player is **rational** and there is **complete information**,

# Why IPGs?

They extend traditional **resource-allocation tasks and combinatorial optimization** problems to a multi-agent setting

**Indivisible quantities, fixed production costs and logical disjunctions** often require discrete variables  
(i.e., *Bikhchandani and Mamer (1997)*)

**Energy** — Gabriel et al. (2013), David Fuller and Çelebi (2017)

**Supply Chain** — Anderson et al. (2017)

**Assortment-Price competitions** — Federgruen and Hu (2015)

**Kidney Exchange Problems** — Carvalho et al. (2017)

**Cybersecurity**

**However, there are a few issues:**

## Selection

Not all Nash equilibria were created equal  
i.e., **Price of Stability (PoS)** and **Anarchy (PoA)**

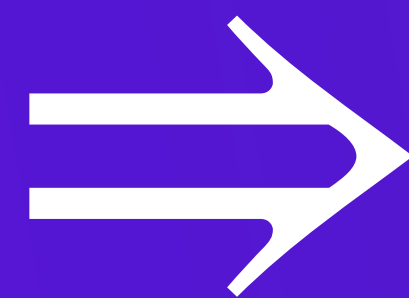
## Tractability

## Existence

**Restrictive assumptions** on the game's structure to  
guarantee the existence/tractability

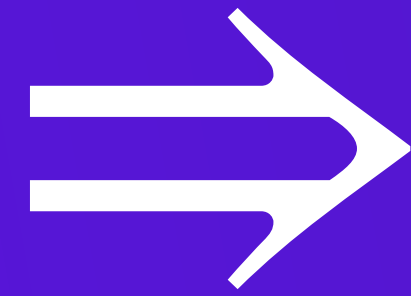
## Methodology

Lack of a general-purpose methodology to compute  
and mostly **select** equilibria



**No general methodology, no broad use of IPGs.**





No general methodology, no broad use of IPGs.

The core motivation behind ZERO Regrets:

Provide a **general-purpose and efficient** *algorithmic and theoretical* framework to **compute, select and enumerate** Nash equilibria in IPGs.

				Type of NE			Limitations
	General	Enumer.	Select	PNE	NE	Approx	
<b>ZERO Regrets</b>	✓	✓	✓	✓	✓	✓	<b>Most efficient, selection, existence, enumeration</b>
Koeppel et al. (2011)	✓	✓	✗	✓	✗	✗	No (practical) algorithm
Sagratella (2016)	✓	✓	✗	✓	✗	✗	Convex payoffs
Del Pia et al. (2017)	✗	✗	✗	✓	✗	✗	Problem-specific (unimodular)
Carvalho, D., Lodi, Sankaranarayanan (2020)	✓	✗	✗	✗	✓	✗	Bilinear payoffs
Cronert and Minner (2021)	✓	✓	✗	✗	✓	✗	No selection, expensive, existence?
Carvalho et al. (2022)	✓	✗	✗	✗	✓	✓	No selection/enumeration, existence?
Schwarze and Stein (2022)	✓	✓	✗	✓	✗	✗	Expensive Branch-and-Prune

# Contributions

## Theoretical

**Polyhedral characterization:** strategic interaction in terms of inequalities, polyhedral closures

## Algorithms

**Cutting plane algorithm:** computes, *selects*, enumerates **Nash equilibria**.

## Practical

Several **applications** and methodological problems

# A Lifted Space for Equilibria

# Lifted Space

The sets  $\mathcal{K}$  and  $\mathcal{E}$

Linearize  $u^i$  with some variables  $z$  and linear constraints  $\mathcal{L}$ .

$$\mathcal{K} = \{(x^1, \dots, x^n, z) \in \mathcal{L}, x^i \in \mathcal{X}^i \text{ for any } i = 1, \dots, n\}$$

$\text{proj}_x(\text{conv}(\mathcal{K})) = \text{all the strategy profiles}$

Let  $\mathcal{N} := \{x = (x^1, \dots, x^n) : x \text{ is a NE}\}$ . Consider the set

$$\mathcal{E} = \{(x^1, \dots, x^n, z) \in \text{conv}(\mathcal{K}) : (x^1, \dots, x^n) \in \text{conv}(\mathcal{N})\}$$

# Lifted Space

The sets  $\mathcal{K}$  and  $\mathcal{E}$

$$\mathcal{E} = \{(x^1, \dots, x^n, z) \in \text{conv}(\mathcal{K}) : (x^1, \dots, x^n) \in \text{conv}(\mathcal{N})\}$$

Is the so-called **Perfect Equilibrium Formulation**

Namely, optimizing a function  $f : \mathcal{K} \rightarrow \mathbb{R}$  over  $\mathcal{E}$  gives the **Nash equilibrium maximizing  $f$**  (for any vertex of  $\mathcal{E}$ )

# The Goal

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Given an IPG  $f$ , compute the Nash equilibrium maximizing  $f$



# The Goal

Given an IPG and  $f$ , compute the Nash equilibrium maximizing  $f$

# The Idea

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Given an IPG and  $f$ , compute the Nash equilibrium maximizing  $f$

# The Idea

Start from  $\text{conv}(\mathcal{K})$  and get to some *intermediate polyhedron* over which optimizing  $f$  yields a point  $(\bar{x}, \bar{z}) \in \mathcal{E}$  with  $\bar{x} \in \mathcal{N}$

# Inequalities

## Equilibrium Inequality

*An inequality is an **equilibrium inequality** if it is valid for  $\mathcal{E}$*

*Namely, equilibrium inequalities cut off feasible strategies for some players but **never equilibrium profiles!***

$$u^i(\tilde{x}^i, x^{-i}) \leq u^i(x^i, x^{-i}) \quad \forall \tilde{x}^i \in \mathcal{X}^i$$

**Are these inequalities enough for  $\mathcal{E}$ ?**

# Are these inequalities enough for $\mathcal{E}$ ?

Yes: all the inequalities together describe precisely  $\mathcal{E}$

# Separating Equilibrium Inequalities

# Oracle

## Equilibrium Oracle

Given a point  $(\bar{x}, \bar{z})$  and  $\mathcal{E}$ , the **equilibrium separation problem** is the task of determining that either:

$(\bar{x}, \bar{z}) \in \mathcal{E}$  and 

$(\bar{x}, \bar{z}) \notin \mathcal{E}$  + an equilibrium inequality



## The Equilibrium Separation Oracle

**ZERO Regrets**



# ZERO Regrets

**INPUT:** An IPG Instance and a function  $f$

**OUTPUT:** A PNE  $\bar{x}$

A set of inequalities  $\Phi = \{0 \leq 1\}$

While (STOP)

$$(\bar{x}, \bar{z}) = \arg \max_{x^1, \dots, x^n, z} \{f(x, z) : (x, z) \in \text{conv}(\mathcal{K}), \quad \Phi\}$$

If   $(\bar{x}, \bar{z})$  says **yes**:  $\bar{x}$  is the PNE maximizing  $f$

Else   $(\bar{x}, \bar{z})$  says **no**:

add at least a violated equilibrium  
inequality to  $\Phi$

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# Applications

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	Applications	Baselines	Select	Enumer.	Improvement
<b>Knapsack Game</b>	Packing, Assortment Optimization	Carvalho et al. (2021, 2022)	✗	✗	N.A.
<b>Network Formation Games</b>	Network design, the Internet, cloud infrastructure	Chen and Roughgarden (2006), Anshelevich, et al. (2008), Nisan et al. (2008)	✓	✗	N.A.
<b>Facility Location Games</b>	Retail, cloud service provisioning	Cronert and Minner (2021)	✓	✗	>50x
<b>Quadratic Integer Games</b>	Mostly methodological	Sagrattella (2016), Schwarze and Stein (2022)	✓	✓	10x to 600x

