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Game Theory



Prisoner's Dilemma - matrix representation of games





	u	Player u	
v		Cooperate	Defect
Player v	Cooperate	1 1	0 3
	Defect	3 0	2 2

Game Theory - Terminology



Strategy	move	Distributed Computing
Strategy profile	set of strategies for all players specifying all actions in a game	
Social optimum (SO)		
Dominant strategy (DS)		
Dominant strategy profile		
Nash equilibrium (NE)		
ETH zürich		

Example: Prisoners Dilemma





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Dominant Strategy:

Social optimum:

Nash equilibrium:

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Dominant Strategy: Defect (if other player cooperates: 0<1; if other player defects 2<3)

Social optimum: Cooperate-Cooperate (cost: 2)

Nash equilibrium:

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Dominant strategy (DS)	The move that's never worse that another strategy for a player	an
Dominant strategy profile	Every player plays a dominant strategy	
Nash equilibrium (NE)Strategy profile such that r can improve by unilaterally changing their move		у

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Social optimum: Cooperate-Cooperate (cost: 2)

Nash equilibrium: Defect-Defect (cost: 4)





Consider a network. Nodes can either cache a file or fetch it through the network from another node. At least one node should store the file.

As a game:

- **Strategy:** cache or not cache
- **Cost:** 1 if cache, otherwise (shortest path to cache) * demand (Note: path lengths are symmetric (if undirected) but demands might vary)





Selfish Caching - Algorithm

Algorithm 25.7 Nash Equilibrium for Selfish Caching1: $S = \{\}$ 1: $S = \{\}$ 2: repeat3: Let v be a node with maximum demand d_v in set V4: $S = S \cup \{v\}, V = V \setminus \{v\}$ 5: Remove every node u from V with $c_{u \leftarrow v} \leq 1$ 6: until V = $\{\}$

 $c_{u \leftarrow v}$ = cost for u of fetching from v, i.e. u-v-path length * demand of u







With demands all 1

There are 2 NE, both can be found with algorithm depending on the start node:

Optimistic **NE** (start algo at v): ?

Pessimistic NE (start algo at u or w): ?

Social Optimum: ?







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Social Optimum: v caches (same as Optimistic NE) ⇒ Cost = 9/4





Idea: With some rules, we could always enforce the social optimum. But what is the cost of having no rules (anarchy)?

- **Optimistic approach:** players will converge to "best" nash equilibrium.
 - Then, price of anarchy: $OPoA = \frac{\cos(NE_+)}{\cos(SO)}$
- **Pessimistic approach:** players will converge to "worst" nash equilibrium
 - Then, price of anarchy: $PoA = \frac{\text{cost}(NE_{-})}{\text{cost}(SO)}$







With demands all 1

Optimistic NE: 9/4 Pessimistic NE: 10/4 Social Optimum: 9/4

PoA: ?

OPoA: ?



Distributed Computing

u 1/2 v 3/4 w

With demands all 1

Optimistic NE: 9/4 Pessimistic NE: 10/4 Social Optimum: 9/4

PoA: (10/4) / (9/4) = **10/9** > 1

OPoA: (9/4) / (9/4) = **1**

Selfish Caching - Example





Braess Paradox

d = #drivers on link

NE for 1000 drivers: split evenly across

split evenity across $s \rightarrow u \rightarrow t \text{ and } s \rightarrow v \rightarrow t$ $\Rightarrow \text{ cost} = 1.5$



(a) The road network without the shortcut



Braess Paradox



adding link {u,v} makes the NE worse

consider even split, but then $s \rightarrow v \rightarrow u \rightarrow t$ costs just 1, so drivers will start switching until all choose that path \Rightarrow cost = 2



(b) The road network with the shortcut

Mixed Nash Equilibrium



Definition 25.16 (Mixed Nash Equilibrium). A Mixed Nash Equilibrium (MNE) is a strategy profile in which at least one player is playing a randomized strategy (choose strategy profiles according to probabilities), and no player can improve their expected payoff by unilaterally changing their (randomized) strategy.

Theorem 25.17. Every game has a mixed Nash Equilibrium.

	\overline{u}	Player u		
v		Rock	Paper	Scissors
	Deelr	0	1	-1
Player v	ROCK	0	-1	1
	Paper	-1	0	1
		1	0	-1
	Scissors	1	-1	0
		-1	1	0

Table 23.15: Rock-Paper-Scissors as a matrix.

MNE for rock paper scissors: Both players choose a strategy with ¹/₃ probability (due to symmetry)







Quiz (Assignment 11)

1.1 Selling a Franc

Form groups of two to three people. Every member of the group is a bidder in an auction for one (imaginary) franc. The franc is allocated to the highest bidder (for his/her last bid). Bids must be a multiple of CHF 0.05. This auction has a crux. Every bidder has to pay the amount of money he/she bid (last bid) – it does not matter if he/she gets the franc. Play the game!

