

## Risk Sensitivity of Price of Anarchy under Uncertainty

GEORGIOS PILIOURAS, Georgia Institute of Technology

EVDOKIA NIKOLOVA, Texas A&M University

JEFF S. SHAMMA, Georgia Institute of Technology

In algorithmic game theory, the price of anarchy framework studies efficiency loss in decentralized environments. In optimization and decision theory, the price of robustness framework explores the tradeoffs between optimality and robustness in the case of single agent decision making under uncertainty. We establish a connection between the two that provides a novel analytic framework for proving tight performance guarantees for distributed systems in uncertain environments. We present applications of this framework to novel variants of atomic congestion games with uncertain costs, for which we provide tight performance bounds under a wide range of risk attitudes. Our results establish that the individual's attitude towards uncertainty has a critical effect on system performance and should therefore be a subject of close and systematic investigation.

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### 1. INTRODUCTION

Ever since its introduction in [Koutsoupias and Papadimitriou 1999], the price of anarchy framework has played a key role in the formalized study of efficiency loss in competitive environments due to the lack of centralized control. Defined as the ratio between the social welfare at the worst Nash equilibrium and its optimal value, the price of anarchy embodies several desirable attributes. Conceptually simple and interesting, concise in representation, and analytically tractable, as it has proven to be in a wide range of settings, the price of anarchy has had a significant impact on the way we perceive and argue about systems.

Naturally, any theoretical analysis of real-world social or technological networks introduces simplifying assumptions that could potentially lead to significant divergence between our theoretical predictions and the actual system behavior. In fact, a key aspect of any such systematic investigation is distinguishing those modeling parameters that can be safely ignored from those that have a dominant impact and carefully exploring the latter subspace. Such concerns about modeling imprecisions are especially relevant when it comes to the study of socioeconomic phenomena since the “ground

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Authors' addresses: G. Piliouras, School of Electrical and Computer Engineering, Georgia Institute of Technology, [georgios@gatech.edu](mailto:georgios@gatech.edu); E. Nikolova, Department of Computer Science, Texas A&M University, [nikolova@tamu.edu](mailto:nikolova@tamu.edu); J.S. Shamma, School of Electrical and Computer Engineering, Georgia Institute of Technology, [shamma@gatech.edu](mailto:shamma@gatech.edu).

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truth” of human nature and decision making is inherently complex and intractable in its full generality.

Nevertheless, during the last 70 years, a long line of work spanning economics, psychology, philosophy, mathematics, and statistics has been focused exactly on capturing the values, uncertainties and other primary factors relevant to rational decision making. Modern decision theory along with stochastic/robust optimization have codified different approaches to decision making under uncertainty. These models mark a wide range of departures from expectation maximization. Some of the models are inspired by the realities of everyday decision making and our limitations in perceiving accurately and responding optimally to all the subtleties of an uncertain environment. Others approaches are focused on the other extreme of the spectrum of cognitive abilities. Their goal is to design efficient algorithmic procedures which, based on computational preprocessing and intricate estimation techniques, allow for provably optimal nontrivial performance guarantees. For example, a company might wish to identify a strategic course of action which guarantees for itself the highest possible revenue for the coming year outside a 1% window of the worst case realizations of uncertainty, *i.e.*, catastrophic scenarios. This exploration of the tradeoffs between robustness and optimality, sometimes referred to as Price of Robustness [Aghassi and Bertsimas 2006; Bertsimas et al. 2011], has been the subject of intensive research within modern optimization theory.

These decision making models are not merely relevant to game theory but they were introduced as a direct response to the theoretical challenge of coupled decision making. In any game theoretic setting, even in the classic full information case, given any mixed strategy profile, the agents are required to solve an optimization problem under uncertainty. The seminal works by von Neumann [von Neumann and Morgenstern 1944], Nash [Nash 1951] and Harsanyi [Harsanyi 1967], have laid the expectation maximization framework on such strong foundations within the game theory community that only recently have early steps been taken away from it [Aghassi and Bertsimas 2006; McKelvey and Palfrey 1995]. Even these works, however, are primarily definitional focusing on establishing fixed point theorems under different decision theoretic models. In contrast, the price of anarchy framework seems like an ideal testing ground for a quantitative study of the implications of merging decision theory under uncertainty and game theory. In this work, we wish to show how settings with uncertain payoffs coupled with risk-aware agents may indeed not only be analytically tractable but furthermore hold the promise of revealing novel and sometimes surprising insights about well-studied competitive settings.

Our work focuses on a variant of a classic class of games within the price of anarchy framework, atomic congestion games with affine cost functions [Christodoulou and Koutsoupias 2005]. Such games abstractly capture the effects of everyday routing decisions and how they get translated to congestion on the road. In order to intuitively understand how different decision theoretic protocols are a natural and integral part of this setting, let’s consider an actual commuter deciding upon a route from her home to her office.

On any given morning, the driver, Alice, might be indifferent between arriving at her office a few minutes earlier or later, so picking the route with the minimal expected latency seems like a reasonable choice. Of course, even estimating the actual expected latency is a task that requires some mental overhead of remembering unexpected events in the past that affected her arrival time (*e.g.*, heavy rain with .01%, traffic accidents .02%). An easier alternative is to implicitly assume that this is a “typical day”. This average case analysis smooths out atypical events and allows for effortless decision making. On other occasions (*e.g.*, when giving a presentation at work), the same individual, faced with the same optimization problem, is now much more sensitive to

Table I. Price of anarchy of linear congestion games under u.i.d. schedulers.

Principle	Price of Anarchy
Wald's minimax cost	2
Savage's minimax regret	$[4/3, 3]^1$
Minimizing Expected cost	5/3
Average case analysis	5/3
Win-or-Go-Home	unbounded
Second moment method	unbounded

unfortunate rare events. In this case, Alice may subconsciously overestimate the possibility of bad events, heavily penalizing routes with high variance of arrival times. In fact, in the case where on time arrival is absolutely critical, she might be willing to go through a lengthy detour of backroads where congestion effects are not a factor. Finally, Alice's everyday challenge is furthermore complicated by her coworker and neighbor, Bob. Bob is rather vocal about his uncanny prowess in picking fast routes. These differences between her actual arrival time and that of the best route in hindsight are sometimes the cause of regret and may affect future decisions. Of course, these effects are only aggravated on rainy days, since as fate would have it, there is only a single parking spot outside their office and whoever gets there first takes it whereas the other one must walk in the rain. A race it is then.

The paragraph above hopefully conveys that we can expect a wide range of attitudes towards uncertainty to materialize in our everyday experiences. Moreover, these attitudes are not necessarily tied to the nature of the specific optimization problem. They are not even necessarily hard-coded personality traits of different individuals, but may depend on the context that is not even present in the mathematical formulation of the setting. What are the effects of this interwoven net of unspoken and sometimes unconscious attitudes to the hard bottom-line of the realized system performance? Interestingly, and perhaps distressingly, our results formally show that this single risk parameter can completely dictate system performance. Attitude is, indeed, everything.

We introduce uncertainty in linear congestion games by inserting a randomized scheduler on each congested element. The experienced latency by any user on a machine is a random variable depending both on the load of the machine and on the random ordering of the individual. Intuitively, similarly to the case of a printer that receives a number of requests simultaneously, the jobs get processed in some order and each job gets burdened only by those requests that get assigned ahead of it in the queue. Although this source of uncertainty is quite naturally motivated in itself, an added feature of this approach is that, in any outcome of the game, the total experienced latency on any element (and on the system as a whole) is deterministic. Therefore, regardless of the risk attitudes of the agents, the optimal social cost is uniquely defined. Changes in the price of anarchy can only reflect the fact that different risk attitudes give rise to different stable states. As Table I indicates, our analysis provides tight bounds on the price of anarchy under a wide range of decision making principles.<sup>2</sup>

<sup>1</sup>These bounds hold in the case of symmetric load balancing games. We also show a stronger lower bound of 5/3 in the general case.

<sup>2</sup>We should note here that our results do not critically depend on the assumption that the ordering of each job on each machine is chosen uniformly and independently at random. For example, our results under Wald's minimax cost principle carry over even in cases of globally correlated (possibly adversarial) scheduling policies. We choose not to focus on these technical facts in the intro in favor of a more uniform and simple exposition. The interested reader can explore them in more detail in the main part of the paper.

In the rest of this paper, we provide an overview of work on decision making under uncertainty as well as earlier price of anarchy related work. Section 3 contains a detailed exposition of the single agent decision making framework, whereas Section 4 combines uncertain decision making with games of uncertain payoffs, explicitly focusing on the case of congestion games with randomized scheduling policies. Sections 5-10 present the price of anarchy analysis for each of the following decision making principles: risk-neutral stochastic optimization (*i.e.*, optimizing expectation), average case analysis, Wald's minimax principle, second moment stochastic optimization, win-or-go-home principle and Savage's minimax regret principle. Finally, Section 11 concludes with discussion about future directions on the intersection of decision theory under uncertainty and game theory.

## 2. RELATED WORK

There are many different ways to make decisions in uncertain environments, and consequently, to model a game in which the agents need to make such decisions. Stochastic programming is an entire field (*e.g.*, see textbooks [Prékopa 1995; Birge and Louveaux 1997; Shapiro et al. 2009]), yet it is just one approach to optimization under uncertainty. It is most commonly used to capture risk-neutral agents as its typical objective function is expected cost. Robust optimization (*e.g.*, [Ben-Tal et al. 2009; Bertsimas et al. 2011]), at the other end of the spectrum, is suitable for infinitely risk-averse agents as it seeks the best possible worst-case outcome. The robust framework has been the focus of a lot of work within operations research and related fields.

