In Congestion Games, Taxes Achieve Optimal Approximation

Dario Paccagnan, Martin Gairing



Imperial College London







Main result I: tight NP-hardness of approximation



Main result I: tight NP-hardness of approximation





Main result I: tight NP-hardness of approximation

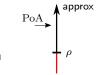
Main result II: taxes achieve matching approximation





Main result I: tight NP-hardness of approximation

Main result II: taxes achieve matching approximation





Main result I: tight NP-hardness of approximation

Main result II: taxes achieve matching approximation $POA^* = \rho$





Main result I: tight NP-hardness of approximation

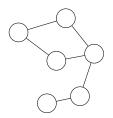




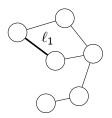
Main result I: tight NP-hardness of approximation Main result II: taxes achieve matching approximation \Rightarrow first poly algo optimal approx

> Judiciously designed taxes achieve optimal approx, and no other tractable intervention can improve

- Set of resources $\ensuremath{\mathcal{R}}$

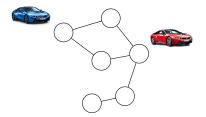


- Set of resources $\ensuremath{\mathcal{R}}$
- Resource costs $\ell_r(\cdot)$



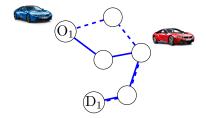
- Set of resources $\ensuremath{\mathcal{R}}$
- Resource costs $\ell_r(\cdot)$

- Set of players $\{1, \ldots, N\}$



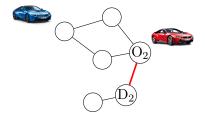
- Set of resources $\ensuremath{\mathcal{R}}$
- Resource costs $\ell_r(\cdot)$

- Set of players $\{1, \ldots, N\}$
- Player *i* feasible set $\mathcal{A}_i \subseteq 2^{\mathcal{R}}$



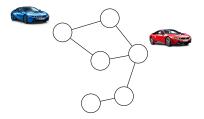
- Set of resources $\ensuremath{\mathcal{R}}$
- Resource costs $\ell_r(\cdot)$

- Set of players $\{1, \ldots, N\}$
- Player *i* feasible set $\mathcal{A}_i \subseteq 2^{\mathcal{R}}$



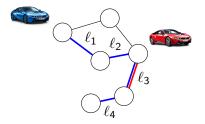
- Set of resources $\ensuremath{\mathcal{R}}$
- Resource costs $\ell_r(\cdot)$

- Set of players $\{1, \ldots, N\}$
- Player *i* feasible set $\mathcal{A}_i \subseteq 2^{\mathcal{R}}$
- Player *i* cost $C_i(a) = \sum_{r \in a_i} \ell_r(|a|_r)$



- Set of resources ${\mathcal R}$
- Resource costs $\ell_r(\cdot)$

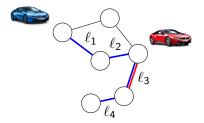
- Set of players $\{1, \ldots, N\}$
- Player *i* feasible set $\mathcal{A}_i \subseteq 2^{\mathcal{R}}$
- Player $i \operatorname{cost} C_i(a) = \sum_{r \in a_i} \ell_r(|a|_r)$



System cost:
$$SC(a) = \sum_{i} C_i(a)$$

- Set of resources ${\mathcal R}$
- Resource costs $\ell_r(\cdot)$

- Set of players $\{1, \ldots, N\}$
- Player *i* feasible set $\mathcal{A}_i \subseteq 2^{\mathcal{R}}$
- Player $i \cot C_i(a) = \sum_{r \in a_i} \ell_r(|a|_r)$

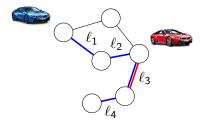


$$SC = \ell_1(1) + \ell_2(1) + 2\ell_3(2) + \ell_4(1)$$

System cost:
$$SC(a) = \sum_i C_i(a)$$

- Set of resources ${\mathcal R}$
- Resource costs $\ell_r(\cdot)$

- Set of players $\{1, \ldots, N\}$
- Player *i* feasible set $\mathcal{A}_i \subseteq 2^{\mathcal{R}}$
- Player $i \operatorname{cost} C_i(a) = \sum_{r \in a_i} \ell_r(|a|_r)$



$$SC = \ell_1(1) + \ell_2(1) + 2\ell_3(2) + \ell_4(1)$$

System cost:
$$SC(a) = \sum_i C_i(a)$$

Applications: routing, sensor allocation, scheduling, minimum power, ...