# Knapsack Game (*KPG*)

As for Wizard and Fairy, each player solves a binary Knapsack problem with some **interaction terms** in the objective

$$\max_{x^i} \left\{ \sum_{j=1}^m p_j^i x_j^i + \sum_{k=1, k \neq i}^n \sum_{j=1}^m C_{k,j}^i x_j^i x_j^k : \sum_{j=1}^m w_j^i x_j^i \leq b^i, \mathbf{x}^i \in \{0,1\}^m \right\}$$

# Knapsack Game (*KPG*)

## A few facts:

- No successful attempts to **enumerate or select** equilibria in KPGs with  $n > 2$  and  $m > 4$  (*Cronert and Minner (2021)*)
- Carvalho et al. (2021, 2022) only compute **an MNE** with at most  $n = 3, m \leq 40$
- No results on the complexity of the KPG, nor its *PoS/PoA*

We select PNEs with  $n > 2, m > 50$

We provide “packing” equilibrium inequalities

We prove it is  $\Sigma_2^P$ -complete to determine if a PNE exists + the *PoS/PoA* are arbitrarily bad

# Knapsack Game (*KPG*)

Equilibrium inequalities may also **capture specific structures** or constraint types.

## Strategic Payoff Inequalities

### A fact

In a packing problem, often the all-zeros strategy is feasible with objective 0

### A consequence

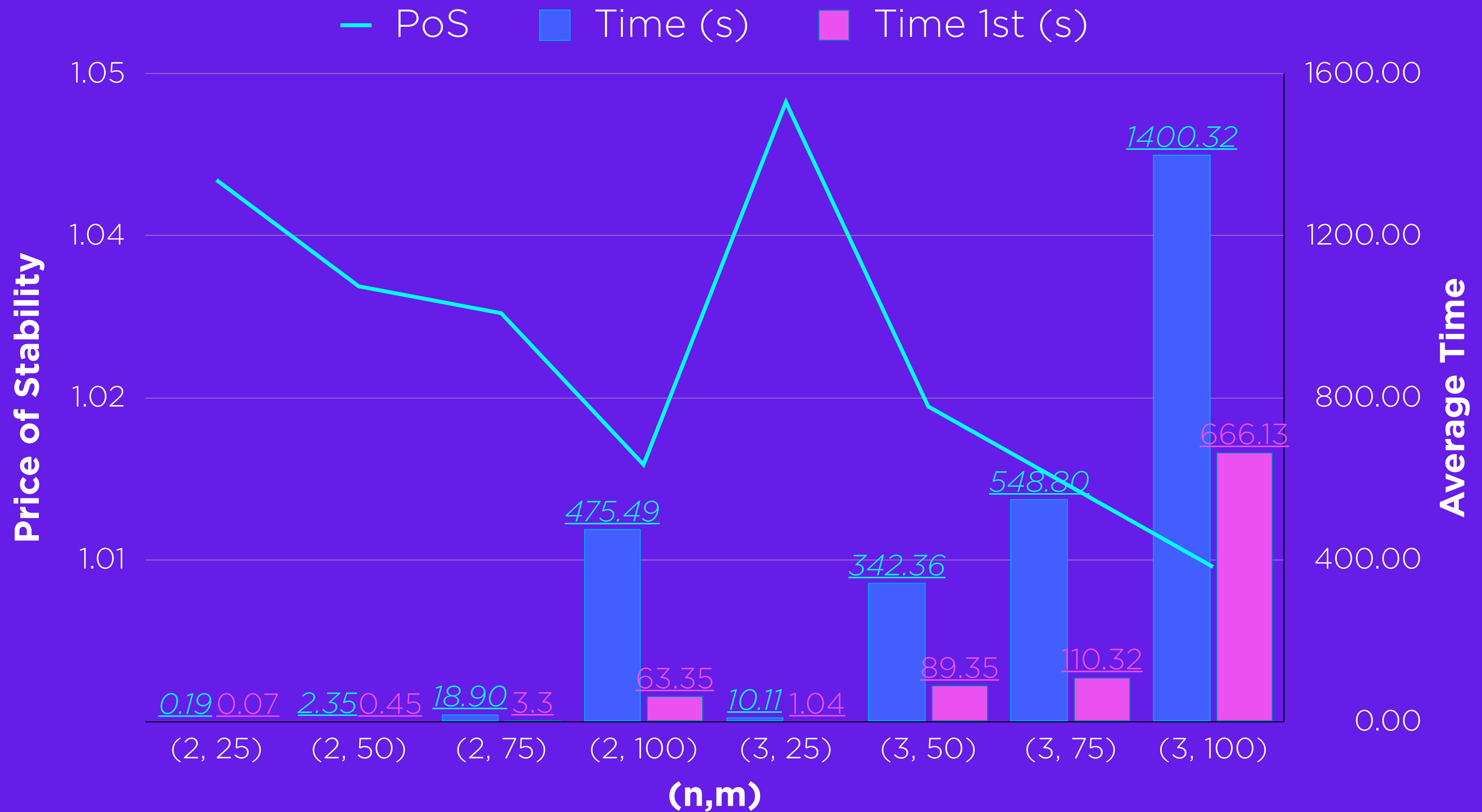
Let  $\mathcal{S}_i$  be a subset of  $i$ 's opponents. If  $\exists \mathcal{S}_i$  so that

