#### Contracts for Density and Packing Functions

#### Jacob Skitsko

#### University of Waterloo, Waterloo, ON, Canada

jskitsko@uwaterloo.ca

August 1<sup>st</sup>, 2024



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Contract Theory

## Contracts for Density and Packing Functions



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#### Contracts for Density and Packing Functions

 Introduction to the Contract Theory Problem. (maximizing a particular set function)



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- Graph based "density" reward function.



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- Hypergraph based "packing" reward functions.



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However, in contract theory problems we see only the outcome f(S) and not the actions the agents take!

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- We transfer  $t_i \cdot f(S)$  to each agent  $i \in [n]$ .
- So each agent  $i \in [n]$  wants to take their action iff

$$\mathbb{E}_{\text{action}}\Big[t_i \cdot f(S \cup \{i\})\Big] - c_i \geq \mathbb{E}_{\text{nothing}}\Big[t_i \cdot f(S \setminus \{i\})\Big] - 0.$$

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$$t_i = \begin{cases} 0 & i \notin S \\ \frac{c_i}{f(S) - f(S \setminus \{i\})} & i \in S \end{cases}$$

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So our optimal contract problem becomes finding a set  $S \subseteq [n]$  that maximizes:

$$\left(1-\sum_{i\in S}rac{c_i}{f(S)-f(S\setminus\{i\})}
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#### Theorem ([DCVDPP24])

In the identical costs special case there is no multiplicative approximation or additive FPTAS, unless P=NP. But, there is an additive PTAS.

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#### Open Question ([DCVDPP24])

Is there an additive PTAS in the general costs case?

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Theorem ([PS24])

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- Make an LP formulation using  $\deg_{S'}(i)$  for  $\{i \in V : \deg_{S'}(i) = \Omega(n)\}$ .

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- Obtain accurate estimates for deg<sub>S'</sub>(i) when deg<sub>S'</sub>(i) = Ω(n) using oblivious sampling [DP09].
- Make an LP formulation using deg<sub>S'</sub>(i) for  $\{i \in V : \deg_{S'}(i) = \Omega(n)\}$ .
- Randomly round the LP.

The LP formulation is essentially of the form:

$$\begin{split} \min_{\{x_v\}_{v\in V}} & \sum_{v\in H} \frac{c}{\deg_{S'}(v)} \cdot x_v \\ \text{subject to} & \sum_{v\in H} \deg_{S'}(v) \cdot x_v \ge 2 \cdot |E(S')| \\ & \sum_{u\in N(v)} x_u \ge \deg_{S'}(v) & \text{for all } v \in H \\ & x_v = 0 & \text{for all } v \notin H \\ & 0 \le x_v \le 1 & \text{for all } v \in V \end{split}$$

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•  $(\deg_{S'}(i))^2/c_i = \Omega(n^2)$  for all  $i \in S'$ .

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  - $deg_{S'}(v) = o(n)$  vertices will get concentration bounds.

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- Vertices in C are always included. They have  $\cot \varepsilon < \varepsilon/n$ .
- Do not include D (which is everything not in A, B, C).

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Cu

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#### Our Approach in the General Cost Setting

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Let's summarize our approach:

• We find the existence of a structured approximately optimal solution *S'* with:

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  - many high degree vertices,
    - i.e.  $\Omega(n)$  vertices with degree  $\Omega(n)$

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    i.e. all vertices have degree Ω(n/log log n) or cost ≤ ε/n
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- We sample to find the degrees of the high degree vertices.
- We describe an LP which is (more or less) a relaxation of our problem.
- We obtain an (approximately) feasible optimal solution to the LP which can be randomly rounded to an approximately optimal solution for our original problem.

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- We extend approximations to MPH-*k* functions which satisfy a packing constraint.
- Without constraints the problem is hard.
  - e.g.  $f(S) = |E(S)|/{\binom{n}{2}}$  is an MPH-2 function.

#### Sanjeev Arora, David Karger, and Marek Karpinski. Polynomial time approximation schemes for dense instances of np-hard problems.

Ramiro Deo-Campo Vuong, Shaddin Dughmi, Neel Patel, and Aditya Prasad

#### On supermodular contracts and dense subgraphs.

Paul Dütting, Tomer Ezra, Michal Feldman, and Thomas Kesselheim. Multi-agent contracts.



Constantinos Daskalakis and Christos H Papadimitriou. On oblivious ptas's for nash equilibrium.

Tomer Ezra, Michal Feldman, and Maya Schlesinger. On the (in) approximability of combinatorial contracts.

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