Risk-averse optimization aims to bridge the gap between the two extreme risk attitudes, by considering more moderate and realistic models of risk. In fact, this is not yet a well-defined field, since multiple competing approaches to modeling risk are pursued in different communities. In economics, a common approach for modeling risk is via utility functions [Neumann and Morgenstern 1944] and, consequently, various alternatives to expected utility theory have been proposed, including weighted utility theory, prospect theory and the theory of ambiguity aversion [Machina 1987]. In finance, the mathematical study of risk for portfolio selection started with the mean-variance framework of Markowitz [Markowitz 1952]. More recently, due to a variety of paradoxes and pitfalls of the traditional approaches, an axiomatic approach to risk has been proposed [Artzner et al. 1999; Rockafellar 2007], considering coherent and convex risk measures. Such risk models have yet to be incorporated in a systematic way into formal algorithmic study and algorithmic game theory models.

A noteworthy special case of risk preference is captured in chance-constrained optimization (*e.g.*, [Uryasev 2000; Boş et al. 2007]), where constraints with uncertain variables are required to hold with at least a given probability. Algorithmic work on risk for combinatorial problems has considered a variety of models, including mean-risk optimization, value-at-risk and probabilistic (chance) constraints (*e.g.*, [Nikolova et al. 2006; Srinivasan 2007; Nikolova 2010; Swamy 2011]).

Games of incomplete information have been the subject of recent focus within the price of anarchy literature [Caragiannis et al. 2012; Paes Leme and Tardos 2010; Christodoulou et al. 2008; Lucier and Paes Leme 2011; Lucier and Borodin 2010; Syrgkanis 2012; Gairing and Tiemann. 2005; Garg and Narahari 2005; Georgiou et al. 2006]. Typically, the randomness is introduced via sampling the agent types randomly and independently from a commonly known distribution. Furthermore, the assumption of risk neutral agents is ubiquitous. Roughgarden has shown that the analysis of such settings essentially reduces to the deterministic case [Roughgarden 2012]. In our work, types are dependent and furthermore our results in the case of robust optimizing agents trivially extend even to cases where the agents hold different beliefs about the underlying type distribution. Moreover, our focus is on breaking away from

the convention of risk-neutral agents and exploring the implications of different risk attitudes.

The idea of introducing randomized scheduling policies on each congested element was inspired by machine scheduling ([Heydenreich et al. 2007], and references therein). However, the two settings are quite distinct. Typically, in machine scheduling the set of strategies for each job consists of singletons (*i.e.*, individual machines), whereas our setting has a nontrivial topology (routing network). On the other hand, in machine scheduling jobs come in different sizes and the completion time on each machine can in the most general case be an arbitrary function of each (job, machine) pair. More importantly, the end goals of the two approaches are decidedly different. Mechanism design for machine scheduling aims at designing simple scheduling policies such that risk neutral agents converge to almost optimal outcomes. In our setting, the schedulers are used as an abstraction to model uncertainty. They are used to infuse uncertainty, sometimes even in an adversarial and correlated manner. The goal is not to guide the users but to provide a challenging setting so as to test the efficiency of different risk-sensitive decision models.

Little attention has been paid so far within algorithmic game theory to cases where the agents are not expectation maximizers. Fiat and Papadimitriou consider games with deterministic payoffs and incorporate risk resulting from mixed strategies via mean-variance and other objectives [Fiat and Papadimitriou 2010]. Mavronicolas and Monien also consider mean-variance objectives for mixed equilibria and prove a PLS-completeness result for computing such equilibria [Mavronicolas and Monien 2012]. Perhaps most closely related to our model of uncertain payoffs is the stochastic selfish routing model of Nikolova and Stier-Moses where the edge latency functions are independent random variables with finite first and second moments [Nikolova and Stier-Moses 2011].

Aghassi and Bertsimas present a robust game theory model where the payoffs come from bounded uncertainty sets and the agents assume adversarial realizations of uncertainty. They show that fixed point theorems imply existence results for their equilibrium notion [Aghassi and Bertsimas 2006]. Our model of win-lose games was inspired by Immorlica *et al.* [Immorlica et al. 2011]. At a high level, the interplay of the decision making process of a single agent and the price of anarchy is related to the work on lookahead search in game playing by Mirrokni, Thain and Vetta [Mirrokni et al. 2012]. Back to uncertain payoffs, stochastic games from game theory, first introduced by Shapley [Shapley 1953], refer to dynamic games in which agents make probabilistic transitions (*e.g.*, see [Neyman and Sorin 2003; Filar and Vrieze 1996]). They are a generalization of Markov Decision Processes [Puterman 1994] and as such are very different from the offline optimization setting for agent actions we consider here.

In a related tangent, the price of uncertainty [Balcan et al. 2009; Balcan et al. 2011] studies the worst case implications to best response dynamics of small but adversarially selected fluctuations to the experienced cost of the agents. Results in this case tend to be negative. Carefully designed realizations of uncertainty combined with risk oblivious agents allow for small mistakes to pile up over time. In contrast, we show that even adversarial uncertainty of large magnitude can be effectively dealt away with by carefully chosen risk attitudes and approximately optimal global performance can be guaranteed.

### 3. SINGLE AGENT DECISION MAKING UNDER UNCERTAINTY

To describe the issues involved in game theoretic settings under uncertainty, we start with the simpler single agent optimization setting that corresponds to decision making under uncertainty. Our setting will be built upon a static optimization problem under uncertainty.

A problem of optimization under uncertainty, which we will denote by  $(S; \Omega; c; p)$ , is specified by a feasible set  $S$ , a (possibly unknown) distribution  $p$  over the state of nature,  $\omega$ , chosen from set  $\Omega$ , and an objective cost function  $c : S \times \Omega \rightarrow \mathbb{R}$ . We will assume this set  $S$  to be finite.

Over the last 60 years, work in decision theory has identified and formalized several different behavioral approaches to such uncertain environments. They are typically partitioned into the following two classes: a) *robust optimization*, whose guarantees hold even under worst case realizations of state uncertainty, and b) *stochastic optimization*, that utilizes the distribution  $p$  over the uncertainty set and in some sense provides an “average-case” analysis. Next, we will review some of these approaches in more detail.

### 3.1. Robust optimization

Robust optimization techniques can be applied to any uncertain setting, regardless of having any distributional knowledge about the nature of the uncertainty. The recurring idea here is that we will always assume that the sources of uncertainty (*e.g.*, nature) act adversarially and once we commit to an action, the worst possible scenario (for that action) will be realized.

#### Wald’s minimax (cost) principle

Wald’s minimax principle [Wald 1939] is a deterministic decision-making model according to which decisions are ranked on the basis of their worst-case outcomes. Namely, the chosen decision is the one whose worst outcome is at least as good as the worst outcome of any other decision. Formally, Wald’s minimax approach corresponds to solving the following deterministic problem:

$$\min_{s \in S} \max_{\omega \in \Omega} c(s, \omega)$$

This model represents a 2-person game in which the min optimization player plays first. In response, the second player (nature) selects the worst state in  $\Omega$ , namely a state that maximizes the cost  $c(s, \omega)$ . The above model is the “classic” format of Wald’s maximin model. There is an equivalent optimization or mathematical programming format:

$$\min_{s \in S, z \in \mathbb{R}} \{z : z \geq c(s, \omega), \forall \omega \in \Omega\}$$

Essentially, any decision  $s$  is assigned an (implied) cost  $\max_{\omega \in \Omega} c(s, \omega)$ . This is usually referred to as “the security level” of decision  $s$ .

#### Savage’s minimax regret principle

Savage’s minimax regret principle [Savage 1951] is an application of Wald’s minimax model to the ‘regret’ associated with the agent decision. It can be formulated as follows:

$$\min_{s \in S} \max_{\omega \in \Omega} \left( c(s, \omega) - \min_{s' \in S} c(s', \omega) \right)$$

where the term in the parenthesis captures the regret  $r(s, \omega)$  of the cost function  $c$  associated with the (decision, state) pair  $(s, \omega)$ .

### 3.2. Stochastic optimization

Robust optimization offers deterministic guarantees about the quality of the chosen decision. This power, however, comes at a cost since its proposed solutions may be

overly conservative. Stochastic optimization utilizes extra information about the state uncertainty (*e.g.*, a known probability distribution over the system states) to identify decisions of high *average-case* performance. Within this framework, several alternative decision-making principles have been identified.

#### Minimizing expected cost (risk-neutral agents)

In the case where the probability distribution  $p$  over the system states  $\Omega$  is known, or at least can be estimated (*e.g.*, by using historical data and/or a priori information), the optimal action for a risk neutral optimizer is the one that minimizes her expected cost. Formally, this corresponds to solving the following stochastic optimization problem:

$$\min_{s \in S} \mathbb{E}_{\omega \sim p}[c(s, \omega)]$$

#### Average case analysis

A less taxing computational heuristic for identifying solutions with good-on-average performance guarantees returns the optimal solution for the optimization problem in the expected state of the system. Namely, the random variable  $\omega$  is replaced by its mean  $\mathbb{E}_{\omega \sim p}[\omega]$ , leading to the following deterministic optimization problem:

$$\min_{s \in S} c(s, \mathbb{E}_{\omega \sim p}[\omega])$$

The resulting optimal solution  $x$  is sometimes called an average case solution or an expected value solution. This technique is not always applicable<sup>3</sup> and, even if it is, it does not necessarily translate to meaningful performance guarantees. Nevertheless, computationally it is rather inexpensive and hence it allows for a “quick fix” approach against which the performance of more sophisticated methods can be judged.

#### Win-or-Go-Home approach

This approach also optimizes the expected value of a specific random variable. Here, the random variable is an indicator variable that our chosen action outperforms another benchmark action (*e.g.*, an action chosen by an opponent). Equivalently, we are trying to maximize the probability of winning:

$$\Pr_{\omega \sim p}[c(s, \omega) \leq c_{\text{opponent}}(s', \omega)]$$

In the case of ties above, we break them in favor of our chosen action. A less biased rule would choose a winner uniformly at random. Generally, such rules can be extended using numerous tie-breaking rules (*e.g.*, lexicographically, randomly, etc.). This line of thinking can also be trivially extended to include more than one opponent in which case we are trying to maximize the probability of outperforming all. This approach is especially well suited for competitive optimization settings under uncertainty [Immorlica et al. 2011] where the optimizers do not care about their actual performance but about outperforming their opponents (*e.g.*, heads-up contest, coming first in a race, etc.).

