



Fair and



Efficient



Social Decision-Making

CSCI 699

Fair Division: Divisible Goods

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Cake-Cutting

Cake-Cutting

- A heterogeneous divisible good
 - **Heterogeneous** = same part may be valued differently by different agents
 - **Divisible** = can be divided between agents
- Cake $C = [0,1]$
 - Almost without loss of generality
- Agents $N = \{1, \dots, n\}$
- **Piece of cake** $X \subseteq [0,1] =$ finite union of disjoint intervals
- Allocation $A = (A_1, \dots, A_n)$
 - Partition of the cake where each A_i is a piece of the cake



Agent Valuations

- Valuation of agent i is given by an integrable value density function $f_i: [0,1] \rightarrow \mathbb{R}_+$

➤ Her value for a piece of cake X is $V_i(X) = \int_{x \in X} f_i(x) dx$

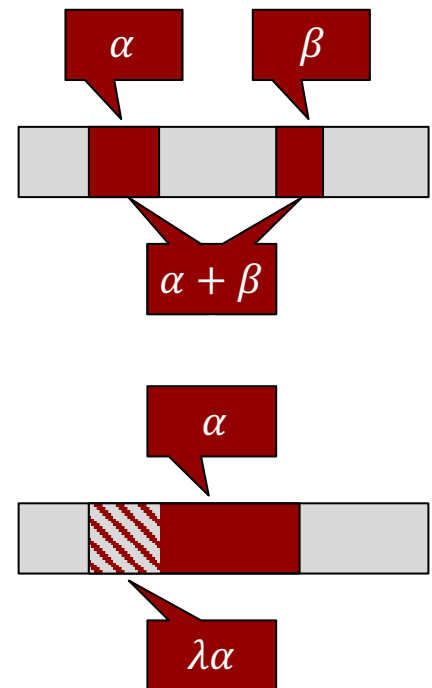
- Two key properties

➤ **Additive:** For $X \cap Y = \emptyset$,
 $V_i(X) + V_i(Y) = V_i(X \cup Y)$

➤ **Divisible:** $\forall \lambda \in [0,1]$ and X ,
 $\exists Y \subseteq X$ s.t. $V_i(Y) = \lambda V_i(X)$

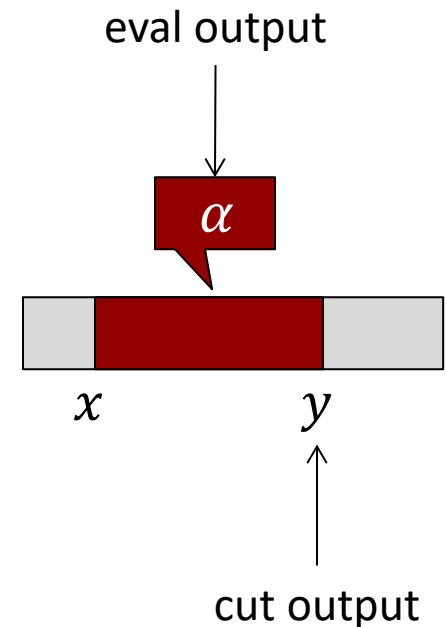
- WLOG

➤ **Normalized:** $V_i([0,1]) = 1$



Complexity

- Inputs are functions
 - Infinitely many bits may be needed to fully represent the input
 - Query complexity is more useful
- **Robertson-Webb Model**
 - $\text{Eval}_i(x, y)$ returns $v_i([x, y])$
 - $\text{Cut}_i(x, \alpha)$ returns y such that $v_i([x, y]) = \alpha$



Fairness Goals

- What kind of fairness might we want from an allocation A ?

- Proportionality (Prop):

$$\forall i \in N: V_i(A_i) \geq \frac{1}{n}$$

- Envy-Freeness (EF):

$$\forall i, j \in N: V_i(A_i) \geq V_i(A_j)$$

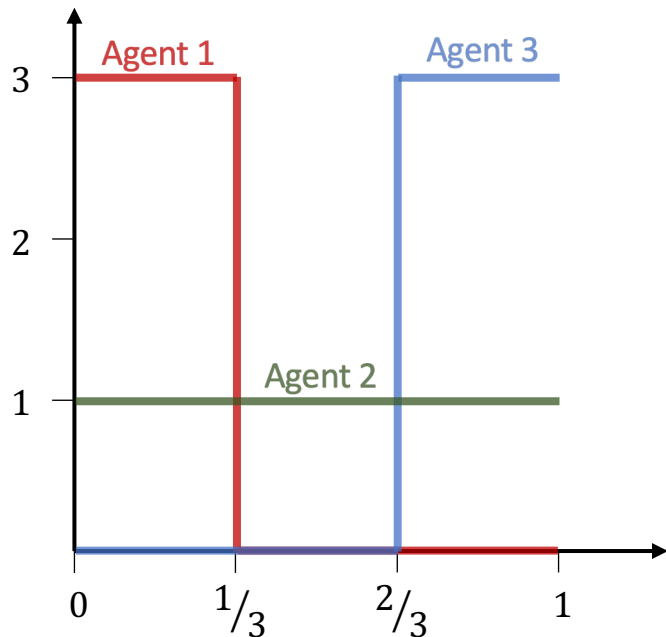
- Equitability (EQ):

$$\forall i, j \in N: V_i(A_i) = V_j(A_j)$$

Only makes sense with normalization

Example

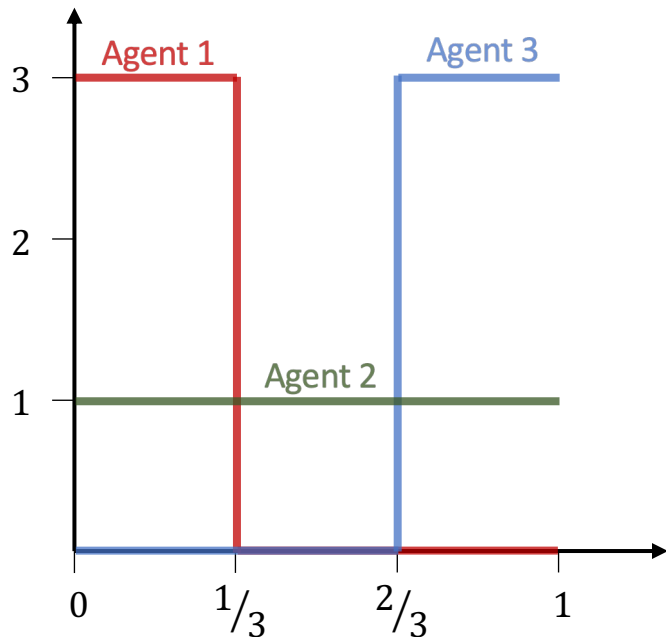
- Value density functions



- Agent 1 wants $[0, 1/3]$ uniformly and does not want anything else
- Agent 2 wants the entire cake uniformly
- Agent 3 wants $[2/3, 1]$ uniformly and does not want anything else