- **a)** Where did it all go wrong?
- **b)** What could the bidders have done differently?





Quorum Systems





Quorum Systems

High-level functionality:

- 1. Client selects a free quorum
- 2. Locks all nodes of the quorum
- 3. Client releases all locks



Singleton and Majority Quorum Systems



Singleton quorum system

Majority quorum system (all sets of n / 2 + 1 nodes)



Load and Work

An access strategy Z defines the probability $P_{Z}(Q)$ of accessing a quorum $Q \in S$ such that:

$$\sum_{Q \in S} P_Z(Q) = 1$$



Load and Work

- Load of access strategy Z on a node v_i
- Load induced by Z on quorum system S
- Load of quorum system S

- Work of quorum Q
- Work induced by Z on quorum system S
- Work of quorum system S

 $L_Z(\mathbf{v}_i) = \sum_{Q \in S; v_i \in Q} P_Z(Q)$ $L_Z(S) = \max_{v_i \in S} L_Z(v_i)$ $L(S) = \min_{z} L_{z}(S)$ W(Q) = |Q| $W_{Z}(S) = \sum_{O \in S} P_{Z}(Q) \cdot W(Q)$ $W(S) = \min_{z} W_{z}(S)$



Load and Work





Singleton quorum system

Majority quorum system (all sets of n / 2 + 1 nodes)

	Singleton	Majority
How many servers need to be contacted? (Work)	1	> n/2
What's the load of the busiest server? (Load)	100%	≈ 50%
How many server failures can be tolerated? (Resilience)	0	< n/2



Basic Grid Quorum System

- Nodes arranged in a square matrix
- Each quorum i contains the union of row i and column i







B-Grid Quorum System

- Nodes arranged in rectangular grid with $h \cdot r$ rows
- Group of r rows is a band
- Group of r elements in the same column and band is a mini-column
- Quorums consists of one mini-column in every band and one element from each mini-column of one band





Quiz

- 1. Does a quorum system exist which can tolerate that all nodes of a specific quorum fail?
- 2. Consider the **nearly all** quorum system, which is made up of n different quorums, each containing n 1 servers. What is the resilience?
- 3. Can you think of a quorum system that contains as many quorums as possible? Note: does not have to be minimal.



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A: pick a node and take all quorums containing it. Maximality: between any quorum and its complement at most one can be in the system.

A Quorum System

Consider a quorum system with 7 nodes numbered from 001 to 111, in which each three nodes fulfilling $x \oplus y = z$ constitute a quorum. In the following picture this quorum system is represented: All nodes on a line (such as 111, 010, 101) and the nodes on the circle (010, 100, 110) form a quorum.



a) Of how many different quorums does this system consist and what are its work and its load?





A Quorum System





Resilience: 2

Every node is in 3 quorums => any two nodes can be contained in at most 2*3 quorums

b) Calculate its resilience f. Give an example where this quorum system does not work anymore with f + 1 faulty nodes.





Definitions:

s-Uniform: A quorum system S is *s*-uniform if every quorum in S has exactly *s* elements. Balanced access strategy: An access strategy Z for a quorum system S is balanced if it satisfies $L_Z(v_i) = L$ for all $v_i \in V$ for some value L.

Claim: An *s*-uniform quorum system S reaches an optimal load with a balanced access strategy, if such a strategy exists.

a) Describe in your own words why this claim is true.



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Idea: No matter which quorum gets accessed, exactly s nodes have to work.=> the sum of all loads should be to s

To minimize the maximum element of a sum, set all elements to the average (balanced access strategy).



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b) Prove the optimality of a balanced access strategy on an s-uniform quorum system.



b) Let $V = \{v_1, v_2, ..., v_n\}$ be the set of servers and $S = \{Q_1, Q_2, ..., Q_m\}$ an s-uniform quorum system on V. Let Z be an access strategy, thus it holds that: $\sum_{Q \in S} P_Z(Q) = 1$. Furthermore let $L_Z(v_i) = \sum_{Q \in S; v_i \in Q} P_Z(Q)$ be the load of server v_i induced by Z.

Then it holds that:

$$\sum_{v_i \in V} L_Z(v_i) = \sum_{v_i \in V} \sum_{Q \in \mathcal{S}; v_i \in Q} P_Z(Q) = \sum_{Q \in \mathcal{S}} \sum_{v_i \in Q} P_Z(Q)$$
$$= \sum_{Q \in \mathcal{S}} P_Z(Q) \sum_{v_i \in Q} 1 \stackrel{*}{=} \sum_{Q \in \mathcal{S}} P_Z(Q) \cdot s = s \cdot \sum_{Q \in \mathcal{S}} P_Z(Q) = s$$

The transformation marked with an asterisk uses the uniformity of the quorum system.

To minimize the maximal load on any server, the optimal strategy is to evenly distribute this load on all servers. Thus if a balanced access strategy exists, this leads to a system load of s/n.