Main result I: tight NP-hardness of approximation

Main result II: taxes achieve matching approximation ⇒ first poly algo optimal approx

 $\texttt{MinSC}: \min_{a \in \mathcal{A}} SC(a)$

 $\texttt{MinSC}:\min_{a\in\mathcal{A}}SC(a)$

* MinSC is NP-hard [Meyers/Schulz, Networks'12]

* MinSC is NP-hard if latencies are linear [Castiglioni/Celli/Marchesi/Gatti, ArXiv'20]

 $\texttt{MinSC}:\min_{a\in\mathcal{A}}SC(a)$

- * MinSC is NP-hard [Meyers/Schulz, Networks'12]
- * MinSC is NP-hard if latencies are linear [Castiglioni/Celli/Marchesi/Gatti, ArXiv'20]
- * If latencies are polynomial of degree $\leq d$, then MinSC is NP-hard to approx within a factor $(\beta d)^{\frac{d}{2}}$, for some $\beta > 0$ [Roughgarden, FOCS'12]

 $\texttt{MinSC}:\min_{a\in\mathcal{A}}SC(a)$

- * MinSC is NP-hard [Meyers/Schulz, Networks'12]
- * MinSC is NP-hard if latencies are linear [Castiglioni/Celli/Marchesi/Gatti, ArXiv'20]
- * If latencies are polynomial of degree $\leq d$, then MinSC is NP-hard to approx within a factor $(\beta d)^{\frac{d}{2}}$, for some $\beta > 0$ [Roughgarden, FOCS'12]

Take-away: so far no tight computational lower bound

Theorem: In congestion games with resource costs identical to $b(\cdot)$

Theorem: In congestion games with resource costs identical to $b(\cdot)$, MinSC is NP-hard to approximate within any factor smaller than

$$\rho_b = \sup_{x \in \mathbb{N}} \frac{\mathbb{E}_{P \sim Poi(x)}[Pb(P)]}{xb(x)}$$

Theorem: In congestion games with resource costs identical to $b(\cdot)$, MinSC is NP-hard to approximate within any factor smaller than

$$\rho_b = \sup_{x \in \mathbb{N}} \frac{\mathbb{E}_{P \sim Poi(x)}[Pb(P)]}{xb(x)}$$

Extension to resource costs produced by non-negative combinations of functions b_1, \ldots, b_m obtained replacing ρ_b with $\max_j \rho_{b_j}$

Theorem: In congestion games with resource costs identical to $b(\cdot)$, MinSC is NP-hard to approximate within any factor smaller than

$$\rho_b = \sup_{x \in \mathbb{N}} \frac{\mathbb{E}_{P \sim Poi(x)}[Pb(P)]}{xb(x)}$$

Extension to resource costs produced by non-negative combinations of functions b_1, \ldots, b_m obtained replacing ρ_b with $\max_j \rho_{b_j}$

Corollary: In polynomial congestion games of max degree *d*

$$\max_{j} \rho_{b_{j}} = (d+1)$$
'st Bell number

Theorem: In congestion games with resource costs identical to $b(\cdot)$, MinSC is NP-hard to approximate within any factor smaller than

$$\rho_b = \sup_{x \in \mathbb{N}} \frac{\mathbb{E}_{P \sim Poi(x)}[Pb(P)]}{xb(x)}$$

Extension to resource costs produced by non-negative combinations of functions b_1, \ldots, b_m obtained replacing ρ_b with $\max_j \rho_{b_j}$

Corollary: In polynomial congestion games of max degree d

$$\max_j
ho_{b_j} = (d+1)$$
'st Bell number
For example $d=1$ corresponds to $\mathcal{B}(d+1)=2$

Theorem: In congestion games with resource costs identical to $b(\cdot)$, MinSC is NP-hard to approximate within any factor smaller than

$$\rho_b = \sup_{x \in \mathbb{N}} \frac{\mathbb{E}_{P \sim Poi(x)}[Pb(P)]}{xb(x)}$$

Extension to resource costs produced by non-negative combinations of functions b_1, \ldots, b_m obtained replacing ρ_b with $\max_j \rho_{b_j}$