Example

- Value density functions

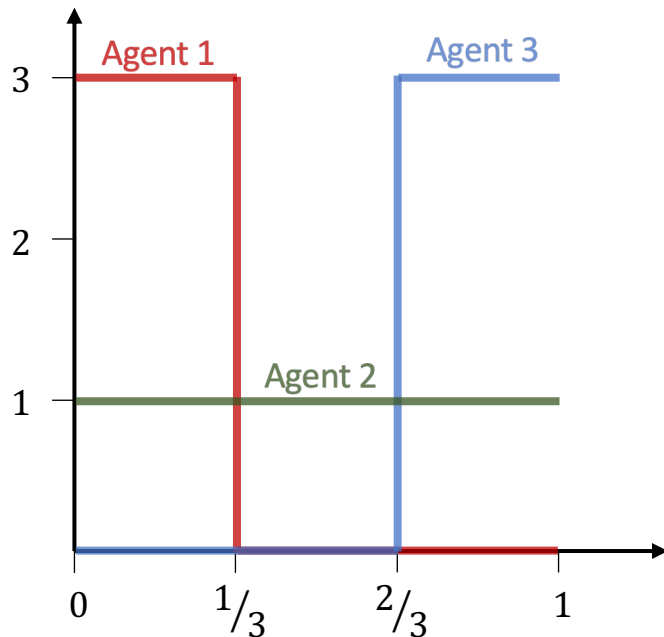


- Consider the following allocation

- $A_1 = [0, 1/9] \Rightarrow v_1(A_1) = 1/3$
- $A_2 = [1/9, 8/9] \Rightarrow v_2(A_2) = 7/9$
- $A_3 = [8/9, 1] \Rightarrow v_3(A_3) = 1/3$
- The allocation is proportional, but not envy-free or equitable

Example

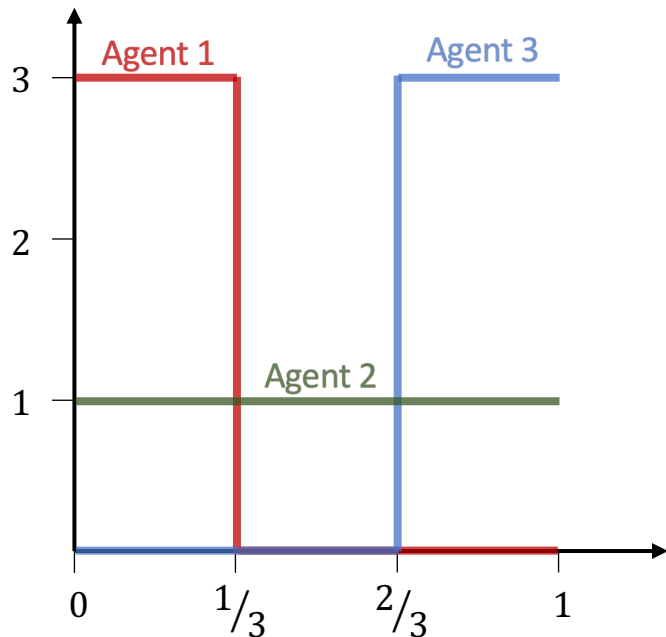
- Value density functions



- Consider the following allocation
- $A_1 = [0, 1/6] \Rightarrow v_1(A_1) = 1/2$
- $A_2 = [1/6, 5/6] \Rightarrow v_2(A_2) = 2/3$
- $A_3 = [5/6, 1] \Rightarrow v_3(A_3) = 1/2$
- The allocation is proportional and envy-free, but not equitable

Example

- Value density functions



- Consider the following allocation

- $A_1 = [0, 1/5] \Rightarrow v_1(A_1) = 3/5$
- $A_2 = [1/5, 4/5] \Rightarrow v_2(A_2) = 3/5$
- $A_3 = [4/5, 1] \Rightarrow v_3(A_3) = 3/5$
- The allocation is proportional, envy-free, and equitable

Relations Between Fairness Desiderata

- **Prop:** $\forall i \in N: V_i(A_i) \geq 1/n$
- **EF:** $\forall i, j \in N: V_i(A_i) \geq V_i(A_j)$
- **Question:**
What is the relation between proportionality and EF?
 1. Prop \Rightarrow EF
 2. EF \Rightarrow Prop
 3. Equivalent
 4. Incomparable

Relations Between Fairness Desiderata

- **Envy-freeness implies proportionality**
 - Summing $v_i(A_i) \geq v_i(A_j)$ over all j gives proportionality
- **For 2 agents, proportionality also implies envy-freeness**
 - Hence, they are equivalent.
- **Equitability is incomparable to proportionality and envy-freeness**
 - E.g. if each agent has value 0 for her own allocation and 1 for the other agent's allocation, it is equitable but not proportional or envy-free.

Existence

- **Theorem [Alon, 1987]**

Suppose the value density function f_i of each agent valuation v_i is continuous. Then, we can cut the cake at $n^2 - n$ places and rearrange the $n^2 - n + 1$ intervals into n pieces A_1, \dots, A_n such that

$$v_i(A_j) = 1/n, \forall i, j \in N$$

- This is called a “**perfect partition**”
 - It is trivially envy-free (thus proportional) and equitable
- As we will later see, this cannot be found with finitely many queries in Robertson-Webb model

Proportionality

CUT-AND-CHOOSE

- Algorithm for $n = 2$ agents

- Agent 1 divides the cake into two pieces X, Y s.t.

$$V_1(X) = V_1(Y) = 1/2$$

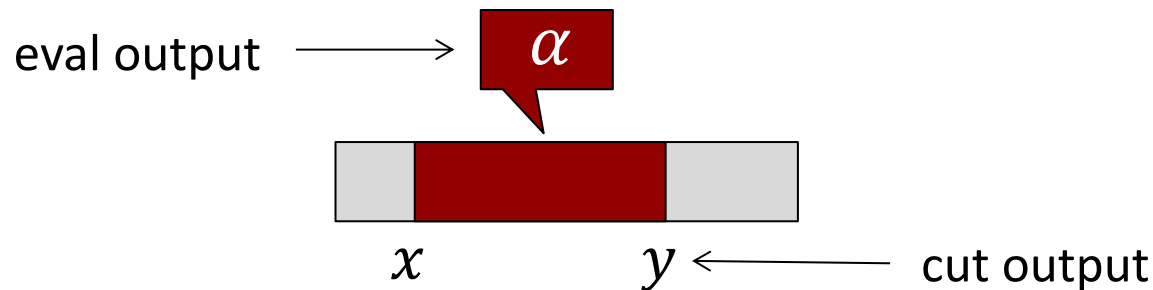
- Agent 2 chooses the piece she prefers.

- This is EF and therefore proportional.

➤ Why?