$$p_j^i + \sum_{k \in \mathcal{S}_j^i} C_{k,j}^i < 0,$$

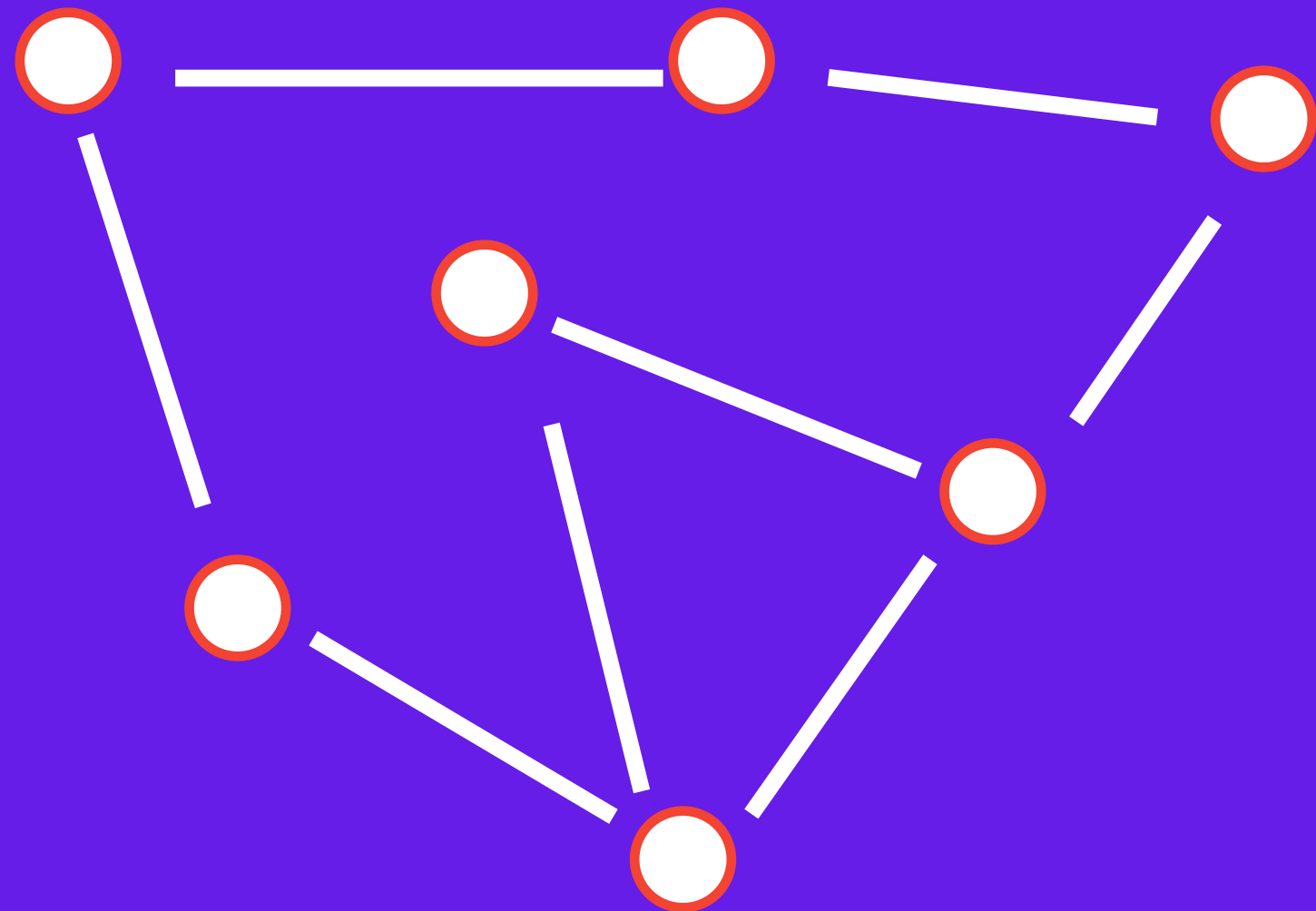
then,  $x_j^i + \sum_{k \in \mathcal{S}_j^i} x_j^k \leq |\mathcal{S}_j^i|$  is an **equilibrium inequality**.



# Knapsack Game



# Network Formation Game



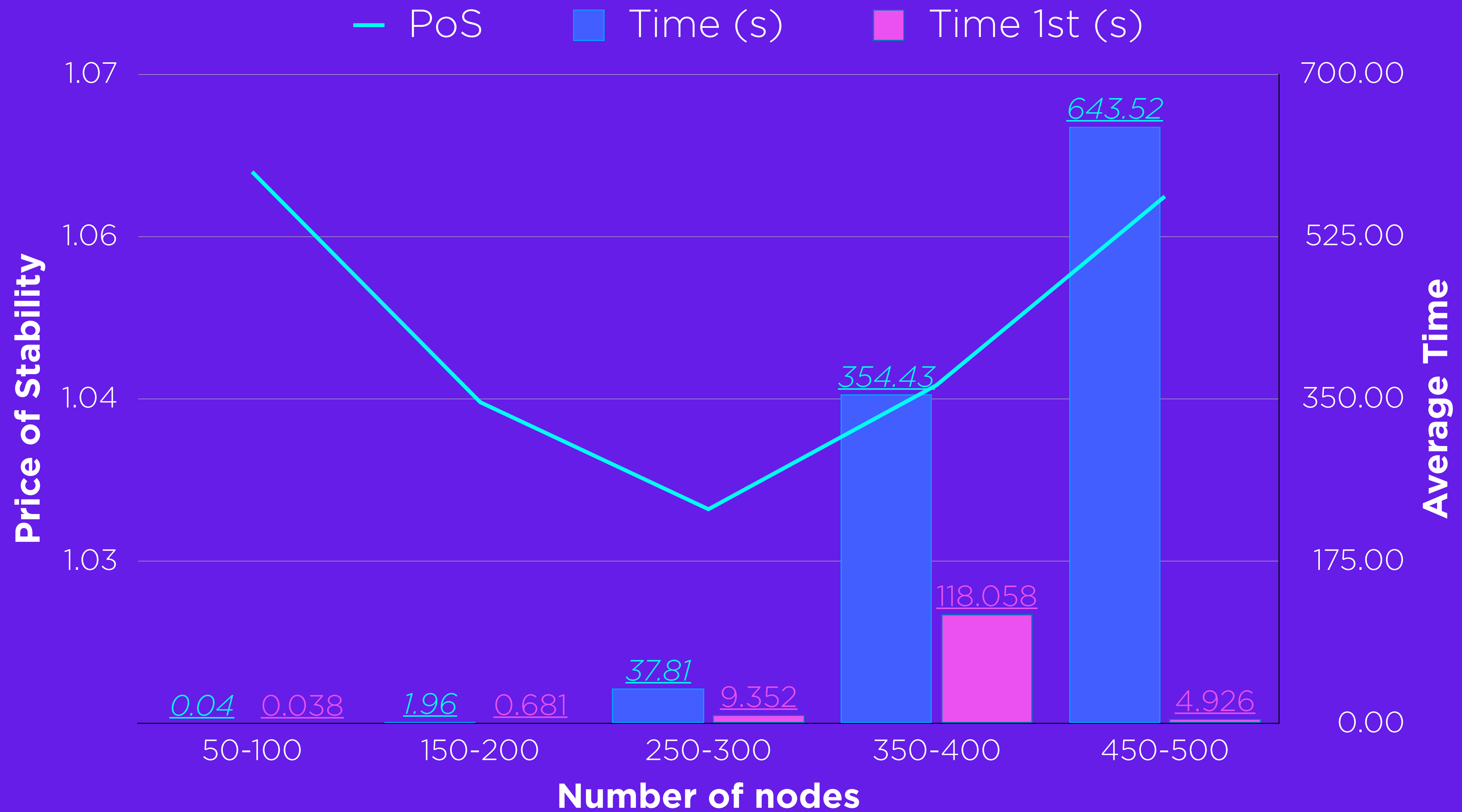
$$G = (V, E)$$

$$\min_{x^i} \left\{ \sum_{(h,l) \in E} \frac{c_{hl} x_{hl}^i}{\sum_{k=1}^n x_{hl}^k} : x^i \in \mathcal{F}^i \right\}.$$