Corollary: In polynomial congestion games of max degree d

$$\begin{array}{l} \max_{j} \rho_{b_{j}} = (d+1) \text{'st Bell number} \\ \text{For example } d = 1 \text{ corresponds to } \mathcal{B}(d+1) = 2 \\ d = 2 \text{ corresponds to } \mathcal{B}(d+1) = 5 \end{array}$$

Reduction from Gap-label-cover to CG using partitioning system

Reduction from Gap-label-cover to CG using partitioning system

Gap-label-cover [Feige JACM'98; Dudyciz/Manurangsi/Marcinkowski/Sornat IJCAI'20]

- bi-partite graph



Reduction from Gap-label-cover to CG using partitioning system

Gap-label-cover [Feige JACM'98; Dudyciz/Manurangsi/Marcinkowski/Sornat IJCAI'20]

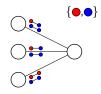
- bi-partite graph
- palette of colors



Reduction from Gap-label-cover to CG using partitioning system

Gap-label-cover [Feige JACM'98; Dudyciz/Manurangsi/Marcinkowski/Sornat IJCAI'20]

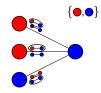
- bi-partite graph
- palette of colors
- set of constraints



Reduction from Gap-label-cover to CG using partitioning system

Gap-label-cover [Feige JACM'98; Dudyciz/Manurangsi/Marcinkowski/Sornat IJCAI'20]

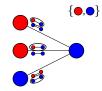
- bi-partite graph
- palette of colors
- set of constraints



Reduction from Gap-label-cover to CG using partitioning system

Gap-label-cover [Feige JACM'98; Dudyciz/Manurangsi/Marcinkowski/Sornat IJCAI'20]

- bi-partite graph
- palette of colors
- set of constraints



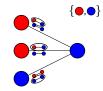
Partitioning system generalizes [Feige, JACM'98], used in [Barman/Fawzi/Fermé, STACS'21]

- resources \mathcal{R} , cost $b(\cdot)$

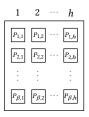
Reduction from Gap-label-cover to CG using partitioning system

Gap-label-cover [Feige JACM'98; Dudyciz/Manurangsi/Marcinkowski/Sornat IJCAI'20]

- bi-partite graph
- palette of colors
- set of constraints



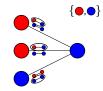
- resources \mathcal{R} , cost $b(\cdot)$
- subsets $P_{i,j} \subseteq \mathcal{R}$



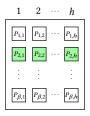
Reduction from Gap-label-cover to CG using partitioning system

Gap-label-cover [Feige JACM'98; Dudyciz/Manurangsi/Marcinkowski/Sornat IJCAI'20]

- bi-partite graph
- palette of colors
- set of constraints



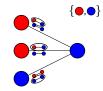
- resources \mathcal{R} , cost $b(\cdot)$
- subsets $P_{i,j} \subseteq \mathcal{R}$
- *SC*(*row*)



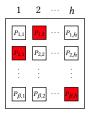
Reduction from Gap-label-cover to CG using partitioning system

Gap-label-cover [Feige JACM'98; Dudyciz/Manurangsi/Marcinkowski/Sornat IJCAI'20]

- bi-partite graph
- palette of colors
- set of constraints



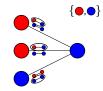
- resources \mathcal{R} , cost $b(\cdot)$
- subsets $P_{i,j} \subseteq \mathcal{R}$
- SC(row), SC(scr)



Reduction from Gap-label-cover to CG using partitioning system

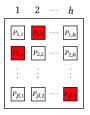
Gap-label-cover [Feige JACM'98; Dudyciz/Manurangsi/Marcinkowski/Sornat IJCAI'20]

- bi-partite graph
- palette of colors
- set of constraints



- resources \mathcal{R} , cost $b(\cdot)$
- subsets $P_{i,j} \subseteq \mathcal{R}$
- SC(row), SC(scr) satisfy

$$\frac{SC(scr)}{SC(row)} \approx \rho_b$$





Problem: minimum social cost in atomic congestion games

Main result I: tight NP-hardness of approximation

Background:

 price of anarchy measures equilibrium quality, e.g., SC(a^{NE})/SC(a^{OPT})
 [Koutsoupias/Papadimitriou STACS'99; Christodoulou/Koutsoupias STOC'05; Aland/Dumrauf/Gairing/Monien/Schoppmann, STACS'06; Roughgarden JACM'15]