Robertson-Webb Model

- Two types of queries to an agent's valuation function V_i
 - $\text{Eval}_i(x, y)$ returns $V_i([x, y])$
 - $\text{Cut}_i(x, \alpha)$ returns the smallest y such that $V_i([x, y]) = \alpha$
 - If no such y exists, then it returns 1

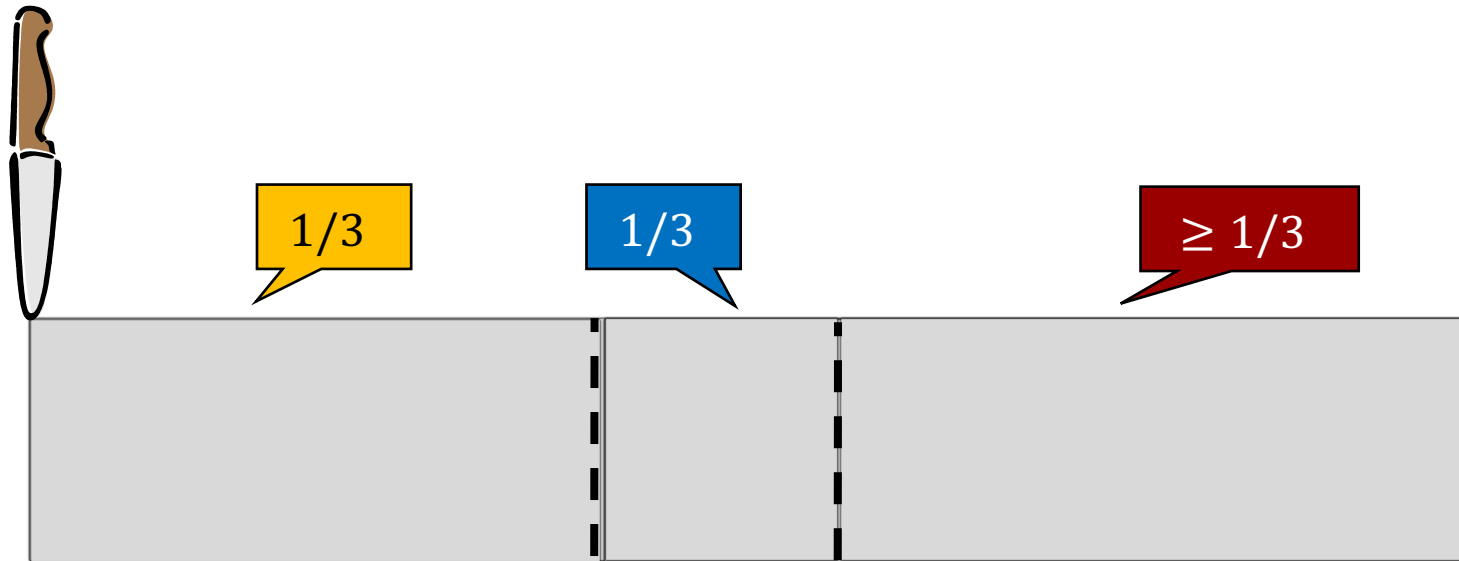


- **Question:**
 - How many queries are needed to find an EF allocation when $n = 2$?

DUBINS-SPANIER

- Protocol for finding a proportional allocation for n agents
- Referee starts with a knife at 0
 - Referee continuously moves the knife to the right
 - Repeat $n - 1$ times: Whenever the piece to the left of knife is worth $1/n$ to a agent, the agent shouts “stop”, gets the piece, and exits.
 - The last agent gets the remaining piece.

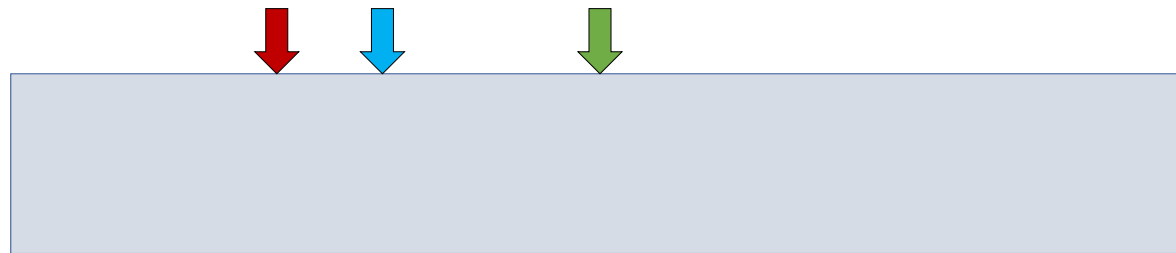
DUBINS-SPANIER



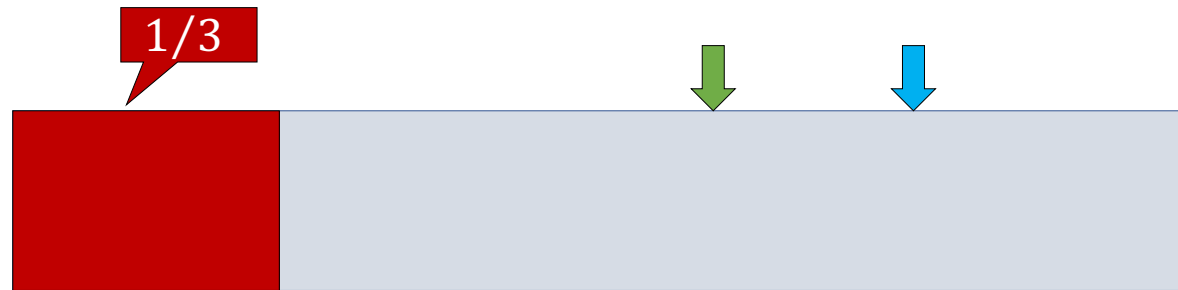
DUBINS-SPANIER

- Moving a knife continuously is not really needed.
- At each stage, we can ask each remaining agent a cut query to mark his $1/n$ point in the remaining cake.
- Move the knife to the leftmost mark.

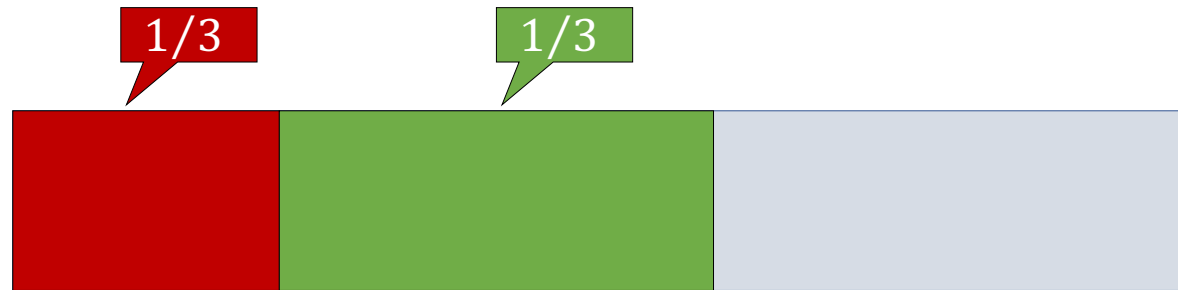
DUBINS-SPANIER



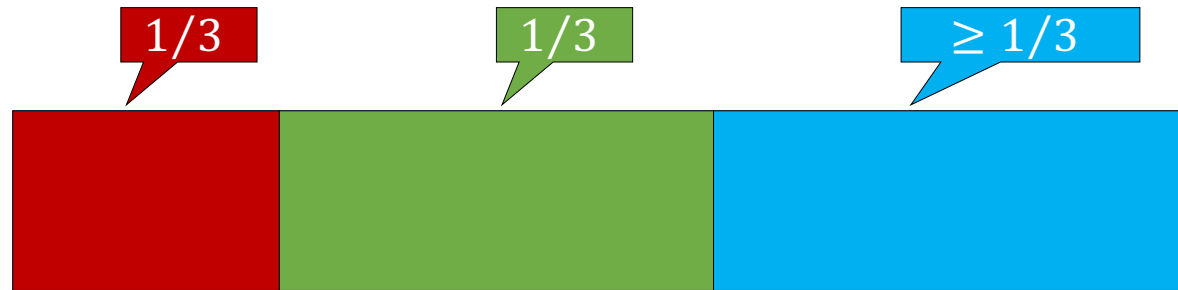
DUBINS-SPANIER



DUBINS-SPANIER



DUBINS-SPANIER



DUBINS-SPANIER

- **Question:** What is the complexity of the Dubins-Spanier protocol in the Robertson-Webb model?