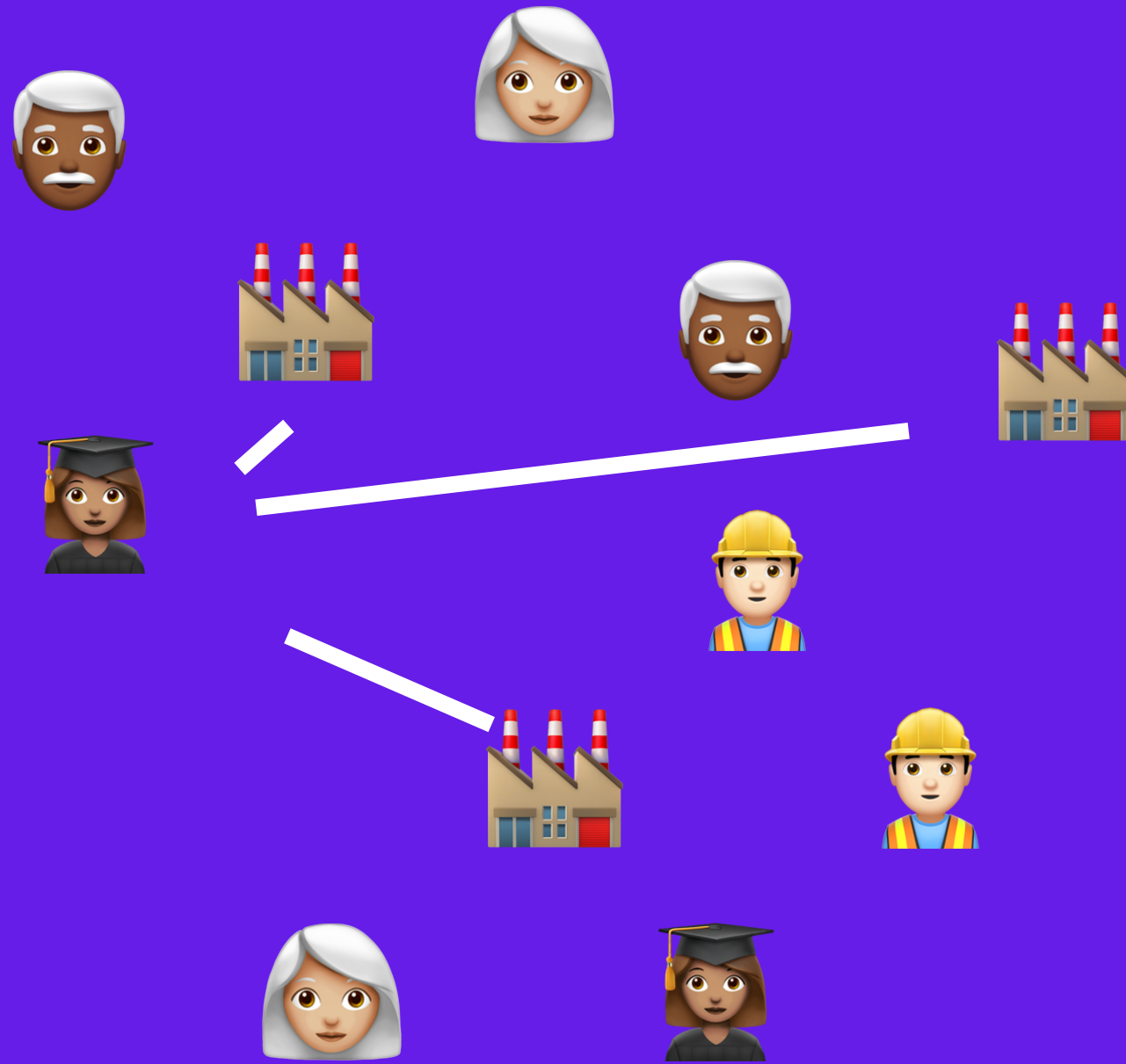
## A few facts:

- No algorithms to **select** equilibria in arbitrary NFGs
- Several bounds on *PoS/PoA* in some specific instances
- We consider the **weighted version** with  $n = 3$

# Network Formation Game



# Facility Location and Design Game



Sellers (players) compete for the demand of customers located in a given geographical area. Each player decides:

- **Where** to open its selling facilities
- **What** assortment to sell (i.e., what design)

$$\max_{x^i} \sum_{j \in J} w_j \frac{\sum_{l \in L} \sum_{r \in R_l} u_{ljr}^i x_{lr}^i}{\sum_{k=1}^n \sum_{l \in L} \sum_{r \in R_l} u_{ljr}^k x_{lr}^k}$$

Share of customers' demand

$$\text{s.t.} \sum_{l \in L} \sum_{r \in R_l} f_{lr}^i x_{lr}^i \leq B^i,$$

Budget

$$\sum_{r \in R_l} x_{lr}^i \leq 1 \quad \forall l \in L,$$

One facility per location

$$x_{lr}^i \in \{0, 1\} \quad \forall l \in L, \forall r \in R_l.$$

Aboolian et al. (2007),  
Cronert and Minner (2020),

# Facility Location and Design Game

*ZERO Regrets*  
\*Only PNEs

*Cronert and Minner (2020)*  
\*Also MNEs, existence?



Average Time (s)  
(Bar-lengths are in log-scale)

# Quadratic Integer Games

Each player  $i$  solves:

$$\min_{x^i} \left\{ \frac{1}{2} (x^i)^\top Q^i x^i + (C^i x^{-i})^\top x^i + (c^i)^\top x^i : LB \leq x^i \leq UB, x^i \in \mathbb{Z}^m \right\}.$$

*Schwarze and Stein (2022), Sagratella (2016)*

	Convex Objectives	Non-Convex Objectives
<b>ZERO Regrets</b>	<b>413 seconds</b> no time-limits (1h)	<b>101 seconds</b> no time-limits (1h)
Schwarze and Stein (2022)	<b>64553 seconds</b> 13 time-limits (1h)	<b>65807 seconds</b> 13 time-limits (1h)

Remarks, Ideas, Directions

# Some Remarks

*In MPGs, the plausibility of the Nash equilibrium can only stem from the availability of **efficient tools** to compute it.*

Optimization Framework

Scalable and flexible

Optimize over Equilibria



# Beyond ZERO Regrets

# MPGs



# MPGs



If non-convexities are not necessarily integer:

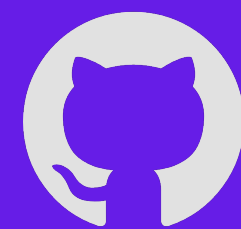
$$\max_{x^i} \{f^i(x^i, x^{-i}) = (c^i)^\top x^i + (x^{-i})^\top C^i x^i : x^i \in \mathcal{X}^i\}$$

So-called **Reciprocally-Bilinear Games**

Margarida Carvalho, Gabriele Dragotto, Andrea Lodi, Sriram Sankaranarayanan, *The Cut and Play Algorithm: Computing Nash Equilibria via Outer Approximations*, **arXiv:2111.05726**

# An MPG library

# ZERO



<https://github.com/ds4dm/ZERO>

Gabriele Dragotto, Sriram Sankaranarayanan, Margarida Carvalho, Andrea Lodi, *ZERO: Playing Mathematical Programming Games*, **arXiv:2111.07932**

# Directions

## Methodology

Developments of efficient algorithms and theoretical frameworks to handle **general non-convexities**

*Rational behavior through inequalities and Optimization*, new solutions concepts

**Learning** the parametrized problems of each player

## Practice

**MPGs** and applications

## Fairness

Companies, governments, and in general, organizations are likely to solve optimization problems. Trade-off ***selfishness and social good***

Methodology

Practice

Fairness

Gabriele Dragotto and Rosario Scatamacchia, *The ZERO Regrets Algorithm: Optimizing over Pure Nash Equilibria via Integer Programming*, **arXiv:2111.06382**

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Facchinei F, Pang JS, eds. (2004) *Finite-Dimensional Variational Inequalities and Complementarity Problems*. **Springer Series in Operations Research and Financial Engineering**

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Gabriel SA, Siddiqui SA, Conejo AJ, Ruiz C (2013) Solving Discretely-Constrained Nash–Cournot Games with an Application to Power Markets. **Networks and Spatial Economics** 13(3):307–326,

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Schwarze S, Stein O (2022) A branch-and-prune algorithm for discrete Nash equilibrium problems. **Optimization Online Preprint ID 2022-03-8836:27**,



**Extra**

“Princeton faculty played a major role in the development of the theory of convex optimization (both as it relates to individuals and groups). Indeed, H. Kuhn and A.W. Tucker (in the 1950s) and R.T. Rockafellar (in the 1960s) played an important role in the development of much of convex analysis. In addition, R. Gomorry laid the foundations of integer programming in the 1950s, and J. Nash, J. von Neumann, and O. Morgenstern (in the 1930s, 40s and 50s) did seminal work in the area of multi-agent, **non-cooperative optimization (i.e., game theory).**”

**How do we compute** an NE, if any? And how do we **select one** when multiple equilibria exist?

## Lemke-Howson Generalizations

Lemke and Howson, 1964;  
Rosenmüller, 1971;  
Wilson, 1971;  
Avis et al., 2010;  
Audet et al., 2006.