Background:

- price of anarchy measures equilibrium quality, e.g., SC(a^{NE})/SC(a^{OPT})
 [Koutsoupias/Papadimitriou STACS'99; Christodoulou/Koutsoupias STOC'05; Aland/Dumrauf/Gairing/Monien/Schoppmann, STACS'06; Roughgarden JACM'15]
- efficient computation of CE/CCE

[Papadimitriou/Roughgarden, JACM'08; Xin Jiang/Leyton-Brown, GEB'15; Hart/Mas-Colell, Econometrica'00; Blum/Hajiaghayi/Ligett/Roth, STOC'08]

Background:

- price of anarchy measures equilibrium quality, e.g., SC(a^{NE})/SC(a^{OPT})
 [Koutsoupias/Papadimitriou STACS'99; Christodoulou/Koutsoupias STOC'05; Aland/Dumrauf/Gairing/Monien/Schoppmann, STACS'06; Roughgarden JACM'15]
- efficient computation of CE/CCE

[Papadimitriou/Roughgarden, JACM'08; Xin Jiang/Leyton-Brown, GEB'15; Hart/Mas-Colell, Econometrica'00; Blum/Hajiaghayi/Ligett/Roth, STOC'08]

Price of anarchy as approximation ratio

Background:

- price of anarchy measures equilibrium quality, e.g., SC(a^{NE})/SC(a^{OPT})
 [Koutsoupias/Papadimitriou STACS'99; Christodoulou/Koutsoupias STOC'05; Aland/Dumrauf/Gairing/Monien/Schoppmann, STACS'06; Roughgarden JACM'15]
- efficient computation of CE/CCE

[Papadimitriou/Roughgarden, JACM'08; Xin Jiang/Leyton-Brown, GEB'15; Hart/Mas-Colell, Econometrica'00; Blum/Hajiaghayi/Ligett/Roth, STOC'08]

Price of anarchy as approximation ratio \rightsquigarrow **Q:** How to improve PoA?

Background:

- price of anarchy measures equilibrium quality, e.g., SC(a^{NE})/SC(a^{OPT})
 [Koutsoupias/Papadimitriou STACS'99; Christodoulou/Koutsoupias STOC'05; Aland/Dumrauf/Gairing/Monien/Schoppmann, STACS'06; Roughgarden JACM'15]
- efficient computation of CE/CCE

[Papadimitriou/Roughgarden, JACM'08; Xin Jiang/Leyton-Brown, GEB'15; Hart/Mas-Colell, Econometrica'00; Blum/Hajiaghayi/Ligett/Roth, STOC'08]

Price of anarchy as approximation ratio \rightsquigarrow **Q:** How to improve PoA?

- * coordination mechanisms: [Christodolou/Koutsoupias/Nanavati, ICALP'04 ...]
- * Stackelberg strategies: [Fotakis, ESA'04; Swamy, SODA'07 ...]
- * information provision: [Bhaskar/Cheng/Kun Ko/Swamy, EC'16; Nachbar/Xu ArXiv'20 ...]
- * cost sharing: [Gkatzelis/Kollias/Roughgarden, WINE'14; Chen/Roughgarden/Valiant, J Comput'10 ...]
- * taxes: [Caragiannis/Kaklamanis/Kannellopoulos, Trans Alg'10; Bilò/Vinci, EC'16 ...]

Background:

- price of anarchy measures equilibrium quality, e.g., SC(a^{NE})/SC(a^{OPT})
 [Koutsoupias/Papadimitriou STACS'99; Christodoulou/Koutsoupias STOC'05; Aland/Dumrauf/Gairing/Monien/Schoppmann, STACS'06; Roughgarden JACM'15]
- efficient computation of CE/CCE

[Papadimitriou/Roughgarden, JACM'08; Xin Jiang/Leyton-Brown, GEB'15; Hart/Mas-Colell, Econometrica'00; Blum/Hajiaghayi/Ligett/Roth, STOC'08]

Price of anarchy as approximation ratio \rightsquigarrow **Q:** How to improve PoA?