1. $\Theta(n)$
2. $\Theta(n \log n)$
3. $\Theta(n^2)$
4. $\Theta(n^2 \log n)$

EVEN-PAZ

- **Input:** Interval $[x, y]$, number of agents n

- Assume $n = 2^k$ for some k

- If $n = 1$, give $[x, y]$ to the single agent.

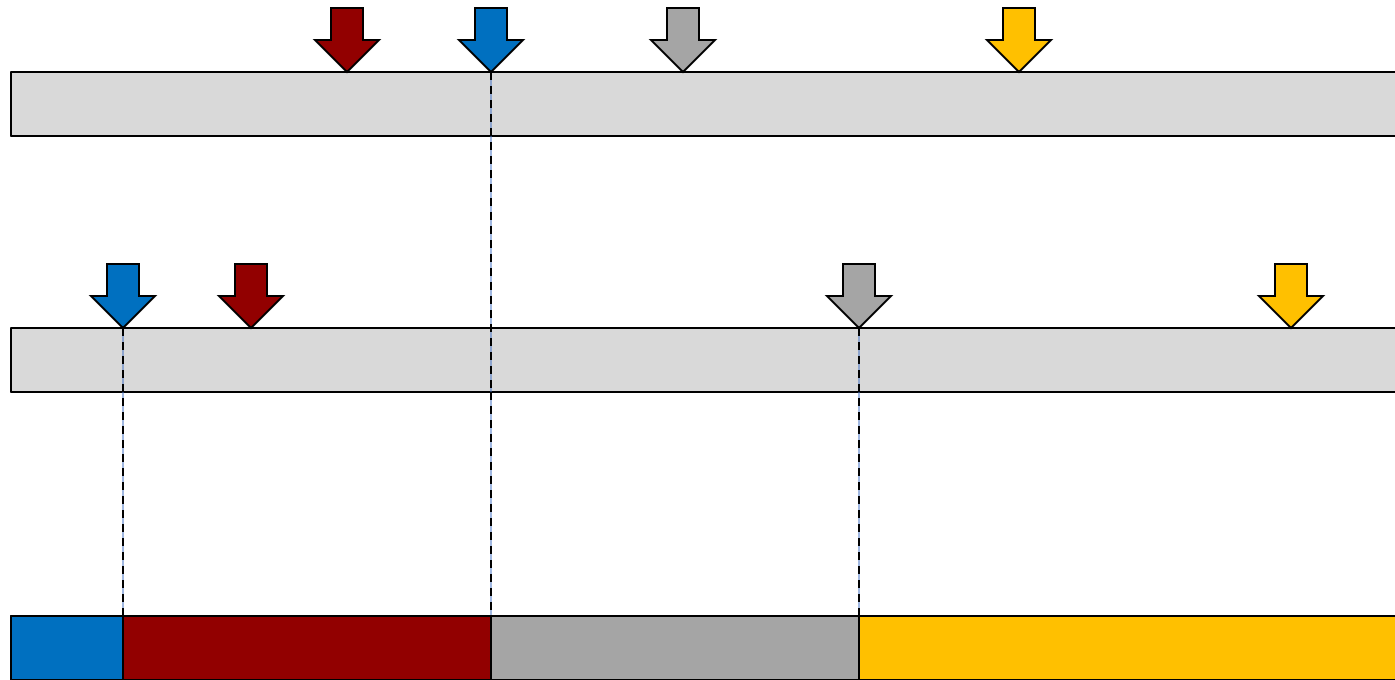
- Otherwise, let each agent i mark z_i s.t.

$$V_i([x, z_i]) = \frac{1}{2} V_i([x, y])$$

- Let z^* be the $n/2$ -th mark from the left.

- Recurse on $[x, z^*]$ with the left $n/2$ agents and on $[z^*, y]$ with the right $n/2$ agents.

EVEN-PAZ



EVEN-PAZ

- **Theorem:** EVEN-PAZ returns a Prop allocation.
- **Proof:**
 - Inductive proof. We want to prove that if agent i is allocated piece A_i when $[x, y]$ is divided between n agents, $V_i(A_i) \geq (1/n)V_i([x, y])$
 - Then Prop follows because initially $V_i([x, y]) = V_i([0,1]) = 1$
 - Base case: $n = 1$ is trivial.
 - Suppose it holds for $n = 2^{k-1}$. We prove for $n = 2^k$.
 - Take the 2^{k-1} left agents.
 - Every left agent i has $V_i([x, z^*]) \geq (1/2) V_i([x, y])$
 - If it gets A_i , by induction, $V_i(A_i) \geq \frac{1}{2^{k-1}} V_i([x, z^*]) \geq \frac{1}{2^k} V_i([x, y])$

EVEN-PAZ

- **Question:** What is the complexity of the Even-Paz protocol in the Robertson-Webb model?
 1. $\Theta(n)$
 2. $\Theta(n \log n)$
 3. $\Theta(n^2)$
 4. $\Theta(n^2 \log n)$

Complexity of Proportionality

- **Theorem [Edmonds and Pruhs, 2006]:** Any proportional protocol needs $\Omega(n \log n)$ operations in the Robertson-Webb model.
- Thus, the EVEN-PAZ protocol is (asymptotically) provably optimal!

Envy-Freeness

Envy-Freeness : Few Agents

- $n = 2$ agents : CUT-AND-CHOOSE (2 queries)
- $n = 3$ agents : SELFRIDGE-CONWAY (14 queries)

Gets complex pretty quickly!

Suppose we have three players **P1**, **P2** and **P3**. Where the procedure gives a criterion for a decision it means that criterion gives an optimum choice for the player.

1. **P1** divides the cake into three pieces he considers of equal size.
2. Let's call **A** the largest piece according to **P2**.
3. **P2** cuts off a bit of **A** to make it the same size as the second largest. Now **A** is divided into: the trimmed piece **A1** and the trimmings **A2**. Leave the trimmings **A2** to the side for now.
 - If **P2** thinks that the two largest parts are equal (such that no trimming is needed), then each player chooses a part in this order: **P3**, **P2** and finally **P1**.
4. **P3** chooses a piece among **A1** and the two other pieces.
5. **P2** chooses a piece with the limitation that if **P3** didn't choose **A1**, **P2** must choose it.
6. **P1** chooses the last piece leaving just the trimmings **A2** to be divided.

It remains to divide the trimmings **A2**. The trimmed piece **A1** has been chosen by either **P2** or **P3**; let's call the player who chose it **PA** and the other player **PB**.

1. **PB** cuts **A2** into three equal pieces.
2. **PA** chooses a piece of **A2** - we name it **A21**.
3. **P1** chooses a piece of **A2** - we name it **A22**.
4. **PB** chooses the last remaining piece of **A2** - we name it **A23**.

Envy-Freeness : Few Agents

- [Brams and Taylor, 1995]
 - The first finite (but unbounded) protocol for any number of agents
- [Aziz and Mackenzie, 2016a]
 - The first bounded protocol for 4 agents (at most 203 queries)
- [Amanatidis et al., 2018]
 - A simplified version of the above protocol for 4 agents (at most 171 queries)

Envy-Freeness

- **Theorem [Aziz and Mackenzie, 2016b]**
 - There exists a bounded protocol for computing an envy-free allocation with n agents, which requires $O(n^{n^{n^{n^n}}})$ queries
 - After $O(n^{2n+3})$ queries, the protocol can output a **partial** allocation that is both proportional and envy-free
- What about lower bounds?