#### Incorporating second moments

So far, the decision-maker tries to optimize some cost function on average. However, the realized cost  $c(s, \omega)$  could be significantly different from the corresponding expected

<sup>3</sup>It is not always the case that the notion of expected system state is meaningful or that the cost function actually extends to these states.

Table II. Decision Making under Uncertainty

Principle	Implied Cost Function
Wald's minimax cost	$\max_{\omega \in \Omega} c(s, \omega)$
Savage's minimax regret	$\max_{\omega \in \Omega} (c(s, \omega) - \min_{s' \in S} c(s', \omega))$
Minimizing Expected cost	$\mathbb{E}_{\omega \sim p}[c(s, \omega)]$
Average case analysis	$c(s, \mathbb{E}_{\omega \sim p}[\omega])$
Win-or-Go-Home	$1 - \Pr_{\omega \sim p}[c(s, \omega) \leq c_{\text{opponent}}(s', \omega)]$
Second moment method	$\mathbb{E}_{\omega \sim p}[c(s, \omega)] + \gamma \cdot \text{Var}_{\omega \sim p}[c(s, \omega)]$

value  $\mathbb{E}_{\omega \sim p}[c(s, \omega)]$ , depending on the particular realization of the system state  $\omega$ . Considering  $c(s, \omega)$  as a random variable, we can hedge against such events by incorporating in our calculation the variance  $\text{Var}[(s, \omega)]$  of the action's cost.

$$\min_{s \in S} \left( \mathbb{E}_{\omega \sim p}[c(s, \omega)] + \gamma \cdot \text{Var}_{\omega \sim p}[c(s, \omega)] \right)$$

The coefficient  $\gamma \geq 0$  represents the weight given to the conservative part of the decision. As  $\gamma$  grows to infinity, the above optimization problem tries to find a solution with minimal variance, while if  $\gamma = 0$ , this problem reduces to the standard risk neutral cost optimization. Note that since the variance is itself an expected value, from a mathematical point of view these problems still fall under the expectation minimization perspective. Other approaches could incorporate the standard deviation in place of the variance.

#### 4. CONGESTION GAMES WITH SCHEDULING POLICIES

##### 4.1. Congestion games

Congestion games [Rosenthal 1973] are non-cooperative games in which the utility of each agent depends only on the agent's strategy and the number of other agents that either choose the same strategy, or some strategy that "overlaps" with it. Formally, a *congestion game* is defined by the tuple  $(N; E; (\mathcal{S}_i)_{i \in N}; (c_e)_{e \in E})$  where  $N$  is the set of *agents*,  $E$  is a set of *resources* (also known as *edges* or *bins* or *facilities*), and each agent  $i$  has a set  $\mathcal{S}_i$  of subsets of  $E$  ( $\mathcal{S}_i \subseteq 2^E$ ). Each strategy  $s_i \in \mathcal{S}_i$  is a set of edges (a *path*), and  $c_e$  is a cost (negative utility) function associated with facility  $e$ . For a strategy profile  $s = (s_1, s_2, \dots, s_N)$ , the cost of agent  $i$  is given by  $c_i(s) = \sum_{e \in s_i} c_e(\ell_e(s))$ , where  $\ell_e(s)$  is the number of agents using  $e$  in  $s$  (the load of edge  $e$ ). Congestion games admit a *potential function*  $\Phi(s) = \sum_{e \in E} \sum_{j=1}^{\ell_e(s)} c_e(j)$ , which captures each agent's incentive to change her strategy [Rosenthal 1973]. Specifically, given a strategy profile  $s = (s_1, s_2, \dots, s_N)$ , and strategy  $s'_i$  of agent  $i$ , we have  $c_i(s'_i, s_{-i}) - c_i(s) = \Phi(s'_i, s_{-i}) - \Phi(s)$ . As a result, starting from any strategy profile, any sequence of improving moves is bound to terminate. Such stable states  $s \in S$  where for each agent  $i$  and  $s'_i \in \mathcal{S}_i$ ,  $c_i(s'_i, s_{-i}) \geq c_i(s)$  are called Nash equilibria. The set of Nash equilibria can be found by simply locating the local optima of  $\Phi(S)$ . In this work, we will focus on linear congestion games where the latency functions are of the form  $c_e(x) = a_e x + b_e$  where  $a_e, b_e \geq 0$ . Furthermore, the social cost will correspond to the sum of the costs of all the agents  $\sum_i c_i(s)$ . The price of anarchy is defined as:

$$\text{PoA}(G) = \frac{\max_{s \in \text{NE}} \text{Social Cost}(s)}{\min_{s^* \in \times_i \mathcal{S}_i} \text{Social Cost}(s^*)}$$

#### 4.2. Congestion games with randomized scheduling policies

We will begin the discussion with an informal, high level description of our model. In a classic congestion game all agents using a specific resource experience the same latency as is defined by the total number of the agents using a resource. Here, we will assume that the agents using any machine are assigned an ordering (e.g., they enter a queue) and the latency of an agent only depends on the number of other agents that precede her in the queue. The ordering decisions on each individual machine are made according to some probability distribution. As a result, the rank of each agent on each machine (and therefore her respective experienced latency) is a random variable. This defines a strategic game with uncertain cost functions. Our goal will be to analyze the nature and efficiency of its stable states under different decision-theoretic approaches to environmental uncertainty.

More formally, we extend the standard congestion game setting by introducing a randomized scheduling policy on each edge  $e$ . The scheduler chooses probabilistically a ranking (permutation) over all agents. We denote the rank of agent  $i$  using resource  $e$  by  $r_e(i)$ . This is a random variable taking values  $\{1, 2, \dots, N\}$ . Finally, the cost of agent  $i$  using a set of resources  $s$  can be expressed as  $c_i(s) = \sum_{e \in S_i} c_e(\sum_{j: e \in s_j \wedge r_e(j) \leq r_e(i)} 1)$ , since it is only affected by the number of agents that appear earlier than her on each machine  $e \in S$ . The social welfare of the system is defined in its standard form as the sum of the costs of the agents.

Although there are several ways of introducing uncertainty in a congestion game, our approach is especially well suited to study the effects of different decision-theoretic principles on the efficiency of these games. As we will argue, our setting allows to study the effects of different optimization approaches in isolation of other factors influencing the price of anarchy. Indeed, note first that the social welfare of any outcome is deterministic. The individual cost of any user on a machine is dependent on her ordering on that machine, while the sum of all users' costs is not.<sup>4</sup> This implies that, regardless of the chosen decision-making process, *all of these models agree in terms of which are the socially optimal states*. Furthermore, any two of them assign the same value to any state, not just the optimal ones.<sup>5</sup> As a result, changes in the value of the price of anarchy can only be introduced by having different sets of equilibrium states corresponding to different optimization approaches. For example, an outcome that may be stable for risk neutral agents might not be stable for agents that apply robust optimization techniques, or the other way around. Naturally, the question that arises is how robust is the price of anarchy analysis to changes in the risk attitude of the agents? Table I shows our results in each case.

We will apply each of the different decision-making principles in our setting of congestion games with randomized schedulers. Each principle, when combined with its respective implied cost functions (Table II), induces novel deterministic classes of games. We will examine the nature of the Nash equilibria of each resulting class and provide tight characterizations about their price of anarchy (Table I).

Naturally, from the perspective of the system designer a small price of anarchy is highly desirable since it implies approximately optimal system performance at equi-

<sup>4</sup>This is true also for other possible choices of social welfare functions such as the makespan, but in the present paper we will only focus on the total cost of our configuration.

<sup>5</sup>The efficiency of any state will naturally be estimated according to the experienced (real-world) costs of the outcomes and not the implied/hypothesized costs of Table II. After all, the implied costs are merely a mathematical convenience for encoding the decision making process of risk sensitive users in uncertain environments. These elements are out of the control and possibly the knowledge of the system designer. The system designer instead cares about the realized system performance and about achieving near optimality despite lack of control over both agents' actions and risk attitudes.

librium. The system designer, as an optimizer, may also have its own attitude towards risk, which could be different from the ones of the agents participating in the system. Since in our model of uncertainty the social cost of each state is deterministic, our price of anarchy bounds hold independently of the risk attitude of the system designer.

## 5. PRICE OF ANARCHY UNDER RISK NEUTRAL STOCHASTIC OPTIMIZATION

We will commence analysis with the, thus far, standard assumption in algorithmic game theory of risk neutral agents. The agents here merely wish to minimize their expected costs. Hence, and in accordance with Table II, we have that the implied cost  $\mathcal{C}$  of agent  $i$  at strategy profile  $s$  is  $\mathbb{E}_{\omega \sim p}[c_i(s, \omega)]$ .