## Support Enumeration

Sandholm et al., 2005;  
Porter et al., 2008.

## MIP

Sandholm et al., 2005;  
Cronert and Minner, 2021;  
Carvalho et al., 2022.

## Equilibrium Programming

Facchinei and Pang, 2003;  
Sagratella, 2016;  
Pang and Scutari, 2011.

## Homotopy-based

Scarf, 1967.

Computing one is often difficult, **selecting** one is even more challenging.

# A Quick Comparison

## Equilibrium Programming

- ✗ Often  $\mathcal{X}^i$  is continuous
- ✗ Algos: Complementarity or V.I.
  - ✗ Global convergence?
  - ✗ Non-convexities?
- ✓ Efficient in well-behaved cases

## Normal/Extensive-form games

- ✗ No complex operational constraints
  - ✗ Explicit (and *burdensome*) representation of action sets
- ✓ Popular in Game Theory literature



Their items **interact!**



$$\max_{x^1} \quad 6x_1^1 + x_2^1 - 4x_1^1x_1^2 + 3x_2^1x_2^2$$

$$\text{s.t.} \quad 3x_1^1 + 2x_2^1 \leq 4$$

$$x^1 \in \{0,1\}^2$$

$$\max_{x^2} \quad 4x_1^2 + 2x_2^2 - x_1^2x_1^1 - x_2^2x_2^1$$

$$\text{s.t.} \quad 3x_1^2 + 2x_2^2 \leq 4$$

$$x^2 \in \{0,1\}^2$$

**How good is a NE? Can we select one?**



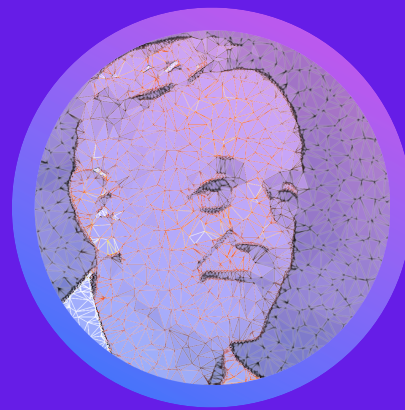
The “central” authority



$$\begin{aligned} \max_{x^1} \quad & 6x_1^1 + x_2^1 - 4x_1^1x_1^2 + 6x_2^1x_2^2 \\ \text{s.t.} \quad & 3x_1^1 + 2x_2^1 \leq 4 \\ & x^1 \in \{0,1\}^2 \end{aligned}$$



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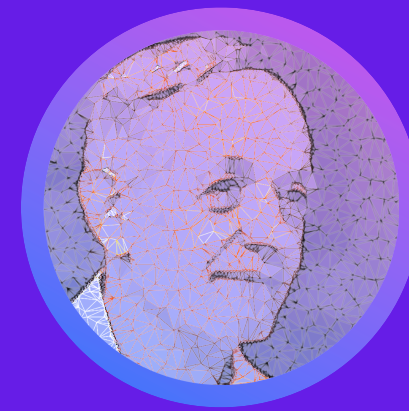


$$(\bar{x}_1^1, \bar{x}_2^1) = (1,0) \text{ and } (\bar{x}_1^2, \bar{x}_2^2) = (1,0) \text{ with } W = 2 + 3 = 5$$



$$(\bar{x}_1^1, \bar{x}_2^1) = (1,0) \text{ and } (\bar{x}_1^2, \bar{x}_2^2) = (0,1) \text{ } W = 6 + 2 = 8$$





$$= \frac{\text{Optimal Social Welfare}}{\text{"Best" NE}} = PoS$$

$$= \frac{\text{Optimal Social Welfare}}{\text{"Worst" NE}} = PoA$$



# The Closure

## Equilibrium Closure

### **THEOREM**

*The equilibrium closure of  $\text{conv}(\mathcal{K})$  given by the set of equilibrium inequalities from before is given by:*

$$P^e := \left\{ (x, z) \in \text{conv}(\mathcal{K}) \mid \begin{array}{l} u^i(\tilde{x}^i, x^{-i}) \leq u^i(x^i, x^{-i}) \\ \forall \tilde{x} : \tilde{x}^i \in \mathcal{BR}(i, \tilde{x}^{-i}), i = 1, \dots, n \end{array} \right\}$$

*where  $\mathcal{BR}(i, \tilde{x}^{-i})$  are the best-responses of  $i$  given  $\tilde{x}^{-i}$ . **Then:***

- $P^e$  is a rational polyhedron, and
- $\text{int}(P^e)$  contains no points  $(\bar{x}, \bar{z}) : \bar{x} \in \mathbb{Z}^{mn}$ , and
- $P^e = \mathcal{E}$ .

# Equilibrium Separation Oracle

**INPUT:** A profile  $(\bar{x}, \bar{z})$  and an IPG Instance

**OUTPUT:** yes or no and  $\Phi$

For every player  $i = 1, 2, \dots, n$

$$\hat{x}^i \leftarrow \max_{x^i} \{u^i(x^i, \bar{x}^{-i}) : A^i x^i \leq b^i, x^i \in \mathbb{Z}^m\}$$

If  $u^i(\hat{x}^i, \bar{x}^{-i}) > u^i(\bar{x}^i, \bar{x}^{-i})$ :

Add  $u^i(\hat{x}^i, x^{-i}) \leq u^i(x^i, x^{-i})$  to  $\Phi$

If  $\Phi$  is empty: return yes

Else: return no and  $\Phi$

# MNEs and Approximate Equilibria

# Other Equilibria

## Equilibrium Inequality

*An inequality is an **equilibrium inequality** if it is valid for  $\mathcal{E}$*