Complexity of Envy-Freeness

- **Theorem [Procaccia, 2009]**

Any protocol for finding an envy-free allocation requires $\Omega(n^2)$ queries.

Open Problem

Bridge the gap between $O(n^{n^{n^{n^n}}})$ upper bound and $\Omega(n^2)$ lower bound for envy-free cake-cutting

- **Theorem [Stromquist, 2008]**

There is no finite (even unbounded) protocol for finding a simple envy-free allocation for $n \geq 3$ agents.

Equitability

Upper Bound: $n = 2$ Agents

- Existence

- Suppose we cut the cake at x to form pieces $[0, x]$ and $[x, 1]$
- Let $f(x) = v_1([0, x]) - v_2([x, 1])$
 - Note that $f(0) = -1$, $f(1) = 1$, and f is continuous
- By the intermediate value theorem: $\exists x^*$ such that $f(x^*) = 0$
- Allocation $A_1 = [0, x^*]$ and $A_2 = [x^*, 1]$ is equitable

- Theorem [Cechlárová and Pillárová, 2012]

- Using binary search for x^* , we can find an ϵ -equitable allocation for 2 agents with $O(\ln(1/\epsilon))$ queries.

Upper Bound: $n > 2$ Agents

- Theorem [Cechlárová and Pillárová, 2012]

- This technique can be extended to n agents to find an ϵ -equitable allocation in $O(n \ln(1/\epsilon))$ queries.

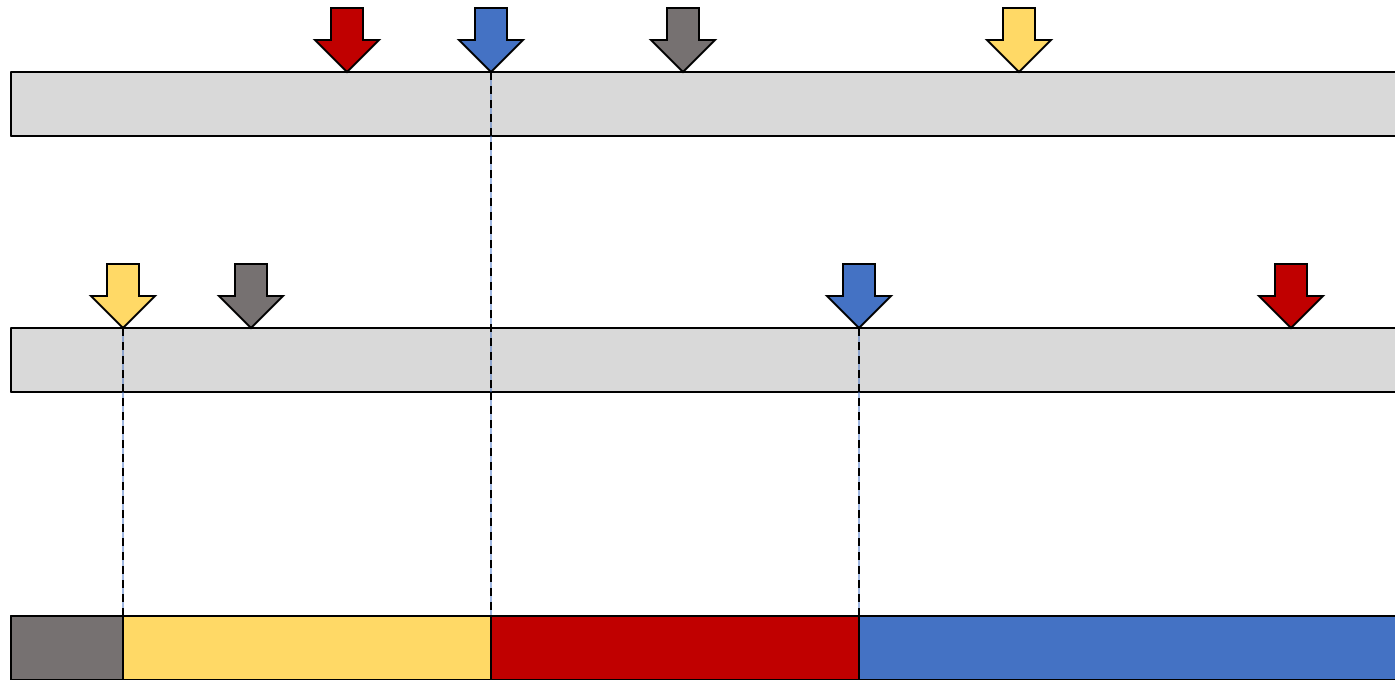
- Theorem [Procaccia and Wang, 2017]

- There exists a protocol for n agents which finds an ϵ -equitable allocation in $O(1/\epsilon \ln(1/\epsilon))$ queries.

- Intuition:

- If $n \leq 1/\epsilon$, use above protocol for finding an equitable ϵ -equitable allocation.
- If $n > 1/\epsilon$, use a variant of the Evan-Paz algorithm to find an *anti-proportional* allocation where $n' = \lceil 1/\epsilon \rceil$ agents get value *at most* $1/n'$, and the rest receive nothing.
 - While this is a “bad” allocation, it is ϵ -equitable.

ANTIPROPORTIONAL EVEN-PAZ



Lower Bound

- **Theorem [Procaccia and Wang, 2017]**
Any protocol for finding an ϵ -equitable allocation must require $\Omega\left(\frac{\ln(1/\epsilon)}{\ln \ln(1/\epsilon)}\right)$ queries.
- **Theorem [Procaccia and Wang, 2017]**
There is no finite (even if unbounded) protocol for finding an equitable allocation.

Efficiency

Efficiency

- **Weak Pareto optimality (WPO)**

- Allocation A is weakly Pareto optimal if there is no allocation B such that $v_i(B_i) > v_i(A_i)$ for all $i \in N$.
- “Can’t make everyone happier”

- **Pareto optimality (PO)**

- Allocation A is Pareto optimal if there is no allocation B such that $v_i(B_i) \geq v_i(A_i)$ for all agents $i \in N$, and at least one inequality is strict.
- “Can’t make someone happier without making someone else less happy”

Pareto Optimality (PO)

- **Definition**

- We say that an allocation $A = (A_1, \dots, A_n)$ is PO if there is no alternative allocation $B = (B_1, \dots, B_n)$ such that

1. Every agent is at least as happy: $V_i(B_i) \geq V_i(A_i), \forall i \in N$
2. Some agent is strictly happier: $V_i(B_i) > V_i(A_i), \exists i \in N$

- **Q:** Is it PO to give the entire cake to agent 1?