Our default assumption about the randomized schedulers on each edge is that they are independent and that they choose a permutation of the users uniformly at random. Nevertheless, we will also discuss possible extensions over which our results still hold. In this case, it is easy to see that linearity of expectation allows us to drop the requirement of the schedulers being independent, as long as their marginals are uniform over the set of all permutations. Under this assumption, for linear cost functions the perceived cost of an agent  $i$  at outcome  $s$  is:

$$\begin{aligned} \mathcal{C}_i(s) &= \mathbb{E}_{\omega \sim p}[c_i(s, \omega)] = \sum_{e \in S_i} \mathbb{E}_{\omega \sim p}[c_e(\sum_{j: e \in s_j \wedge r_e(j) \leq r_e(i)} 1)] = \sum_{e \in S_i} \frac{\ell_e(S)(a_e \frac{\ell_e(s)+1}{2} + b_e)}{\ell_e(S)} = \\ &= \sum_{e \in S_i} (a_e \frac{\ell_e(s)+1}{2} + b_e) = \sum_{e \in S_i} (\frac{a_e}{2} \ell_e(s) + \frac{a_e}{2} + b_e) \end{aligned}$$

It is straightforward to check that starting from any congestion game with affine cost functions (*i.e.*,  $a_e, b_e \geq 0$  for all resources  $e$ ), this transformation through the implied costs  $\mathcal{C}_i(s)$  maps us back in the same class. Furthermore, at any strategy profile  $s$  (and for any possible realization of the uncertainty  $\omega$ ) the actual social cost agrees with the perceived social cost, defined as the sum of perceived user costs  $\sum_i \mathcal{C}_i(s) = \sum_i c_i(s, \omega)$  for all  $s, \omega$ . So, the price of anarchy for risk neutral agents under affine cost functions is captured by the price of anarchy of the class of congestion games with cost functions of the form  $(\frac{a_e}{2} \ell_e(s) + \frac{a_e}{2} + b_e)$  where  $a_e, b_e \geq 0$ . Therefore, it suffices to characterize those congestion games whose elements have cost functions  $a_e x + b_e$  with  $b_e \geq a_e \geq 0$ . One last equivalent formulation is the class of congestion games with cost functions  $c_e(x) = a_e(x+1) + b_e$ , where  $a_e, b_e \geq 0$ . Since this defines a subset of affine congestion games, we automatically derive an upper bound on the price of anarchy of  $5/2$  [Christodoulou and Koutsoupias 2005]. A more thorough analysis will allow us to improve this estimate by 33% and prove a tight bound of  $5/3$ .

**LEMMA 5.1.** *For every pair of nonnegative integers  $x, y$ , it holds*

$$(x+2)y \leq \frac{1}{4}x(x+1) + \frac{5}{4}y(y+1).$$

**PROOF.**

$$\begin{aligned} (x+2)y &\leq \frac{1}{4}x(x+1) + \frac{5}{4}y(y+1) \Leftrightarrow \\ xy + 2y &\leq \frac{x^2}{4} + \frac{x}{4} + \frac{5}{4}y^2 + \frac{5}{4}y \Leftrightarrow \\ 0 &\leq \left(\frac{x}{2} - y\right)^2 + \frac{x}{4} + \frac{y}{4}(y-3) \end{aligned} \tag{1}$$

The last inequality trivially holds for all nonnegative integers  $x, y$  where  $y \neq 1, 2$ . So, it suffices to check these two special cases separately.

For  $y = 1$ , inequality 1 reduces to

$$\begin{aligned} 0 &\leq \left(\frac{x}{2} - 1\right)^2 + \frac{x}{4} - \frac{1}{2} \Leftrightarrow \\ &0 \leq x^2 - 3x + 2 \Leftrightarrow \\ &0 \leq (x - 1)(x - 2) \end{aligned}$$

However, the last inequality is indeed true for all (nonnegative) integers  $x$ . For  $y = 2$ , inequality 1 reduces to

$$\begin{aligned} 0 &\leq \left(\frac{x}{2} - 2\right)^2 + \frac{x}{4} - \frac{1}{2} \Leftrightarrow \\ &0 \leq x^2 - 7x + 14 \end{aligned}$$

However, the last inequality is true for all  $x$ .  $\square$

Next, we will apply Lemma 1 to prove a smoothness bound argument about our class of congestion games. In the following,  $\mathcal{C}(s)$  denotes the perceived social welfare at outcome  $s$ , that is  $\sum_i \mathcal{C}_i(s)$ .

**LEMMA 5.2.** *Given any two strategy profiles  $s, s^*$  of a linear congestion game with uniformly randomizing schedulers, under risk-neutral agents, we have that:*

$$\sum_i \mathcal{C}_i(s_i^*, s_{-i}) \leq \frac{5}{4}\mathcal{C}(s^*) + \frac{1}{4}\mathcal{C}(s).$$

**PROOF.** Let  $x_e = \ell_e(s), y_e = \ell_e(s^*)$ . Then,

$$\begin{aligned} \sum_i \mathcal{C}_i(s_i^*, s_{-i}) &\leq \sum_e (a_e(x_e + 2) + b_e)y_e \\ &\leq \frac{5}{4} \sum_e (a_e(y_e + 1) + b_e)y_e + \frac{1}{4} \sum_e (a_e(x_e + 1) + b_e)x_e \\ &\leq \frac{5}{4}\mathcal{C}(s^*) + \frac{1}{4}\mathcal{C}(s). \end{aligned}$$

$\square$

Lemma 5.2 expresses a  $(5/4, 1/4)$ -smoothness argument for our class of games, which by [Roughgarden 2009] implies that our class of games exhibits price of anarchy of  $5/3$ .

**COROLLARY 5.3.** *The price of anarchy of a linear congestion game with uniformly randomizing schedulers under risk-neutral agents is at most  $5/3$ .*

Next, we will show that our price of anarchy bound is tight for the class of linear congestion games. Furthermore, it is asymptotically tight even for symmetric congestion games under risk-neutral stochastic optimization. Below we provide explicit constructions of classes of games achieving these lower bounds. These constructions are inspired by the work of Christodoulou and Koutsoupias [Christodoulou and Koutsoupias 2005].

**THEOREM 5.4.** *There exist linear congestion games whose price of anarchy under uniformly randomizing schedulers and risk-neutral agents is equal to  $5/3$ . Further-*

more, for any  $\epsilon > 0$ , there exist symmetric linear congestion games whose price of anarchy under uniformly randomizing schedulers and risk-neutral agents is greater than  $\frac{5}{3} - \epsilon$ .

PROOF. We will construct a congestion game for  $N \geq 3$  players and  $|E| = 2N$  facilities with price of anarchy equal to  $5/3$ . We divide the set  $E$  into two subsets  $E_1 = \{h_1, \dots, h_N\}$  and  $E_2 = \{g_1, \dots, g_N\}$ , each of  $N$  facilities. Player  $i$  has two pure strategies:  $\{h_i, g_i\}$  and  $\{h_{i+1}, g_{i-1}, g_{i+1}\}$ <sup>6</sup>. The latency functions of the elements in  $E_1$  is  $c(x) = 2x$ , whereas the latency functions of the elements in  $E_2$  is  $c(x) = x$ . The optimal outcome corresponds to the state where each player selects the first strategy while the worst-case Nash equilibrium is for each player to select the second strategy. The second outcome is a Nash, since under uniformly random scheduling each agent experiences an expected cost of  $2 + 2 \frac{1+2}{2} = 5$ , whereas if she were to deviate she would experience an expected cost of  $\frac{2+4}{2} + \frac{1+2+3}{3} = 5$ . At the worst Nash equilibrium, the total expect cost is equal to  $5N$ . At the optimal state, the expected cost is equal to  $3N$ , which results in a ratio of  $5/3$ .

We will show how to construct symmetric linear congestion games with price of anarchy arbitrary close to  $5/3$  under risk neutral agents. It suffices to show that we can construct a classic congestion game, in which each element has cost function  $x + 1$ , and show that its price of anarchy can be arbitrarily close to  $5/3$ <sup>7</sup>. We construct such games as follows: We partition the facilities into sets  $\{P_1, P_2, \dots, P_n\}$  of the same cardinality and make each  $P_i$  a pure strategy. Each  $P_i$  contains  $N\alpha_1 + \binom{N}{2}\alpha_2$  facilities where  $\alpha_1, \alpha_2$  are appropriate constants to be determined later. We furthermore partition each of the  $N\alpha_1$  facilities of set  $P_i$  into  $N$  groups  $\{R_1^{P_i}, \dots, R_N^{P_i}\}$ , each of size  $\alpha_1$ . Similarly, we partition the  $\binom{N}{2}\alpha_2$  facilities of set  $P_i$  into  $\binom{N}{2}$  groups  $Q \{Q_{12}^{P_i}, \dots, Q_{ij}^{P_i}, \dots, Q_{N-1N}^{P_i}\}$  each of size  $\alpha_2$ .

The strategies available to each player  $i$  will include, besides all the  $P_i$  strategies, strategies  $(A_1, \dots, A_n)$  of the following form: Each strategy  $A_i$  contains out of each  $P_j$ , all the facilities in  $R_i^{P_j}$  as well as all facilities in each of the  $Q_{kl}^{P_j}$  where either  $k = i$  or  $l = i$ . As a result, each strategy  $A_i$  includes  $N\alpha_1 + N(N-1)\alpha_2$  elements.

The strategy profile  $(P_1, P_2, \dots, P_n)$  is trivially a Nash equilibrium of the game, since each  $P_i$  is an action with a minimal number of facilities (amongst all available actions) and the load of each facility is optimal (*i.e.*, equal to 1). It is also the social optimal outcome for the same reason, with a cost for each agent of  $2N\alpha_1 + N(N-1)\alpha_2$ .

We will choose  $\alpha_1, \alpha_2$ , so that the strategy profile  $(A_1, A_2, \dots, A_n)$  is also a Nash equilibrium. Now, the cost for each player  $i$  is  $c_i(A) = N(2\alpha_1 + 3(N-1)\alpha_2)$ . It suffices to select  $\alpha_1, \alpha_2$  so that player  $i$  will not switch to  $P_j$ . (It is straightforward that player  $i$  will not switch to the Nash strategy of some other player  $k$ .) The cost after switching is:

$$c_i(A_{-i}, P_j) = 2\alpha_1 + 3(N-1)\alpha_2 + 3(N-1)\alpha_1 + 4 \binom{N-1}{2} \alpha_2 = (3N-1)\alpha_1 + (N-1)(2N-1)\alpha_2$$

To establish Nash equilibrium it suffices to have  $c_i(A) = c_i(A_{-i}, P_j)$ , or equivalently  $\alpha_1 = (N+1)\alpha_2$ , which is satisfied when we select  $\alpha_1 = N+1$  and  $\alpha_2 = 1$ . With this, the social cost at the  $(A_1, A_2, \dots, A_n)$  Nash equilibrium is  $N^2(2\alpha_1 + 3(N-1)\alpha_2) =$

<sup>6</sup>The indices  $i$  should appear as  $i \bmod N$ , but we suppress it for simplicity of notation.