This includes, by definition, **any pure strategy appearing in at least an MNE**

Adding a **small quantity  $\gamma$**  to any equilibrium inequality  $\Rightarrow$   
 **$\gamma$ -Pure Nash equilibrium**

$$u^i(\tilde{x}^i, x^{-i}) - \gamma \leq u^i(x^i, x^{-i})$$

# Knapsack Game

2 players					3 players				
(n, m, t)	EQIne	Time (s)	PoS	#TL	(n, m, t)	#EQIne	Time (s)	PoS	#TL
(2, 25, A)	14.67	0.06	1.04	0/3	(3, 25, A)	31.00	0.21	1.01	0/3
(2, 25, B)	17.33	0.12	1.02	0/3	(3, 25, B)	44.00	0.33	1.02	0/3
(2, 25, C)	29.33	0.39	1.06	0/3	(3, 25, C)	91.00	29.78	1.26	0/3
(2, 50, A)	20.00	0.21	1.02	0/3	(3, 50, A)	95.00	18.39	1.03	0/3
(2, 50, B)	26.67	0.51	1.01	0/3	(3, 50, B)	206.00	626.45	1.01	1/3
(2, 50, C)	72.67	6.34	1.08	0/3	(3, 50, C)	148.00	382.24	-	0/3
(2, 75, A)	38.00	0.60	1.00	0/3	(3, 75, A)	64.00	4.65	1.02	0/3
(2, 75, B)	100.67	8.35	1.02	0/3	(3, 75, B)	278.00	982.97	1.01	1/3
(2, 75, C)	112.67	47.75	1.08	0/3	(3, 75, C)	173.00	658.77	-	1/3
(2, 100, A)	25.33	0.76	1.01	0/3	(3, 100, A)	261.00	1200.65	1.00	2/3
(2, 100, B)	205.33	220.42	1.01	0/3	(3, 100, B)	479.00	1800.00	-	3/3
(2, 100, C)	697.33	1205.29	1.05	2/3	(3, 100, C)	184.00	1200.31	-	2/3

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# Network Formation Game

$( V ,  E )$	EQIne	T (s)	T-1st	PoS	TL
(50, 99)	6.00	0.04	0.04	1.12	0/3
(100, 206)	2.33	0.05	0.04	1.00	0/3
(150, 308)	6.00	0.64	0.25	1.01	0/3
(200, 416)	11.67	3.28	1.11	1.06	0/3
(250, 517)	64.67	63.50	16.07	1.02	0/3

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(300, 626)	21.00	12.11	2.64	1.04	0/3
(350, 730)	19.00	13.92	7.42	1.01	0/3
(400, 822)	248.67	694.95	228.69	1.08	1/3
(450, 934)	394.67	1199.98	2.61	1.11	2/3
(500, 1060)	35.67	87.07	7.25	1.00	0/3

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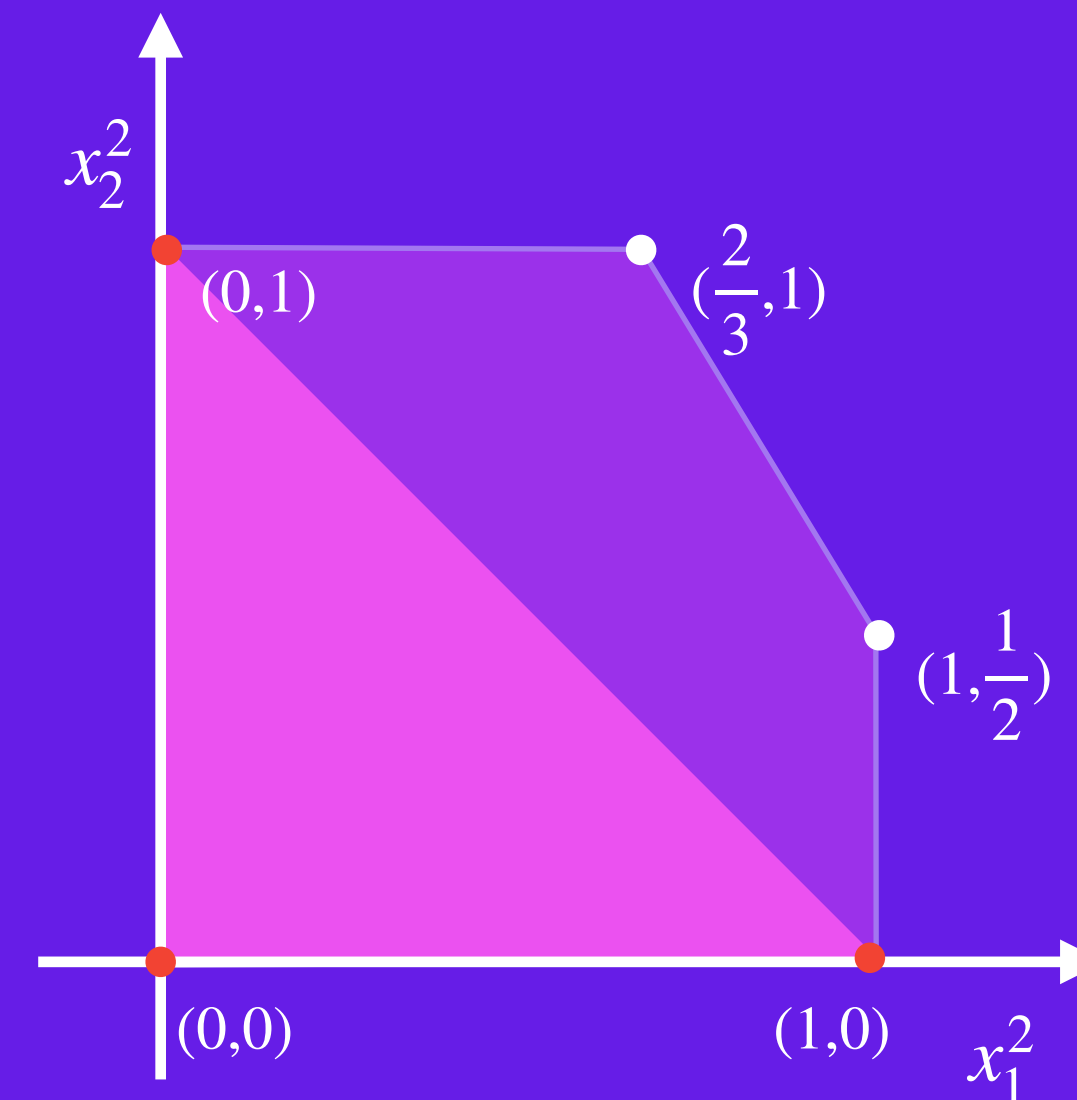
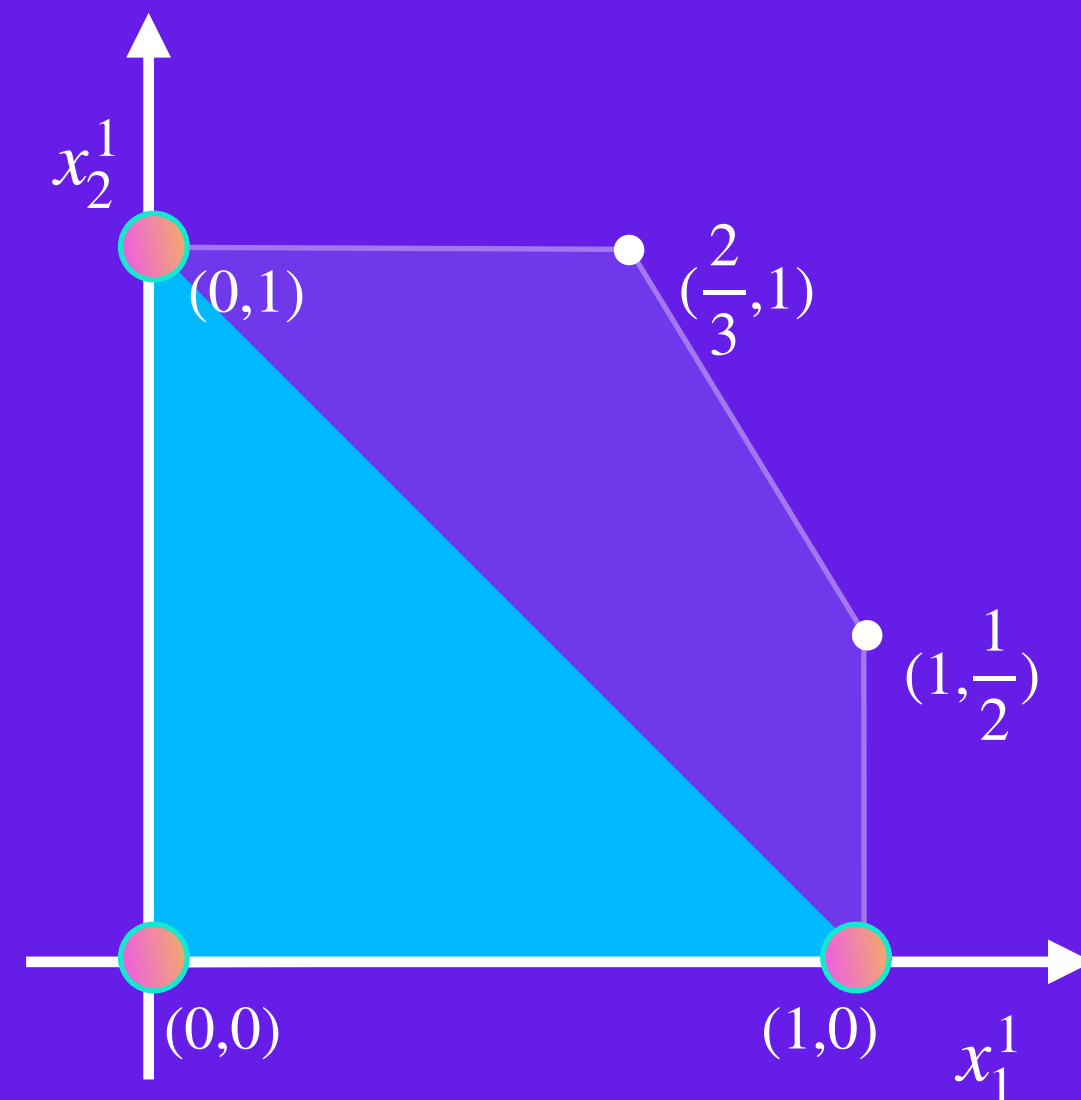