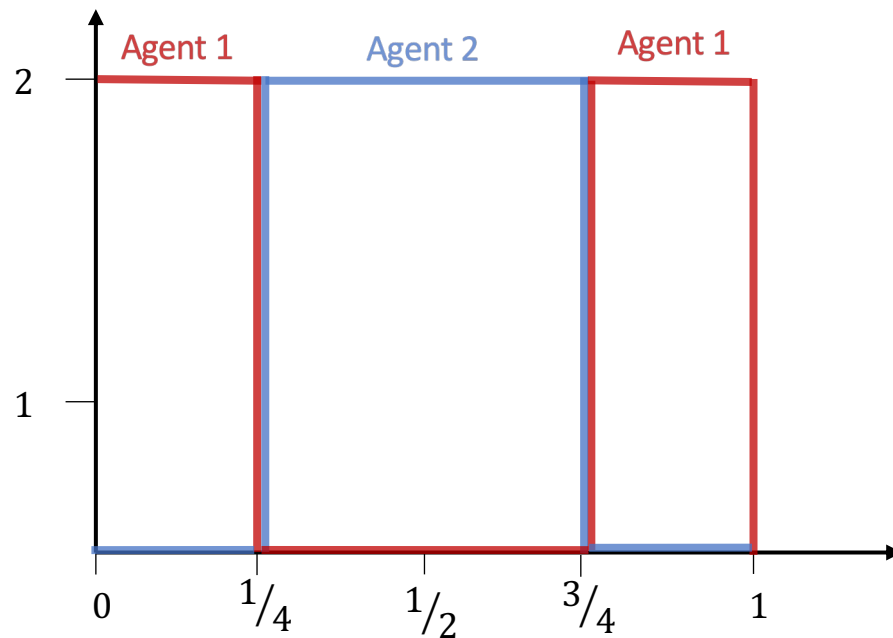
- **A:** Not necessarily. But yes, if agent 1 values every part of the cake positively.

- But a “sequential dictatorship” is always Pareto optimal

- Let agent 1 take whatever she values positively
 - From the rest, let agent 2 take whatever she values positively
 - And so on...

PO+EF+EQ

- **Theorem [Barbanel and Brams, 2011]**
With two agents, there is no a simple allocation that is envy-free, equitable, and Pareto optimal.



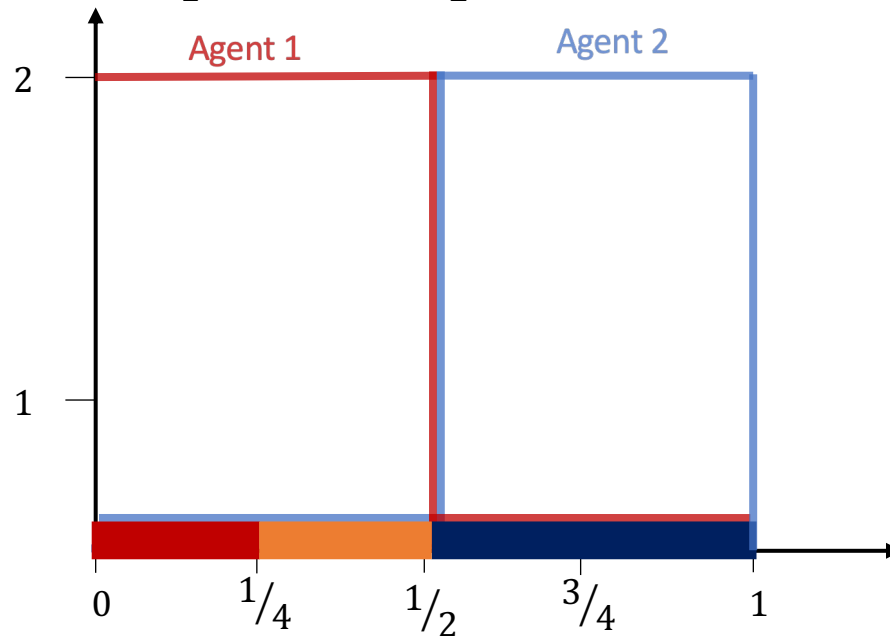
PO+EF+EQ

- **Theorem [Barbanel and Brams, 2011]**
With two agents, there is no an allocation that is envy-free, equitable, and Pareto optimal.
- Reorder each bit g of the cake by $v_1(g)/v_2(g)$
- Choose x such that $v_1([0, x]) = v_2([x, 0])$



PO+EF+EQ

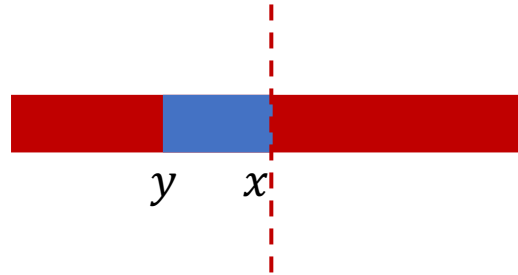
- **Theorem [Barbanel and Brams, 2011]**
With two agents, there is no an allocation that is envy-free, equitable, and Pareto optimal.
- Reorder each bit g of the cake by $v_1(g)/v_2(g)$
- Choose x such that $v_1([0, x]) = v_2([x, 0])$



- **Question:**
 - Why is the algorithm efficient and EF?

PO+EF+EQ

- Efficiency:

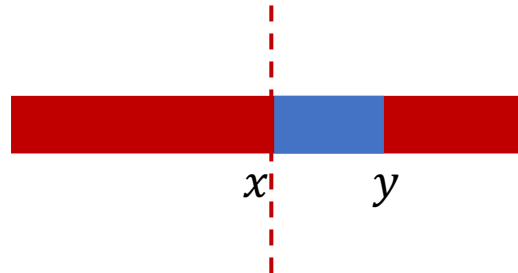


- Case I:

- Suppose for contradiction that $v_1([y, x]) = 0$ and $v_2([y, x]) > 0$
- Then, $v_1([y, 1]) = 0 \Rightarrow v_1([0, x]) = v_2([x, y]) = 1$

PO+EF+EQ

- Efficiency:



- Case I:

- Suppose for contradiction that $v_1([y, x]) = 0$ and $v_2([y, x]) > 0$
- Then, $v_1([y, 1]) = 0 \Rightarrow v_1([0, x]) = v_2([x, y]) = 1$

- Case II:

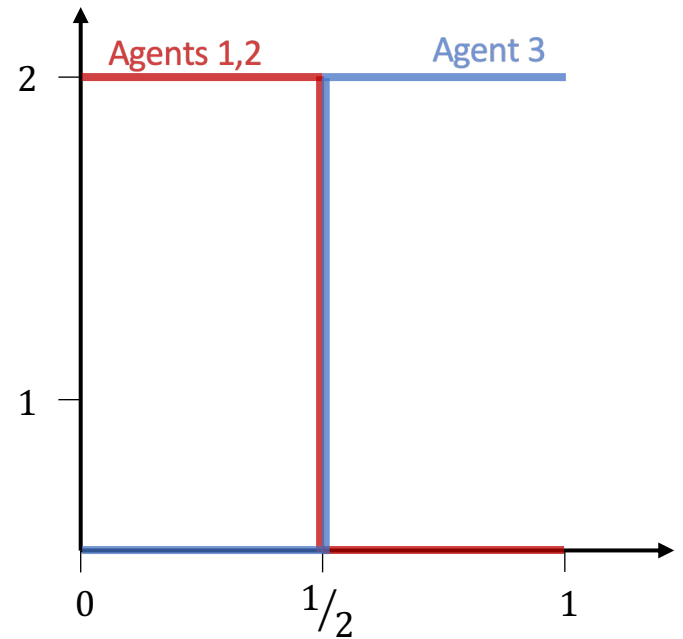
- Suppose for contradiction that $v_2([x, y]) = 0$ and $v_1([x, y]) > 0$
- Then, $v_2([0, 1]) = 0 \Rightarrow v_1([0, x]) = v_2([x, y]) = 1$

- EF:

- Suppose that $v_1([0, x]) = v_2([x, 0]) < 0.5$
- But then efficiency is violated!