<sup>7</sup>Indeed, this game would have the same price of anarchy as the corresponding congestion game with edge cost  $2x$  under uniform schedulers and risk neutral agents.

$N^2(5N - 1)$ . The social welfare at the  $(P_1, P_2, \dots, P_n)$  Nash equilibrium is equal to  $N^2(3N + 1)$ . Hence, as  $N$  goes to infinity, their ratio converges to  $5/3$ .  $\square$

Combining all results in this section, we derive a complete understanding of the effects of risk neutral optimization under uniformly randomizing agents in linear congestion games:

**THEOREM 5.5.** *Given any linear congestion game with arbitrary topology and uniformly randomizing schedulers, the price of anarchy under risk neutral stochastic optimization is at most  $5/3$  and this bound is tight.*

## 6. PRICE OF ANARCHY UNDER AVERAGE CASE ANALYSIS

Given any outcome  $s$  of a congestion game with randomized schedulers, we can encode the randomness relevant to agent  $i$  via a sequence of variables  $r_e^i(s) \in \{1, \dots, \ell_e(s)\}$ , which encodes the effective order with which agent  $i$ 's job is processed by machine  $e$ . On average, the order of agent  $i$  on machine  $e$  is merely the expected rank  $\hat{r}_e^i(s) = \mathbb{E}_{\omega \sim p}[r_e^i(s)]$ . Naturally, this expectation is not always an integer, so the average case analysis approach is not immediately applicable in our setting. Namely, if we consider two possible outcomes  $s, s^*$ , the superposition of states that corresponds to  $s$  (with probability  $p$ ) and  $s^*$  (with probability  $1 - p$ ) is not a meaningful state. However, one could extend the setting in a straightforward way so as to include such ‘‘mixed’’ states. In such a state, the load of each machine is by definition equal to expected load of the machine with the expectation taken over the pure states of the system. Finally, the (linear) cost functions can be augmented so that they are defined over all nonnegative reals (instead of merely nonnegative integers) while preserving the linearity. In our benchmark setting of uniformly independent randomizing schedulers, this induces a congestion game with the same set of agents, strategies as in the original game and cost functions of the form:

$$C_i(s) = c_i(s, \mathbb{E}_{\omega \sim p}[\omega]) = \sum_{e \in s_i} c_e(\mathbb{E}_{\omega \sim p}[\ell(s)]) = \sum_{e \in s_i} c_e\left(\frac{\ell(s) + 1}{2}\right).$$

However, this game is completely isomorphic to the one arising from the case of risk-neutral agents, so our tight results in that section get immediately translated here:

**PROPOSITION 6.1.** *Given any linear congestion game with arbitrary topology and uniformly randomizing schedulers, the price of anarchy under the average case analysis model is at most  $5/3$  and this bound is tight.*

## 7. PRICE OF ANARCHY UNDER WALD'S MINIMAX PRINCIPLE

In this section, we will provide a price of anarchy analysis in the case where agents apply robust optimization techniques and specifically Wald's minimax principle. Following this principle, routes are ranked on the basis of their worst-case (scheduling) outcomes. In other words, each agent chooses the route with the minimal worst case latency. As long as each scheduler assigns to each agent  $i$  each slot with positive probability (we will refer to such schedulers as fully randomizing schedulers), the implied cost of agent  $i$  is equal to:

$$C_i(s) = \max_{\omega \in \Omega} c_i(s, \omega) = \sum_{e \in s_i} c_e(\ell_e(s)) = \sum_{e \in s_i} (a_e \ell_e(s) + b_e)$$

Namely, we have that this implied-cost game is payoff equivalent to the classic formulation of (linear) congestion games. However, regardless of the decision making pro-

cess of the agents and its depiction through the implied costs  $C_i(s)$ , the actual social welfare at any outcome  $s$  is equal to:

$$\text{Social Cost}(s) = \sum_e \sum_{k=1}^{\ell_e(s)} c_e(k) = \sum_e \sum_{k=1}^{\ell_e(s)} (a_e k + b_e)$$

This is true since on each resource  $e$  agents are only burdened by the load corresponding to other agents who are ahead of them in the queue. Furthermore, although the exact ordering and costs of each agent are unclear, there will always be someone occupying the first, second,  $\dots$ ,  $k$ -th spot. So, the summation of the costs is indeed captured by the summation above. This summation encodes the standard potential function for (linear) congestion games. In order to characterize the price of anarchy under Wald's minimax principle, it suffices to analyze the classic setting when we define the social cost to be equal to the potential function  $\sum_e \sum_{k=1}^{\ell_e(s)} c_e(k)$ . Independently from us, Caragiannis *et al.* [Caragiannis et al. 2011] provide an upper bound of 2 for this term in their approach to efficiently compute approximate Nash equilibria in linear congestion games. We provide an alternative proof of this statement, which tracks the involved summands more closely. Our technique extends (at least partially) to the case of Savage's minimax principle. Furthermore, we show that this bound is tight. The complete proof is given in Appendix A. The proof starts by establishing the following two technical lemmas:

LEMMA 7.1. *For  $\alpha, \beta \in \mathbb{R}$ :*

$$\beta(\alpha + 1) = \frac{1}{2}\alpha \frac{\alpha + 1}{2} + 2\beta \frac{\beta + 1}{2} - \frac{\alpha}{4} - \frac{(\alpha - 2\beta)^2}{4}.$$

LEMMA 7.2. *For nonnegative integers  $x_e, x_e^* \geq 0$ :*

$$\frac{1}{2} \sum_e \left( \frac{3}{4} a_e + \frac{b_e}{2} \right) x_e - \frac{1}{8} \sum_e a_e (x_e - 2x_e^*)^2 \leq \frac{1}{4} \left( \sum_e a_e \frac{x_e(x_e + 1)}{2} + \sum_e b_e x_e \right).$$

Next, we combine the lemmas of this section to prove an upper bound of 2 for the ratio between the value of the potential function  $\Phi(s) = \sum_e \sum_{k=1}^{\ell_e(s)} c_e(k) = \sum_e \sum_{k=1}^{\ell_e(s)} (a_e k + b_e)$  at the worst Nash equilibrium and its optimum value.<sup>8</sup>

THEOREM 7.3. *The value of the potential function  $\Phi(s) = \sum_e \sum_{k=1}^{\ell_e(s)} c_e(k) = \sum_e \sum_{k=1}^{\ell_e(s)} (a_e k + b_e)$  of any linear congestion game at any Nash equilibrium is within a factor of two of its optimal value.*

PROOF. Suppose that  $(s_1, s_2, \dots, s_n)$  is a Nash equilibrium of a linear congestion game and  $(s_1^*, s_2^*, \dots, s_n^*)$  corresponds to the global optimum of the potential function. Then:

<sup>8</sup>The optimal value is also achieved at a Nash equilibrium, since it is the global minimizer of the potential.

$$\begin{aligned}
\Phi(s_1, s_2, \dots, s_n) &= \sum_e \sum_{i=1}^{x_e} (a_e i + b_e) \\
&= \sum_e a_e \frac{x_e(x_e + 1)}{2} + \sum_e b_e x_e \\
&= \frac{1}{2} \sum_e (a_e x_e + b_e) x_e + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&= \frac{1}{2} \sum_i \mathcal{C}_i(s) + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&\leq \frac{1}{2} \sum_i \mathcal{C}_i(s_i^*, s_{-i}) + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&\leq \frac{1}{2} \sum_e (a_e(x_e + 1) + b_e) x_e^* + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&= \frac{1}{2} \sum_e a_e x_e^*(x_e + 1) + \frac{1}{2} \sum_e b_e x_e^* + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&= \frac{1}{2} \left( \frac{1}{2} \sum_e a_e \frac{x_e(x_e + 1)}{2} + 2 \sum_e a_e \frac{x_e^*(x_e^* + 1)}{2} - \frac{1}{4} \sum_e a_e x_e - \frac{1}{4} \sum_e a_e (x_e - 2x_e^*)^2 \right) + \\
&\quad + \frac{1}{2} \sum_e b_e x_e^* + \frac{1}{2} \sum_e (a_e + b_e) x_e \text{ from lemma 7.1} \\
&= \frac{1}{4} \sum_e a_e \frac{x_e(x_e + 1)}{2} + \sum_e a_e \frac{x_e^*(x_e^* + 1)}{2} + \frac{1}{2} \sum_e b_e x_e^* - \frac{1}{8} \sum_e a_e (x_e - 2x_e^*)^2 + \frac{1}{2} \sum_e \left( \frac{3}{4} a_e + b_e \right) x_e \\
&= \frac{1}{4} \sum_e \left( a_e \frac{x_e(x_e + 1)}{2} + b_e x_e \right) + \sum_e \left( a_e \frac{x_e^*(x_e^* + 1)}{2} + \frac{1}{2} b_e x_e^* \right) - \frac{1}{8} \sum_e a_e (x_e - 2x_e^*)^2 + \\
&\quad + \frac{1}{2} \sum_e \left( \frac{3}{4} a_e + \frac{b_e}{2} \right) x_e \\
&\leq \frac{1}{4} \Phi(s_1, s_2, \dots, s_n) + \Phi(s_1^*, s_2^*, \dots, s_n^*) - \frac{1}{8} \sum_e a_e (x_e - 2x_e^*)^2 + \frac{1}{2} \sum_e \left( \frac{3}{4} a_e + \frac{b_e}{2} \right) x_e.
\end{aligned}$$

By applying Lemma 7.2, we have that:

$$\Phi(s_1, s_2, \dots, s_n) \leq \frac{1}{2} \Phi(s_1, s_2, \dots, s_n) + \Phi(s_1^*, s_2^*, \dots, s_n^*)$$

The statement of the theorem follows immediately.  $\square$

In Appendix A, we also establish that this bound is indeed the best possible.