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Best-responses





$$\begin{aligned} \max_{x^1} \quad & 6x_1^1 + x_2^1 - 4x_1^1x_1^2 + 6x_2^1x_2^2 \\ \text{s.t.} \quad & 3x_1^1 + 2x_2^1 \leq 4 \\ & x^1 \in \{0,1\}^2 \end{aligned}$$

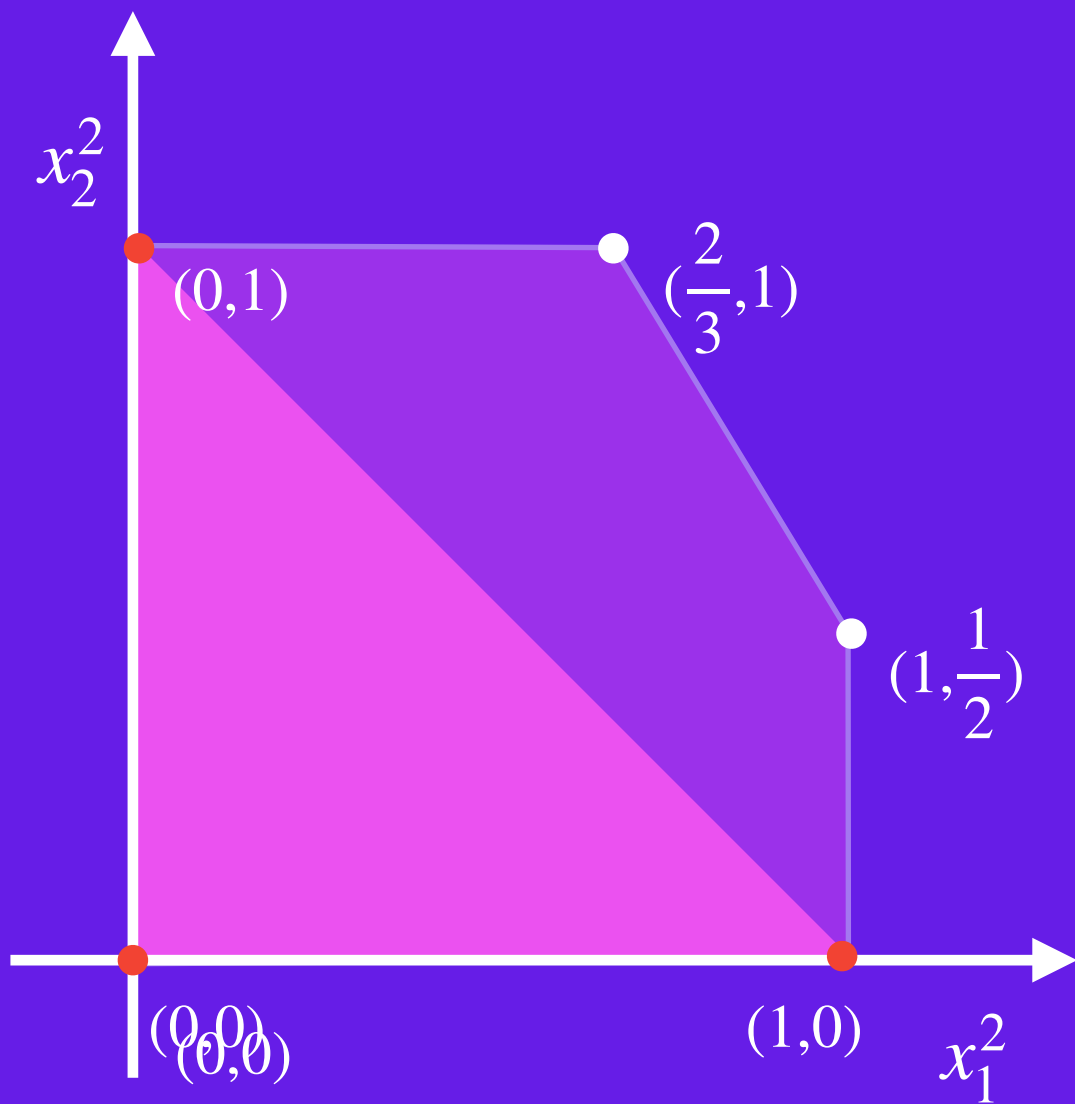


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		$x^2$		
		$(0,0)$	$(1,0)$	$(0,1)$
$x^1$	$(0,0)$	0 0	0 4	0 2
	$(1,0)$	6 0	2 3	6 2
	$(0,1)$	1 0	1 2	7 1