PO+EF+EQ: (Non-)Existence

- With $n \geq 3$ agents, PO+EQ is impossible



PO + EF

- **Theorem [Weller '85]:**

- There always exists an allocation of the cake that is both envy-free and Pareto optimal.

- One way to achieve PO+EF:

- **Nash-optimal allocation:** $\operatorname{argmax}_A \prod_{i \in N} V_i(A_i)$
- Obviously, this is PO. The fact that it is EF is somewhat non-trivial.
- Named after John Nash
 - Nash social welfare = product of utilities
 - Different from utilitarian social welfare = sum of utilities

Nash-Optimal Allocation



- **Example:**

- Green agent has value 1 distributed over $[0, 2/3]$
- Blue agent has value 1 distributed over $[0, 1]$
- Without loss of generality (why?) suppose:
 - Green agent gets x fraction of $[0, 2/3]$
 - Blue agent gets the remaining $1 - x$ fraction of $[0, 2/3]$ AND all of $[2/3, 1]$.
- Green's utility = x , blue's utility = $(1 - x) \cdot \frac{2}{3} + \frac{1}{3} = \frac{3-2x}{3}$
- Maximize: $x \cdot \frac{3-2x}{3} \Rightarrow x = 3/4$ ($3/4$ fraction of $2/3$ is $1/2$).

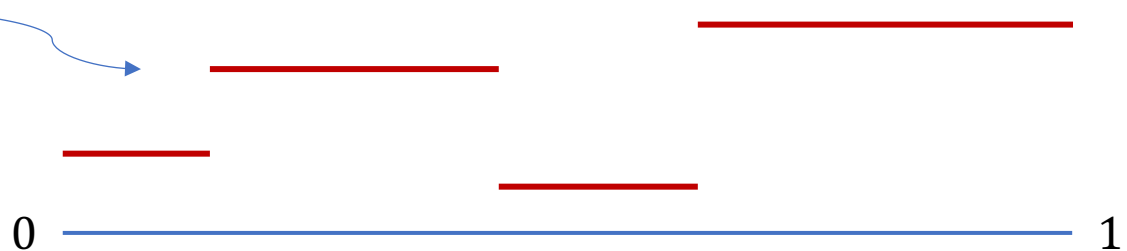


Green has utility $\frac{3}{4}$
 Blue has utility $\frac{1}{2}$

Problem with Nash Solution

- Computing any Pareto optimal allocation already requires an unbounded number of queries
- **Theorem [Aziz & Ye '14]:**
 - For *piecewise constant* valuations, the Nash-optimal solution can be computed in polynomial time.

The density function of a piecewise constant valuation looks like this



Strategyproofness

Strategyproofness (SP)

- **Direct-revelation mechanisms**

- A direct-revelation mechanism h takes as input all the valuation functions v_1, \dots, v_n , and returns an allocation A
- Notation: $h(v_1, \dots, v_n) = A, h_i(v_1, \dots, v_n) = A_i$

- **Strategyproofness (deterministic mechanisms)**

- A direct-revelation mechanism h is called strategyproof if
$$\forall v_1, \dots, v_n, \forall i, \forall v'_i : v_i(h_i(v_1, \dots, v_n)) \geq v_i(h_i(v_1, \dots, v'_i, \dots, v_n))$$
- That is, no agent i can achieve a higher value by misreporting her valuation, regardless of what the other agents report

Strategyproofness (SP)

- **Strategyproofness (randomized mechanisms)**

- Technically, referred to as “truthfulness-in-expectation”

- When referring to SP for randomized mechanisms, we will refer to this concept

- A randomized direct-revelation mechanism h is called strategyproof if

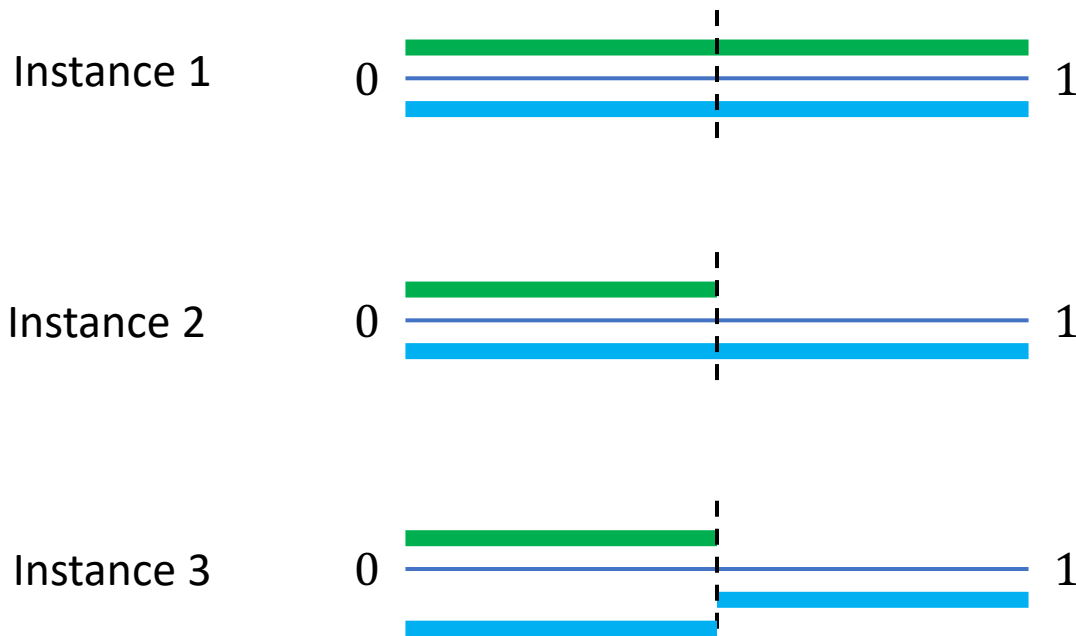
$$\forall v_1, \dots, v_n, \forall i, \forall v'_i : E[v_i(h_i(v_1, \dots, v_n))] \geq E[v_i(h_i(v_1, \dots, v'_i, \dots, v_n))]$$

- That is, no agent i can achieve a higher *expected* value by misreporting her valuation, regardless of what the other agents report

- Expectation is over the randomness of the mechanism

Deterministic SP Mechanisms

- **Theorem [Menon and Larson '17, Bei et al. '17]**
No non-wasteful deterministic SP mechanism is (even approximately) **proportional**.
- **Proof**



Deterministic SP Mechanisms

- **Theorem [Menon and Larson '17, Bei et al. '17]**
No non-wasteful deterministic SP mechanism is (even approximately) **proportional**.
 - Since EF is at least as strict as Prop, SP+EF is also impossible subject to non-wastefulness.
 - Non-wastefulness can be replaced by a requirement of “connected pieces”, and the impossibility result still holds.

Open Problem

Does the SP+Prop impossibility hold even without the non-wastefulness assumption?

Deterministic SP Mechanisms

- SP+PO is easy to achieve
 - E.g. serial dictatorship
- SP+PO+EQ is impossible
 - We saw that even EQ+PO allocations may not exist

Open Problem

Does there exist a direct revelation, deterministic SP+EQ mechanism?