- * coordination mechanisms: [Christodolou/Koutsoupias/Nanavati, ICALP'04 ...]
- * Stackelberg strategies: [Fotakis, ESA'04; Swamy, SODA'07 ...]
- * information provision: [Bhaskar/Cheng/Kun Ko/Swamy, EC'16; Nachbar/Xu ArXiv'20 ...]
- * cost sharing: [Gkatzelis/Kollias/Roughgarden, WINE'14; Chen/Roughgarden/Valiant, J Comput'10 ...]
- * taxes: [Caragiannis/Kaklamanis/Kannellopoulos, Trans Alg'10; Bilò/Vinci, EC'16 ...]

Polynomial time algorithms – related work

Polynomial time algorithms - related work

* Best-known approx (LP + rounding) [Makarychev/Sviridenko, JACM'18]

$$\sup_{x \in \mathbb{R}_{>0}} \frac{\mathbb{E}_{P \sim Poi(1)}[(xP)b(xP)]}{xb(x)}$$

Polynomial time algorithms – related work

* Best-known approx (LP + rounding) [Makarychev/Sviridenko, JACM'18]

$$\sup_{x \in \mathbb{R}_{>0}} \frac{\mathbb{E}_{P \sim Poi(1)}[(xP)b(xP)]}{xb(x)} \ge \text{NP-hardness factor}$$

Polynomial time algorithms - related work

* Best-known approx (LP + rounding) [Makarychev/Sviridenko, JACM'18]

$$\sup_{x \in \mathbb{R}_{>0}} \frac{\mathbb{E}_{P \sim Poi(1)}[(xP)b(xP)]}{xb(x)} \ge \mathsf{NP}\text{-hardness factor}$$

* For polynomial costs, taxes achieve PoA = B(d + 1)[Caragiannis/Kaklamanis/Kannellopoulos, Trans Alg'10; Bilò/Vinci, EC'16]

Polynomial time algorithms - related work

* Best-known approx (LP + rounding) [Makarychev/Sviridenko, JACM'18]

$$\sup_{x \in \mathbb{R}_{>0}} \frac{\mathbb{E}_{P \sim Poi(1)}[(xP)b(xP)]}{xb(x)} \ge \mathsf{NP}\text{-hardness factor}$$

* For polynomial costs, taxes achieve PoA = B(d + 1)[Caragiannis/Kaklamanis/Kannellopoulos, Trans Alg'10; Bilò/Vinci, EC'16]

Take-away: so far no matching approx in general

Theorem: Consider congestion games where all resource costs are equal to $b(\cdot)$, positive, non-decreasing, semi-convex.

Theorem: Consider congestion games where all resource costs are equal to $b(\cdot)$, positive, non-decreasing, semi-convex. For any $\varepsilon > 0$, it is possible to efficiently compute a taxation mechanism so that

 $PoA_{CCE} \le \rho_b + \varepsilon$

Theorem: Consider congestion games where all resource costs are equal to $b(\cdot)$, positive, non-decreasing, semi-convex. For any $\varepsilon > 0$, it is possible to efficiently compute a taxation mechanism so that

 $PoA_{CCE} \le \rho_b + \varepsilon$

Extends to resource costs obtained by non-negative combo of b_1, \ldots, b_m

Theorem: Consider congestion games where all resource costs are equal to $b(\cdot)$, positive, non-decreasing, semi-convex. For any $\varepsilon > 0$, it is possible to efficiently compute a taxation mechanism so that

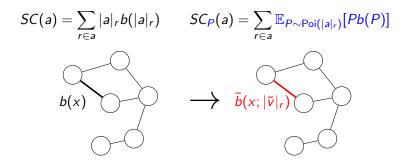
 $PoA_{CCE} \le \rho_b + \varepsilon$

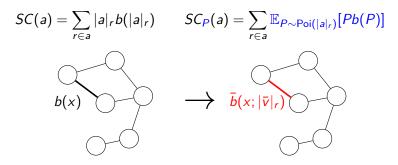
Extends to resource costs obtained by non-negative combo of b_1, \ldots, b_m

Corollary: For any $\varepsilon > 0$, there exists a polynomial time algorithm producing an allocation a^* with cost

$$SC(a^*) \leq (\max_j \rho_{b_j} + \varepsilon) \cdot OPT$$

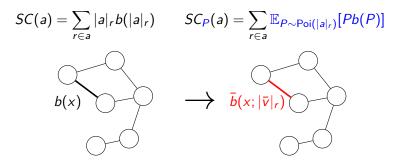
$$SC(a) = \sum_{r \in a} |a|_r b(|a|_r)$$
 $SC_P(a) = \sum_{r \in a} \mathbb{E}_{P \sim \mathsf{Poi}(|a|_r)}[Pb(P)]$