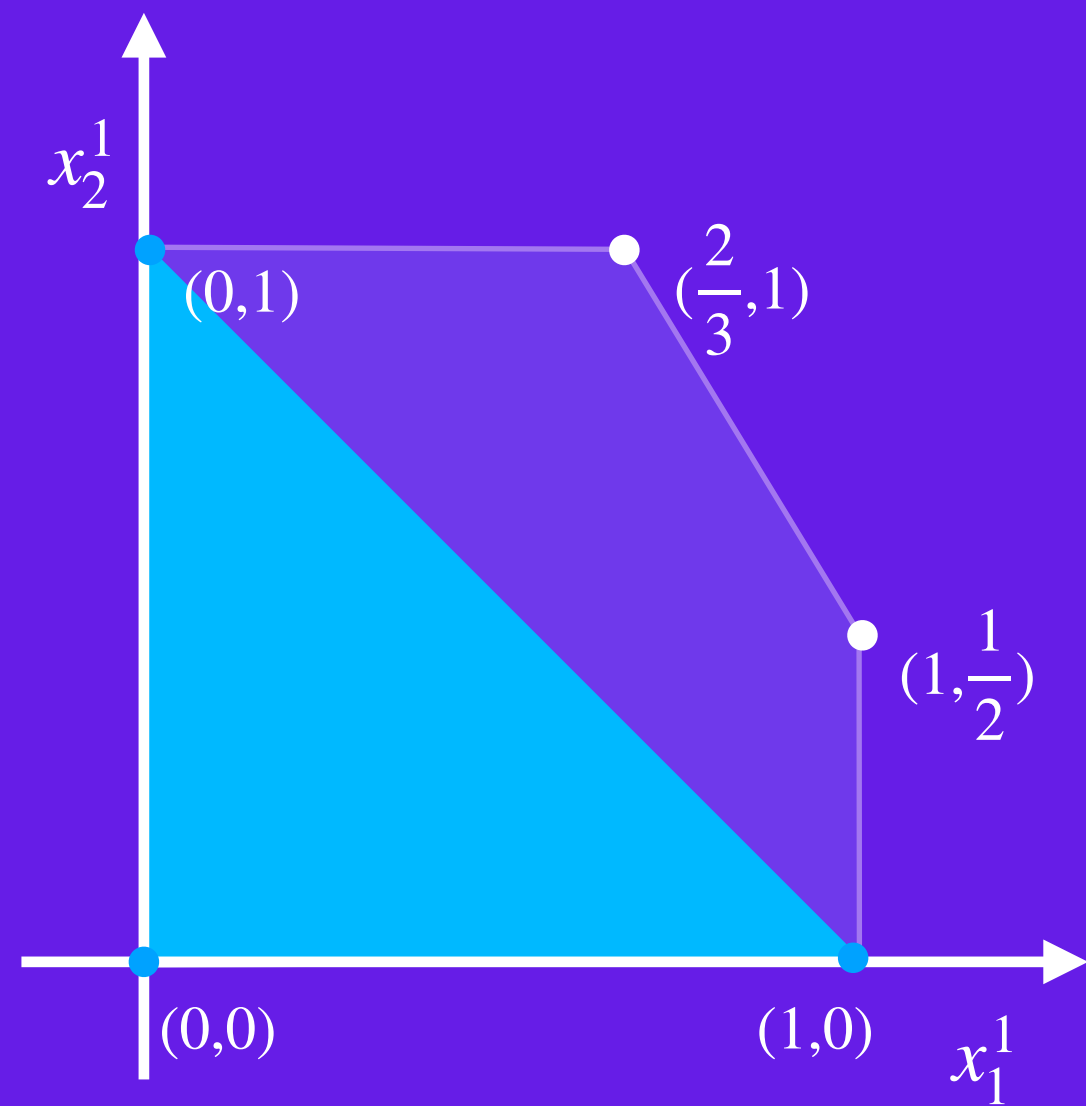
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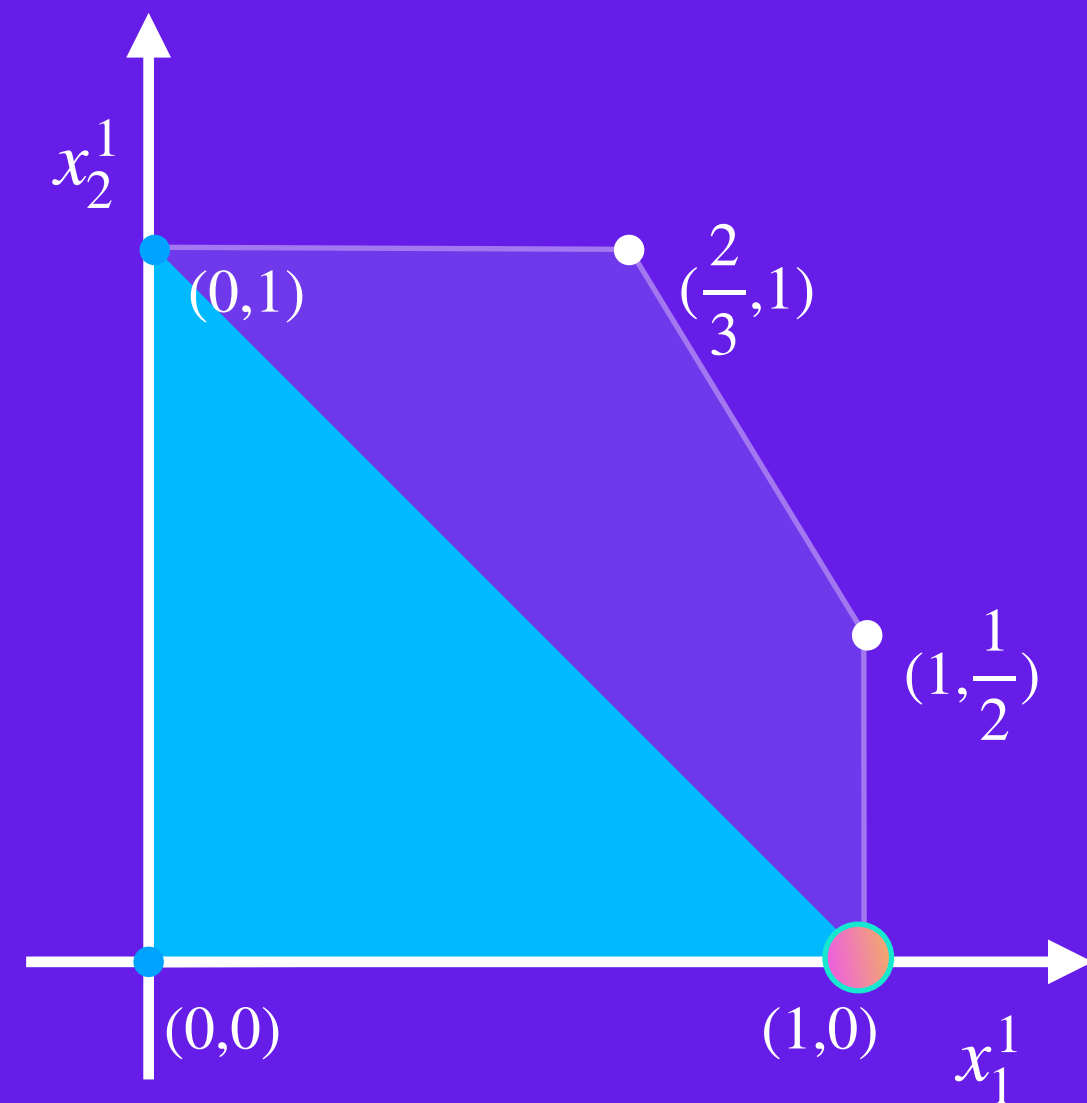
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