**THEOREM 7.4.** *There exist linear congestion games such that the maximum ratio of the value of the potential function  $\Phi(s) = \sum_e \sum_{k=1}^{\ell_e(s)} c_e(k) = \sum_e \sum_{k=1}^{\ell_e(s)} (a_e \ell(s) + b_e)$  at any Nash equilibrium and its optimum value is equal to 2. Furthermore, for any  $\epsilon > 0$ , there exist linear symmetric congestion games such that the corresponding ratio is greater than  $2 - \epsilon$ .*

Combining all the theorems of this section together, we finally derive a tight price of anarchy analysis in the case of agents applying Wald's minimax principle:

**THEOREM 7.5.** *Given any linear congestion game with arbitrary topology, and any set of fully randomized scheduling policies, (even adversarial, correlated), the price of anarchy under robust optimization is at most 2 and this bound is tight.*

## 8. PRICE OF ANARCHY UNDER SECOND MOMENT STOCHASTIC OPTIMIZATION

Our results under different risk attitudes have been universally positive so far and actually improving upon the classic 5/2 price of anarchy bound of linear congestion games. Next, we will show that different approaches to uncertainty can actually have a detrimental effect on system performance.

**PROPOSITION 8.1.** *Under uniformly randomizing schedulers, for any  $M \geq 0$ , there exist linear congestion games with only two paths, and  $\gamma \geq 0$ , such that under  $\gamma$ -stochastic optimization, their price of anarchy is greater than  $M$ .*

**PROOF.** Consider a congestion game of  $N$  agents consisting of a network of two parallel edges, one with a constant latency of  $L$  and another with a linear latency function  $c_e(x) = x$ . If the load of the second edge is greater than two, then the variance of the cost of the edge for each agent would be strictly positive as a result of the random ordering of the agents. On the other hand, the variance of the cost of each agent on the first machine is always zero, since the latency is load (and hence ordering) independent. Therefore, for any  $N, L$ , we can choose a  $\gamma$  large enough so that for any  $\gamma$ -stochastic optimization agent (whose best response is  $\min_{s \in S} (\mathbb{E}_{\omega \sim p}[c(s, \omega)] + \gamma \cdot \text{Var}_{\omega \sim p}[c(s, \omega)])$ ) prefers using the first edge as long as the second edge is occupied by at least one agent. We will argue that for large enough  $\gamma$  the strategy outcome with exactly one agent using the linear latency resource is a Nash equilibrium. Indeed, under a uniformly random scheduling policy and a load of  $x$ , the variance of the linear resource will be equal to  $\frac{x^2-1}{12}$ . So, for  $x \geq 2$  the variance is at least  $1/4$ . Hence, as long as  $\gamma > 4L$ , the agents using the first resource (experiencing a cost of  $L$ ) do not benefit by migrating to the second resource. The single agent on the second resource (experiencing a cost of 1) similarly does not wish to deviate to the first resource. By picking  $L = \Omega(N^2)$ , we have that the price of anarchy of the resulting class of games is unbounded and the theorem follows.  $\square$

## 9. PRICE OF ANARCHY UNDER WIN-OR-GO-HOME PRINCIPLE

Recall that in this model, we are trying to maximize the probability of outperforming a benchmark action (e.g., an opponent). Equivalently, we are trying to maximize the probability of winning:

$$\Pr_{\omega \sim p}[c(s, \omega) \leq c_{\text{opponent}}(s', \omega)]$$

In our setting, we can consider all other agents as viable opponents, in which case we wish to maximize the probability of experiencing the lowest cost amongst all agents (i.e., arriving first to our destination). We will show that under this risk attitude the price of anarchy explodes once again.

In the case of ties, we break ties in favor of our chosen action. A less biased rule could choose a winner uniformly at random. Generally, such rules can be extended using numerous tie-breaking rules (e.g., lexicographical, random, etc.). Our results trivially carry over to these models as well. The proof is in Appendix B.

**PROPOSITION 9.1.** *Under uniformly randomizing schedulers, for any  $M \geq 0$ , there exist linear congestion games such that under the Win-or-Go-Home principle the price of anarchy is greater than  $M$ .*

## 10. PRICE OF ANARCHY UNDER SAVAGE'S MINIMAX REGRET PRINCIPLE

In this section, we present some preliminary results about price of anarchy in linear symmetric load balancing games under Savage's minimax regret principle. Load balancing games define a special class of congestion games where all strategies are singletons (*i.e.*, paths of length 1). Finally, symmetric congestion games have the property that all agents share the same strategy set. The proofs of this section can be found in Appendix C.

**THEOREM 10.1.** *The price of anarchy for any symmetric linear load balancing game under independent uniformly randomizing schedulers and agents applying Savage's minimax principle is at most 3. There exist symmetric linear load balancing games with a price of anarchy of  $4/3$ . Furthermore, there exist linear (non load-balancing) congestion games with a price of anarchy of  $5/3$ .*

## 11. CONCLUSIONS

In this paper we have introduced risk-sensitive agents in competitive environments under uncertainty and we have shown that the choice of risk attitudes can be critical to system performance. Since uncertainty is an inherent characteristic of decentralized systems and risk attitudes are out of the control of any system designer (and sometimes out of the conscious control of the agents themselves), our results call for a closer reexamination of competitive settings that were previously thought of as completely understood. More generally, a principled study of different sources of uncertainty and their implications to the performance and computational tractability of classic competitive settings would shed much needed light towards a deeper quantitative understanding of the implications of risk attitudes.

Our treatment allows us to isolate and examine the effects of a single parameter (risk attitude towards uncertain cost functions) on system performance. We choose here to focus on this single issue and show that this parameter single-handedly can have a critical effect on system performance. Nevertheless, we recognize that there is a whole host of related issues, which constitute interesting directions for future research. At the intellectual core of these issues lies the implicit assumption of a permanent, deterministic and context-free utility function that trivializes the task of choosing between two (or more) alternatives for each agent. The problem of choice is inherently an algorithmic one and we believe that sidestepping the rigid assumptions of utility theory and focusing on it directly holds the promise of exciting new insights.

We believe that this intersection between algorithmic game theory and algorithmic decision theory including robust/stochastic optimization provides a rather promising field for future work. Here, algorithmic game theory can move beyond merely addressing the computational tractability of old game theoretic concepts but also help lay the foundational work for a more scalable, robust and realistic theory of socioeconomic systems.

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## APPENDIX

### A. PRICE OF ANARCHY ANALYSIS FOR WALD'S MINIMAX PRINCIPLE

We will start off the analysis with the following technical lemma.

LEMMA A.1. *For  $\alpha, \beta \in \mathbb{R}$ :*

$$\beta(\alpha + 1) = \frac{1}{2}\alpha\frac{\alpha + 1}{2} + 2\beta\frac{\beta + 1}{2} - \frac{\alpha}{4} - \frac{(\alpha - 2\beta)^2}{4}$$

PROOF.

$$\begin{aligned} \beta(\alpha + 1) &= \frac{1}{2}\alpha\frac{\alpha + 1}{2} + 2\beta\frac{\beta + 1}{2} - \frac{\alpha}{4} - \frac{(\alpha - 2\beta)^2}{4} \Leftrightarrow \\ \beta(\alpha + 1) + \frac{\alpha}{4} + \frac{(\alpha - 2\beta)^2}{4} &= \frac{1}{4}\alpha(\alpha + 1) + \beta(\beta + 1) \Leftrightarrow \\ 4\beta(\alpha + 1) + \alpha + (\alpha - 2\beta)^2 &= \alpha(\alpha + 1) + 4\beta(\beta + 1) \Leftrightarrow \\ (\alpha - 2\beta)^2 &= (\alpha - 2\beta)^2 \end{aligned}$$

□

The following lemma provides a useful lower bound on the potential of any given outcome of a linear congestion game.

LEMMA A.2. *For nonnegative integers  $x_e, x_e^* \geq 0$ :*

$$\frac{1}{2} \sum_e \left( \frac{3}{4}a_e + \frac{b_e}{2} \right) x_e - \frac{1}{8} \sum_e a_e (x_e - 2x_e^*)^2 \leq \frac{1}{4} \left( \sum_e a_e \frac{x_e(x_e + 1)}{2} + \sum_e b_e x_e \right)$$

PROOF.

$$\begin{aligned} \frac{1}{2} \sum_e \left( \frac{3}{4}a_e + \frac{b_e}{2} \right) x_e - \frac{1}{8} \sum_e a_e (x_e - 2x_e^*)^2 &\leq \frac{1}{4} \left( \sum_e a_e \frac{x_e(x_e + 1)}{2} + \sum_e b_e x_e \right) \Leftrightarrow \\ \frac{1}{2} \sum_e \frac{3}{4}a_e x_e - \frac{1}{8} \sum_e a_e (x_e - 2x_e^*)^2 &\leq \frac{1}{4} \sum_e a_e \frac{x_e(x_e + 1)}{2} \Leftrightarrow \\ 3 \sum_e a_e x_e &\leq \sum_e a_e x_e (x_e + 1) + \sum_e a_e (x_e - 2x_e^*)^2 \end{aligned}$$

However, for all nonnegative integers  $x_e \neq 1$ ,  $3x_e \leq x_e(x_e + 1)$ , hence over those edges  $e$  the inequalities trivially hold. Even if  $x_e = 1$ , we have that  $3x_e \leq x_e(x_e + 1) + (x_e - 2x_e^*)^2$ , since this translates now to  $(1 - 2x_e^*)^2 \geq 1$ , which is true for all integers  $x_e^*$ . □

Next, we combine the lemmas of this section to prove an upper bound of 2 for the ratio between value of the potential function  $\Phi(s) = \sum_e \sum_{k=1}^{\ell_e(s)} c_e(k) = \sum_e \sum_{k=1}^{\ell_e(s)} (a_e \ell(s) + b_e)$  at the worst Nash equilibrium and its optimum value<sup>9</sup>.

