Multiagent Systems: Intro to Game Theory

CS 486/686: Introduction to Artificial Intelligence
Introduction

- So far almost everything we have looked at has been in a single-agent setting
  - Today - Multiagent Decision Making!
- For participants to act optimally, they must account for how others are going to act
- We want to
  - Understand the ways in which agents interact and behave
  - Design systems so that agents behave the way we would like them to

**Hint for the final exam:** MAS is my main research area. I like MAS problems. I even enjoy marking MAS questions. The other instructor is also a MAS researcher as is one of the TAs. They also like marking MAS questions. There **will** be a MAS question on the final exam.
Introduction

- Multiagent systems can be cooperative or self-interested
- Self-interested multiagent systems can be studied from different viewpoints
  - non-strategic and strategic
- We will look at strategic self-interested systems
Self-Interest

• Self-interested does not mean
  - Agents want to harm others
  - Agents only care about things that benefit themselves

• Self-interested means
  - Agents have their own description of states of the world
  - Agents take actions based on these descriptions
Tools for Studying MAS

- **Game Theory**
  - Describes how self-interested agents should behave

- **Mechanism Design**
  - Describes how we should design systems to encourage certain behaviours from self-interested agents
What is Game Theory?

• The study of games!
  - Bluffing in poker
  - What move to make in chess
  - How to play Rock-Paper-Scissors

Also auction design, strategic deterrence, election laws, coaching decisions, routing protocols,...
What is Game Theory?

• Game theory is a formal way to analyze interactions among a group of rational agents that behave strategically.
What is Game Theory?

- Game theory is a formal way to analyze **interactions** among a **group** of **rational** agents that behave **strategically**
  - **Group**: Must have more than 1 decision maker
    - Otherwise, you have a decision problem, not a game

Solitaire is not a game!
What is Game Theory?

- Game theory is a formal way to analyze **interactions** among a **group of rational** agents that behave **strategically**
  - **Interaction**: What one agent does directly affects at least one other
  - **Strategic**: Agents take into account that their actions influence the game
  - **Rational**: Agents chose their best actions
Example

- Decision Problem
  - Everyone pays their own bill

- Game
  - Before the meal, everyone decides to split the bill evenly
Strategic Game
(Matrix Game, Normal Form Game)

• Set of agents $I=\{1,2,\ldots,N\}$
• Set of actions $A_i=\{a_{i1},\ldots,a_{im}\}$
• Outcome of a game is defined by a profile $a=(a_1,\ldots,a_N)$
• Agents have preferences over outcomes
  - Utility functions $u_i:A\rightarrow\mathbb{R}$
Examples

Agent 1

Agent 2

<table>
<thead>
<tr>
<th></th>
<th>One</th>
<th>Two</th>
</tr>
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<tbody>
<tr>
<td>One</td>
<td>2,-2</td>
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I={1,2}
Ai={One,Two}
An outcome is (One, Two)
U_1((One,Two))=-3 and U_2((One,Two))=3

Zero-sum game.
Σ_{i=1}^n u_i(o)=0
Examples

**BoS**

```
 B  S
B  2,1  0,0
S  0,0  1,2
```

**Chicken**

```
 T  C
T  -1,-1  10,0
C  0,10  5,5
```

Coordination Game

Anti-Coordination Game
Example: Prisoners’ Dilemma

<table>
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<tr>
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Playing a Game

- Recall, agents are rational
  - Let $p_i$ be agent $i$'s belief about what its opponents will do
  - **Best response**: $a_i = \arg\max \sum_{a_{-i}} u_i(a_i, a_{-i}) p_i(a_{-i})$

**Notation Break**: $a_{-i} = (a_1, \ldots, a_{i-1}, a_{i+1}, \ldots, a_n)$
Dominated Strategies

- A strategy $a_i'$ strictly dominates strategy $a_i$ if

$$u_i(a_i', a_{-i}) > u_i(a_i, a_{-i}) \forall a_{-i}$$

- A rational agent will never play a dominated strategy!
Example

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Confess  
Don’t Confess

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Equilibrium Outcome

Confess

-5, -5
Prisoner’s Dilemma

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Is this a good outcome?

Is it Pareto Optimal?
Strict Dominance Does Not Capture the Whole Picture

What strict domination eliminations can we do?

What would you predict the players of this game would do?
Nash Equilibrium

• **Key Insight**: an agent’s best-response depends on the actions of other agents

• An action profile \( a^* \) is a **Nash equilibrium** if no agent has incentive to change given that others do not change

\[
\forall i u_i(a_i^*, a_{-i}^*) \geq u_i(a_i', a_{-i}^*) \forall a_i'
\]
Nash Equilibrium

• Equivalently, \( a^* \) is a N.E. iff

\[
\forall i a_i^* = \arg \max_{a_i} u_i(a_i, a_{-i}^*)
\]

\[
\begin{array}{c|ccc}
 & A & B & C \\
\hline
A & 0,4 & 4,0 & 5,3 \\
B & 4,0 & 0,4 & 5,3 \\
C & 3,5 & 3,5 & 6,6 \\
\end{array}
\]