Randomized SP Mechanisms

- We want the mechanism *always* return an allocation satisfying a subset of {EQ,EF,PO}, and be SP in expected utilities
- Recall: PO+EQ allocations may not exist
 - Hence, we can only hope for SP+PO+EF or SP+EF+EQ
 - The first is an open problem, but the second combination is achievable!

Open Problem

Does there exist a randomized SP mechanism which always returns a PO+EF allocation?

Randomized SP Mechanisms

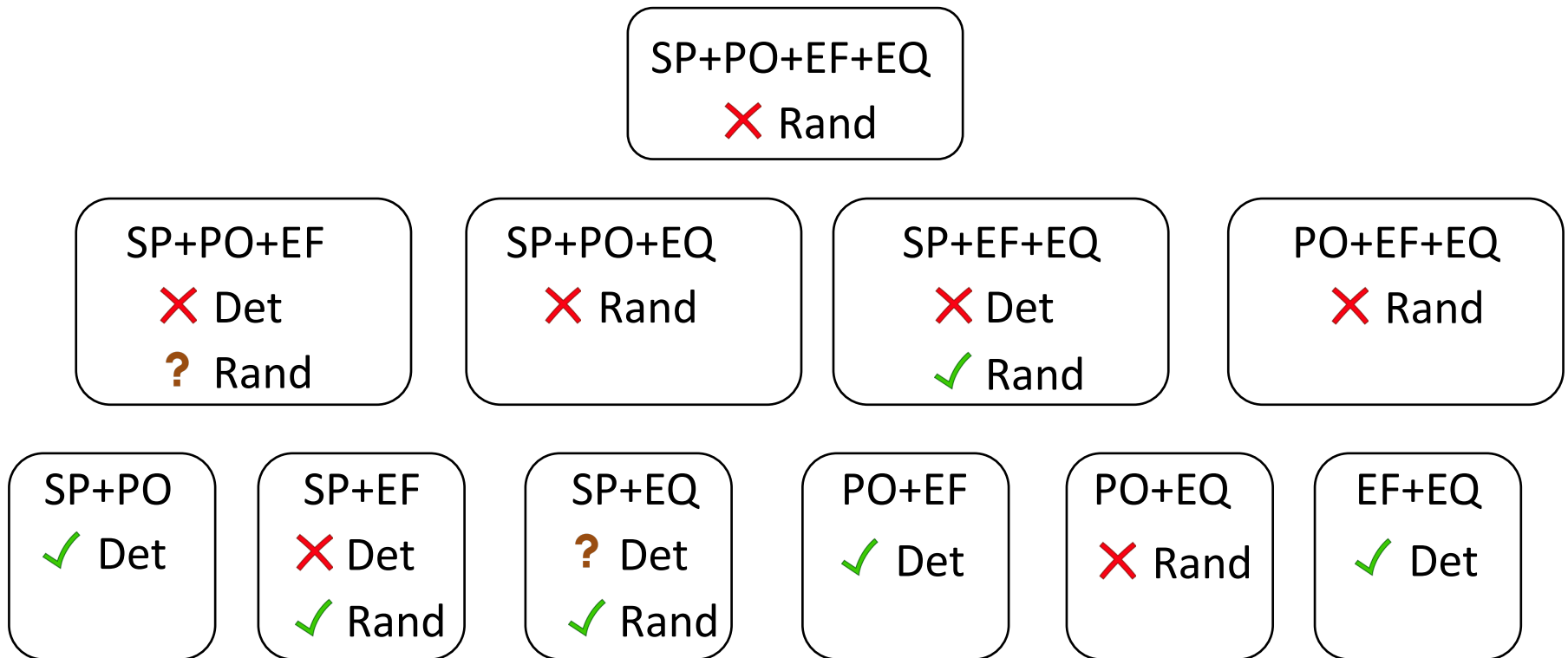
- **Theorem [Mossel and Tamuz, 2010; Chen et al. 2013]**

There is a randomized SP mechanism that *always* returns an EF+EQ allocation.

- Recall: In a perfect partition B , $v_i(B_k) = 1/n$ for all $i, k \in N$
- **Algorithm:** Compute a perfect partition and return allocation A which randomly assigns the n pieces to the n agents
- **SP:** Regardless of what the agents report, agent i receives each piece of the cake with probability $1/n$, and thus has expected value exactly $1/n$
- **EF:** Assuming agents report truthfully (due to SP), agent i always receives a cake she values at $1/n$, and according to her, so do others.

Existential Summary

✗ = Impossibility
✓ = Possibility



Perfect Partition

- **Theorem [Lyapunov '40]:**
 - There always exists a “perfect partition” (B_1, \dots, B_n) of the cake such that $V_i(B_j) = 1/n$ for every $i, j \in [n]$
 - Every agent values every piece at exactly $1/n$
- **Theorem [Alon '87]:**
 - There exists a perfect partition that only cuts the cake at $poly(n)$ points
 - In contrast, Lyapunov’s proof is non-constructive and might need an unbounded number of cuts
- Unfortunately, computing a perfect partition needs an unbounded number of RW queries

Perfect Partition

- If you're given an algorithm for finding a perfect partition...
 - Can you use it to design a randomized protocol that *always* returns an EF allocation and is SP-in-expectation?
 - **Yes!** Compute a perfect partition and assign the n bundles to the n agents uniformly at random
 - Why is this *always* EF?
 - Every agent values every bundle at $1/n$
 - Why is this SP-in-expectation?
 - Because an agent is assigned a random bundle, her expected utility is $1/n$, irrespective of what she reports

Homogeneous Divisible Goods

- Suppose there are m homogeneous divisible goods
 - Each good can be divided fractionally between the agents
- Let $x_{i,g}$ = fraction of good g that agent i gets
 - Homogeneous = agent doesn't care which "part"
 - E.g., CPU or RAM
- Special case of cake-cutting
 - Line up the goods on $[0,1]$ → piecewise uniform valuations

Homogeneous Divisible Goods

- **Nash-optimal solution:**

Maximize $\sum_i \log U_i$

$$U_i = \sum_g x_{i,g} * v_{i,g} \quad \forall i$$

$$\sum_i x_{i,g} = 1 \quad \forall g$$

$$x_{i,g} \in [0,1] \quad \forall i, g$$

- This is known as the Gale-Eisenberg convex program
 - Can be solved *exactly* in strongly polynomial time

Price of Fairness

Price of Fairness

- Measures the **worst-case loss in social welfare** due to requirement of a fairness property X
- **Social welfare** of allocation A is the sum of values of the agents
 - Denoted $sw(A) = \sum_{i \in N} v_i(A_i)$
- Let \mathcal{F} denote the set of feasible allocations and \mathcal{F}_X denote the set of feasible allocations satisfying property X

$$PoF_X = \sup_{v_1, \dots, v_n} \frac{\max_{A \in \mathcal{F}} sw(A)}{\max_{A \in \mathcal{F}_X} sw(A)}$$

Price of Fairness

- Theorem [Caragiannis et al., 2009]

For cake-cutting, the price of proportionality is $\Theta(\sqrt{n})$, and the price of equitability is $\Theta(n)$.

- Theorem [Bertsimas et al., 2011]

For cake-cutting, the price of envy-freeness is also $\Theta(\sqrt{n})$. This is achieved by an allocation maximizing the Nash welfare $\prod_i v_i(A_i)$.