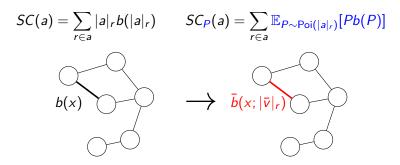


Key ingredients:

P1: $\bar{b}(x; v)$ solves crucial recursion

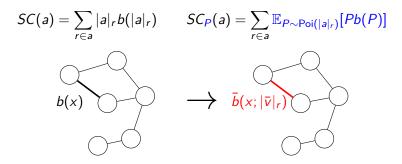


- P1: $\bar{b}(x; v)$ solves crucial recursion
- P2: \bar{v} solves continuous relaxation of min $SC_P(a)$



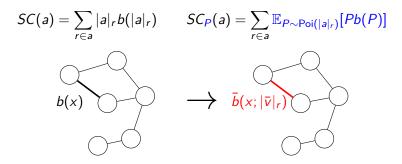
- P1: $\bar{b}(x; v)$ solves crucial recursion
- P2: \bar{v} solves continuous relaxation of min $SC_P(a)$

$$SC(a^{ ext{NE}}) \stackrel{P1}{\leq} SC_{P}(ar{v})$$



- P1: $\bar{b}(x; v)$ solves crucial recursion
- P2: \bar{v} solves continuous relaxation of min $SC_P(a)$

$$SC(a^{\mathrm{NE}}) \stackrel{P1}{\leq} SC_{P}(\bar{v}) \stackrel{P2}{\leq} SC_{P}(a^{\mathrm{OPT}})$$



- P1: $\bar{b}(x; v)$ solves crucial recursion
- P2: \bar{v} solves continuous relaxation of min $SC_P(a)$

$$SC(a^{\mathrm{NE}}) \stackrel{P_1}{\leq} SC_{\mathcal{P}}(\bar{v}) \stackrel{P_2}{\leq} SC_{\mathcal{P}}(a^{\mathrm{OPT}}) \stackrel{\mathsf{def}\ \rho_b}{\leq} \rho_b SC(a^{\mathrm{OPT}})$$

Problem: minimum social cost in atomic congestion games
 Main result I: tight NP-hardness of approximation
 Main result II: taxes achieve matching approximation

 — first poly algo optimal approx

Problem: minimum social cost in atomic congestion games
Main result I: tight NP-hardness of approximation
Main result II: taxes achieve matching approximation
⇒ first poly algo optimal approx

Remarks:

* Competitive decision making + incentives = best-centralized

Problem: minimum social cost in atomic congestion games
Main result I: tight NP-hardness of approximation
Main result II: taxes achieve matching approximation ⇒ first poly algo optimal approx

- * Competitive decision making + incentives = best-centralized
- * Surprising that "taxes are enough"

Problem: minimum social cost in atomic congestion gamesMain result I: tight NP-hardness of approximationMain result II: taxes achieve matching approximation \implies first poly algo optimal approx

- * Competitive decision making + incentives = best-centralized
- * Surprising that "taxes are enough"
- * Poly-time algo requires centralized solution of cvx opt

Problem: minimum social cost in atomic congestion gamesMain result I: tight NP-hardness of approximationMain result II: taxes achieve matching approximation \implies first poly algo optimal approx

- * Competitive decision making + incentives = best-centralized
- * Surprising that "taxes are enough"
- * Poly-time algo requires centralized solution of cvx opt If undesirable → optimal local tax [Paccagnan/Chandan/Ferguson/Marden, TEAC'21] very little performance loss, e.g., 2.012 vs 2 for affine

Problem: minimum social cost in atomic congestion games
Main result I: tight NP-hardness of approximation
Main result II: taxes achieve matching approximation ⇒ first poly algo optimal approx

- * Competitive decision making + incentives = best-centralized
- * Surprising that "taxes are enough"
- * Poly-time algo requires centralized solution of cvx opt If undesirable → optimal local tax [Paccagnan/Chandan/Ferguson/Marden, TEAC'21] very little performance loss, e.g., 2.012 vs 2 for affine
- * Main result II extends to network CG

"Judiciously designed taxes achieve optimal approximation, and no other tractable intervention can improve upon this result"