(C,C) is a N.E. because

\[
u_1(C, C) = \max \begin{bmatrix} u_1(A, C) \\ u_1(B, C) \\ u_1(C, C) \end{bmatrix}
\]

AND

\[
u_2(C, C) = \max \begin{bmatrix} u_2(C, A) \\ u_2(C, B) \\ u_2(C, C) \end{bmatrix}
\]
Nash Equilibrium

- If \((a_1^*, a_2^*)\) is a N.E. then player 1 won’t want to change its action given player 2 is playing \(a_2^*\)

- If \((a_1^*, a_2^*)\) is a N.E. then player 2 won’t want to change its action given player 1 is playing \(a_1^*\)

\[
\begin{array}{c|cc}
    & A & B \\
\hline
A & 0,4 & 4,0 \\
B & 4,0 & 0,4 \\
C & 3,5 & 3,5 \\
\end{array}
\]
Another Example

2 Nash Equilibria

Coordination Game
### Yet Another Example

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<td>Two</td>
<td></td>
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(Mixed) Nash Equilibria

- **(Mixed) Strategy**: $s_i$ is a probability distribution over $A_i$
- **Strategy profile**: $s=(s_1,...,s_n)$
- **Expected utility**: $u_i(s) = \sum_a \prod_j s(a_j) u_i(a)$
- **Nash equilibrium**: $s^*$ is a (mixed) Nash equilibrium if

$$u_i(s^*_i, s^*_{-i}) \geq u_i(s'_i, s^*_{-i}) \forall s'_i$$
Yet Another Example

How do we determine \( p \) and \( q \)?

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</tr>
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![Graph](image-url)

28
Yet Another Example

<table>
<thead>
<tr>
<th>p</th>
<th>q One</th>
<th>Two</th>
</tr>
</thead>
<tbody>
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<td>2, -2</td>
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</tr>
<tr>
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<td>-3, 3</td>
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How do we determine \(p\) and \(q\)?
This game has 3 Nash Equilibrium (2 pure strategy NE and 1 mixed strategy NE).

<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>S</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>2,1</td>
<td>0,0</td>
</tr>
<tr>
<td>S</td>
<td>0,0</td>
<td>1,2</td>
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Mixed Nash Equilibrium

• Theorem (Nash 1950): Every game in which the action sets are finite, has a mixed strategy equilibrium.

John Nash
Nobel Prize in Economics (1994)
Finding NE

• Existence proof is non-constructive

• Finding equilibria?
  - 2 player zero-sum games can be represented as a linear program (Polynomial)
  - For arbitrary games, the problem is in PPAD
  - Finding equilibria with certain properties is often NP-hard
Extensive Form Games

- Normal form games assume agents are playing strategies simultaneously
  - What about when agents’ take turns?
    - Checkers, chess,...
Extensive Form Games (with perfect information)

- $G = (I, A, H, Z, \alpha, \rho, \sigma, u)$
  - $I$: player set
  - $A$: action space
  - $H$: non-terminal choice nodes
  - $Z$: terminal nodes
  - $\alpha$: action function $\alpha: H \rightarrow 2^A$
  - $\rho$: player function $\rho: H \rightarrow N$
  - $\sigma$: successor function $\sigma: H \times A \rightarrow H \cup Z$
  - $u = (u_1, ..., u_n)$ where $u_i$ is a utility function $u_i: Z \rightarrow R$
Extensive Form Games (with perfect information)

• The previous definition describes a tree

A strategy specifies an action to each non-terminal history at which the agent can move

\[ S_1 = \{(A,G),(A,H),(B,G),(B,H)\} \]

\[ S_2 = \{(C,E),(C,F),(D,E),(D,F)\} \]
Nash Equilibria

We can transform an extensive form game into a normal form game.

<table>
<thead>
<tr>
<th></th>
<th>(C,E)</th>
<th>(C,F)</th>
<th>(D,E)</th>
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</tr>
</thead>
<tbody>
<tr>
<td>(A,G)</td>
<td>3,8</td>
<td>3,8</td>
<td>8,3</td>
<td>8,3</td>
</tr>
<tr>
<td>(A,H)</td>
<td>3,8</td>
<td>3,8</td>
<td>8,3</td>
<td>8,3</td>
</tr>
<tr>
<td>(B,G)</td>
<td>5,5</td>
<td>2,10</td>
<td>5,5</td>
<td>2,10</td>
</tr>
<tr>
<td>(B,H)</td>
<td>5,5</td>
<td>1,0</td>
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Subgame Perfect Equilibria

What are the NE?

Krushev

Arm  Retreat

Kennedy  -1, 1

Nuke  Fold

-100, -100  10, -10
Subgame Perfect Equilibria

$s^*$ must be a Nash equilibrium in all subgames

What are the SPE?
Existence of SPE

• **Theorem (Kuhn):** Every finite extensive form game has an SPE.

• Compute the SPE using backward induction
  - Identify equilibria in the bottom most subtrees
  - Work upwards
Example: Centipede Game
Summary

• Definition of a Normal Form Game
• Dominant strategies
• Nash Equilibria
• Extensive Form Games with Perfect Information
• Subgame Perfect Equilibria