THEOREM A.3. *The value of the potential function  $\Phi(s) = \sum_e \sum_{k=1}^{\ell_e(s)} c_e(k) = \sum_e \sum_{k=1}^{\ell_e(s)} (a_e \ell(s) + b_e)$  of any linear congestion game at any Nash equilibrium is within a factor of two of its optimal value.*

PROOF. Suppose that  $s_1, s_2, \dots, s_n$  is a Nash equilibrium of a linear congestion game and  $s_1^*, s_2^*, \dots, s_n^*$  corresponds to the global optimum of the potential function, then we have that:

<sup>9</sup>The optimal value is also achieved at a Nash equilibrium, since it is the global minimizer of the potential.

$$\begin{aligned}
\Phi(s_1, s_2, \dots, s_n) &= \sum_e \sum_{i=1}^{x_e} (a_e i + b_e) \\
&= \sum_e a_e \frac{x_e(x_e + 1)}{2} + \sum_e b_e x_e \\
&= \frac{1}{2} \sum_e (a_e x_e + b_e) x_e + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&= \frac{1}{2} \sum_i \mathcal{C}_i(s_1, s_2, \dots, s_n) + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&\leq \frac{1}{2} \sum_i \mathcal{C}_i(s_i^*, s_{-i}) + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&\leq \frac{1}{2} \sum_e (a_e(x_e + 1) + b_e) x_e^* + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&= \frac{1}{2} \sum_e a_e x_e^*(x_e + 1) + \frac{1}{2} \sum_e b_e x_e^* + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&= \frac{1}{2} \left( \frac{1}{2} \sum_e a_e \frac{x_e(x_e + 1)}{2} + 2 \sum_e a_e \frac{x_e^*(x_e^* + 1)}{2} - \frac{1}{4} \sum_e a_e x_e - \frac{1}{4} \sum_e a_e (x_e - 2x_e^*)^2 \right) + \\
&\quad + \frac{1}{2} \sum_e b_e x_e^* + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&= \frac{1}{4} \sum_e a_e \frac{x_e(x_e + 1)}{2} + \sum_e a_e \frac{x_e^*(x_e^* + 1)}{2} + \frac{1}{2} \sum_e b_e x_e^* - \frac{1}{8} \sum_e a_e (x_e - 2x_e^*)^2 + \\
&\quad + \frac{1}{2} \sum_e \left( \frac{3}{4} a_e + b_e \right) x_e \\
&= \frac{1}{4} \sum_e \left( a_e \frac{x_e(x_e + 1)}{2} + b_e x_e \right) + \sum_e \left( a_e \frac{x_e^*(x_e^* + 1)}{2} + \frac{1}{2} b_e x_e^* \right) - \frac{1}{8} \sum_e a_e (x_e - 2x_e^*)^2 + \\
&\quad + \frac{1}{2} \sum_e \left( \frac{3}{4} a_e + \frac{b_e}{2} \right) x_e \\
&\leq \frac{1}{4} \Phi(s_1, s_2, \dots, s_n) + \Phi(s_1^*, s_2^*, \dots, s_n^*) - \frac{1}{8} \sum_e a_e (x_e - 2x_e^*)^2 + \frac{1}{2} \sum_e \left( \frac{3}{4} a_e + \frac{b_e}{2} \right) x_e
\end{aligned}$$

By applying Lemma A.2, we have that:

$$\Phi(s_1, s_2, \dots, s_n) \leq 1/2 \Phi(s_1, s_2, \dots, s_n) + \Phi(s_1^*, s_2^*, \dots, s_n^*)$$

The statement about pure Nash equilibria follows immediately.  $\square$

Next, we show that this bound is indeed the best possible.

**THEOREM A.4.** *There exist linear congestion games such that the maximum ratio of the value of the potential function  $\Phi(s) = \sum_e \sum_{k=1}^{\ell_e(s)} c_e(k) = \sum_e \sum_{k=1}^{\ell_e(s)} (a_e \ell(s) + b_e)$  at any Nash equilibrium and its optimum value is equal to 2. Furthermore, for any  $\epsilon > 0$ , there exist linear symmetric congestion games such that the corresponding ratio is greater than  $2 - \epsilon$ .*

PROOF. We will construct a congestion game for  $N \geq 3$  players and  $|E| = 2N$  facilities where the ratio between worst potential at equilibrium and its optimal value is equal to 2. All facilities  $e$  have latency function  $c_e(x) = x$ . We divide the set  $E$  into two subsets  $E_1 = \{h_1, \dots, h_N\}$  and  $E_2 = \{g_1, \dots, g_N\}$ , each of  $N$  facilities. Player  $i$  has two pure strategies:  $\{h_i, g_i\}$  and  $\{h_{i+1}, g_{i-1}, g_{i+1}\}$ . The optimal Nash is for each player to select the first strategy while the worst-case Nash equilibrium is for each player to select the second strategy. It is not hard to verify that at the worst Nash equilibrium the potential is equal to  $4N$ . At the optimal Nash the potential is equal to  $2N$ . Hence, their respective ratio is equal to 2 matching the upper bound for the class of linear congestion games.

For any  $\epsilon > 0$  we can even construct symmetric linear congestion games for which this ratio is greater than  $2 - \epsilon$ . We construct such games as follows: We partition the facilities into sets  $\{P_1, P_2, \dots, P_n\}$  of the same cardinality and make each  $P_i$  a pure strategy. Each  $P_i$  contains  $N\alpha_1 + \binom{N}{2}\alpha_2$  facilities where  $\alpha_1, \alpha_2$  are appropriate constants to be determined later. We furthermore partition each of the  $N\alpha_1$  facilities of set  $P_i$  into  $N$  groups  $\{R_1^{P_i}, \dots, R_N^{P_i}\}$ , each of size  $\alpha_1$ . Similarly, we partition the  $\binom{N}{2}\alpha_2$  facilities of set  $P_i$  into  $\binom{N}{2}$  groups  $Q \{Q_{12}^{P_i}, \dots, Q_{ij}^{P_i}, \dots, Q_{N-1N}^{P_i}\}$  each of size  $\alpha_2$ .

The available strategies to each player  $i$  will include, besides all the  $P_i$  strategies, strategies  $(A_1, \dots, A_n)$  of the following form: Each strategy  $A_i$  contains out of each  $P_j$ , all the facilities in  $R_i^{P_j}$  as well as all facilities in each of the  $Q_{kl}^{P_j}$  where either  $k = i$  or  $l = i$ . As a result, each strategy  $A_i$  includes  $N\alpha_1 + N(N-1)\alpha_2$  elements.

The strategy profile  $(P_1, P_2, \dots, P_n)$  is trivially a Nash equilibrium of the game, since each  $P_i$  is an action with a minimal number of facilities (amongst all available actions) and the load of each facility is optimal (i.e. equal to 1).

We will choose  $\alpha_1, \alpha_2$ , so that the strategy profile  $(A_1, A_2, \dots, A_n)$  is also a Nash equilibrium. Now, the cost for each player  $i$  is  $c_i(A) = N(\alpha_1 + 2(N-1)\alpha_2)$ . It suffices to select  $\alpha_1, \alpha_2$  so that player  $i$  will not switch to  $P_j$ . (It is straightforward that player  $i$  will not switch to the Nash strategy of some other player  $k$ .) The cost after switching has as follows:

$$c_i(A_{-i}, P_j) = \alpha_1 + 2(N-1)\alpha_2 + 2(N-1)\alpha_1 + 3\binom{N-1}{2}\alpha_2 = (2N-1)\alpha_1 + (N-1)\frac{3N-2}{2}\alpha_2$$

We want  $c_i(A) = c_i(A_{-i}, P_j)$ , or equivalently  $\alpha_1 = \frac{N+2}{2}\alpha_2$ , which is satisfied when we select  $\alpha_1 = N+2$  and  $\alpha_2 = 2$ . With this, the potential at the  $(A_1, A_2, \dots, A_n)$  Nash equilibrium is  $N(N\alpha_1 + 3 \times \frac{N(N-1)}{2}\alpha_2) = N^2(4N-1)$ . The potential at the  $(P_1, P_2, \dots, P_n)$  Nash, is equal to the social welfare, equal to  $N^2(2N+1)$ . As  $N$  goes to infinity this ratio goes to 2.  $\square$

Putting all of these arguments together we derive that:

**THEOREM A.5.** *Given any linear congestion game with arbitrary topology, and any set of fully randomized scheduling policies, (even adversarial, correlated), then under robust optimization the price of anarchy is at most 2 and this bound is tight.*

## B. PRICE OF ANARCHY ANALYSIS UNDER WIN-OR-GO-HOME PRINCIPLE

**PROPOSITION B.1.** *Under uniformly randomizing schedulers, for any  $M \geq 0$ , there exist linear congestion games such that under the Win-or-Go-Home principle its price of anarchy is greater than  $M$ .*

PROOF. Let's assume a load balancing game with  $N$  agents and  $N$  resources  $\{1, 2, \dots, N\}$  with cost functions  $c_1(x) = x$  and  $c_i(x) = x + 1$  for  $i \geq 2$ . The strategy

outcome where all agents choose the first resource is a Nash equilibrium. Indeed, the probability of any agent of having the minimal cost amongst all agents is  $1/n$ . If an agent deviates then his cost would be equal to 2 with probability 1, however there will always be someone outperforming him for any possible ordering of the rest of the agents on the first resource. Hence, the probability of “winning” drops to zero when deviating to another strategy. Finally, the social cost of this strategy is  $N(N + 1)/2$ , whereas the optimal is  $2N - 1$ . The price of anarchy for the resulting class of games is unbounded and the theorem follows.  $\square$

### C. PRICE OF ANARCHY ANALYSIS UNDER SAVAGE’S MINIMAX REGRET PRINCIPLE

In this section we will present some preliminary results about price of anarchy in linear symmetric load balancing games under Savage’s minimax regret principle. Load balancing games define a special class of congestion games where all strategies are singletons (i.e. paths of length 1). Finally, symmetric congestion games have the property that all agents share the same strategy set. Savage’s minimax regret principle essentially applies Wald’s minimax model to the regrets associated with each agent’s decision. The special structure of symmetric load balancing games allows for a more concrete representation of each agent’s estimated cost under Savage’s principle. Specifically, the term  $\min_{s \in S} \max_{\omega \in \Omega} (c(s, \omega) - \min_{s' \in S} c(s', \omega))$  reduces to  $c_e(\ell_e(s)) - \min_{e' \neq e} c_{e'}(1)$ .

**LEMMA C.1.** *In a load balancing game under independent, uniformly randomizing agents, the experienced costs for each agent  $i$  for using strategy  $s_i = e$  given the strategies  $s_{-i}$  of the other agents is equal to  $C_i(s) = c_e(\ell_e(s)) - \min_{e' \neq e} c_{e'}(1)$ .*

**PROOF.** Given any outcome  $s = (e, s_{-i})$ , since the schedulers are randomizing independently the worst case experienced cost for agent  $i$  on recourse  $e$  is when he is assigned last on that element. Naturally, his latency in that case would be equal to  $c_e(\ell_e(s))$ . On the other hand, since the schedulers are independent his regret is maximized when the agent would deviate to element  $e'$  with the minimal  $c_{e'}(1)$  amongst the remaining elements and his was assigned first in the uniformly independent ordering on that machine.  $\square$

The above lemma immediately establishes that all such resulting games are still congestion games and therefore pure Nash equilibria always exist. It is easy to check that if there exist at least two machines with the same minimal latency under load of one job, then, for all agents  $i$  and outcomes  $s$ , we have  $C_i(e, s_{-i}) = c_e(\ell_e(s)) - \min_e c_e(1)$ . However, this game is payoff equivalent to the game arising under Wald’s minimax principle resulting in a price of anarchy of 2. We will show that even when this hypothesis does not hold the price of anarchy is still bounded (at most equal to 3).

In the general case, let  $e_0$  be the machine with the minimal latency under load of 1 and let  $e_1$  be the machine that minimizes this latency amongst the rest. Let  $\Delta = c_{e_1}(1) - c_{e_0}(1) \geq 0$  be the difference between the latencies of these two machines under load of one. The resulting game as described in Lemma C.1 is equivalent to one with latency functions  $c_{e_0}(x) = c_{e_0}(x)$  and  $c_{e'}(x) = c_{e'}(x) + \Delta$  for all  $e' \neq e_0$ .

**THEOREM C.2.** *The price of anarchy for any symmetric linear load balancing game under independent uniformly randomizing schedulers and agents applying Savage’s minimax principle is at most 3.*

**PROOF.** Given any strategy profile  $s$ , we will denote by  $\mathcal{C}(s)$  the social cost under the resulting cost functions under Savage’s minimax interpretation of uncertainty. On the other hand, we will denote by  $\text{Social Cost}(s) = \sum_e \sum_{i=1}^{x_e} (a_e i + b_e)$  the true social cost as is recorded by the social designer. When identifying (Nash) equilibria for this game we

will be utilizing the formulation of the game given by latency functions  $c_{e_0}(x) = c_{e_0}(x)$  and  $c_e(x) = c_e(x) + \Delta$  for all  $e' \neq e$ . That is, for every agent  $i$ ,  $C_i(e_0, s_{-i}) = c_{e_0}(\ell_{e_0}(s))$  and for each machine  $e$  other than  $e_0$ ,  $C_i(e, s_{-i}) = c_e(\ell_e(s)) + \Delta$ .

Suppose that  $s_1, s_2, \dots, s_n$  is a Nash equilibrium of a symmetric linear load balancing game and  $s_1^*, s_2^*, \dots, s_n^*$  corresponds to the social optimum, then we have that:

$$\begin{aligned}
\text{Social Cost}(s_1, s_2, \dots, s_n) &= \sum_e \sum_{i=1}^{x_e} (a_e i + b_e) \\
&= \sum_e a_e \frac{x_e(x_e + 1)}{2} + \sum_e b_e x_e \\
&= \frac{1}{2} \sum_e (a_e x_e + b_e) x_e + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&\leq \frac{1}{2} \mathcal{C}(S_1, S_2, \dots, S_n) + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&\leq \frac{1}{2} \sum_i \mathcal{C}_i(S_i^*, S_{-i}) + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&\leq \frac{1}{2} (a_{e_0}(x_{e_0} + 1) + b_{e_0}) x_{e_0}^* + \frac{1}{2} \sum_{e \neq e_0} (a_e(x_e + 1) + b_e + \Delta) x_e^* + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&\leq \frac{1}{2} \sum_e (a_e(x_e + 1) + b_e) x_e^* + \frac{1}{2} \sum_e (a_e + b_e) x_e^* + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&\leq \frac{1}{2} \sum_e (a_e(x_e + 1) + b_e) x_e^* + \frac{1}{2} \text{Social Cost}(s_1^*, \dots, s_n^*) + \frac{1}{2} \sum_e (a_e + b_e) x_e \\
&= \frac{1}{2} \sum_e a_e x_e^* (x_e + 1) + \frac{1}{2} \sum_e b_e x_e^* + \frac{1}{2} \sum_e (a_e + b_e) x_e + \frac{1}{2} \text{Social Cost}(s_1^*, \dots, s_n^*) \\
&= \frac{1}{2} \left( \frac{1}{2} \sum_e a_e \frac{x_e(x_e + 1)}{2} + 2 \sum_e a_e \frac{x_e^*(x_e^* + 1)}{2} - \frac{1}{4} \sum_e a_e x_e - \frac{1}{4} \sum_e a_e (x_e - 2x_e^*)^2 \right) + \tag{2} \\
&\quad + \frac{1}{2} \sum_e b_e x_e^* + \frac{1}{2} \sum_e (a_e + b_e) x_e + \frac{1}{2} \text{Social Cost}(s_1^*, \dots, s_n^*) \\
&= \frac{1}{4} \sum_e a_e \frac{x_e(x_e + 1)}{2} + \sum_e a_e \frac{x_e^*(x_e^* + 1)}{2} + \frac{1}{2} \sum_e b_e x_e^* - \frac{1}{8} \sum_e a_e (x_e - 2x_e^*)^2 + \\
&\quad + \frac{1}{2} \sum_e \left( \frac{3}{4} a_e + b_e \right) x_e + \frac{1}{2} \text{Social Cost}(s_1^*, \dots, s_n^*) \\
&= \frac{1}{4} \sum_e \left( a_e \frac{x_e(x_e + 1)}{2} + b_e x_e \right) + \sum_e \left( a_e \frac{x_e^*(x_e^* + 1)}{2} + \frac{1}{2} b_e x_e^* \right) - \frac{1}{8} \sum_e a_e (x_e - 2x_e^*)^2 + \\
&\quad + \frac{1}{2} \sum_e \left( \frac{3}{4} a_e + \frac{b_e}{2} \right) x_e + \frac{1}{2} \text{Social Cost}(s_1^*, \dots, s_n^*) \\
&\leq \frac{1}{4} \text{Social Cost}(s_1, \dots, s_n) + \frac{3}{2} \text{Social Cost}(s_1^*, \dots, s_n^*) - \frac{1}{8} \sum_e a_e (x_e - 2x_e^*)^2 + \frac{1}{2} \sum_e \left( \frac{3}{4} a_e + \frac{b_e}{2} \right) x_e
\end{aligned}$$

Above, line 2 is derived by applying lemma A.1. By applying Lemma A.2, we have that:

$$\text{Social Cost}(s_1, s_2, \dots, s_n) \leq \frac{1}{2} \text{Social Cost}(s_1, s_2, \dots, s_n) + \frac{3}{2} \text{Social Cost}(s_1^*, s_2^*, \dots, s_n^*)$$

The truth of the theorem follows immediately.  $\square$

Next, we prove some lower bounds on the price of anarchy. We will show that even in this restricted case of symmetric linear load balancing game under uniform independently randomizing schedulers the price of anarchy is at least  $4/3$  whereas if we extend our inquiries into linear congestion games then the price of anarchy can be greater or equal to  $5/3$ .

**THEOREM C.3.** *The price of anarchy of symmetric linear load balancing games under independent uniformly randomizing schedulers and agents applying Savage's minimax principle is at least  $4/3$ . Furthermore, there exist linear (non load-balancing) congestion games with a price of anarchy of  $5/3$ .*

**PROOF.** Consider a load balancing game with  $2M - 1$  agents with two machines, the first with a linear latency function of  $c_1(x) = x$  and the second with constant cost function  $c_2(x) = M$ . We will argue that under Savage's minimax principle, the outcome where all agents are assigned to the first machine is a Nash equilibrium. Indeed, the maximum possible regret for any agent in that configuration is  $(2M - 1) - M = M - 1$ . On the other hand, if an agent was to deviate to the second machine then his maximum possible regret would be equal to  $M - 1$  corresponding to the scenario where the scheduler of the first machine would order him first. Hence, this is a Nash equilibrium with social cost of  $M(2M - 1)$ . On the other hand, the social cost of the outcome assigning exactly  $M$  agents to the first machine is equal to  $M(M + 1)/2 + M(M - 1)$ . The ratio of these costs converges to  $4/3$  as  $M$  grows to infinity.

The construction is the same as in Theorem 5.4. We construct a congestion game with  $N \geq 3$  players and  $|E| = 2N$  facilities. We divide the set  $E$  into two subsets  $E_1 = \{h_1, \dots, h_N\}$  and  $E_2 = \{g_1, \dots, g_N\}$ , each of  $N$  facilities. Player  $i$  has two pure strategies:  $\{h_i, g_i\}$  and  $\{h_{i+1}, g_{i-1}, g_{i+1}\}$ . The latency functions of the elements in  $E_1$  are  $c(x) = 2x$ , whereas the latency functions of the elements in  $E_2$  are  $c(x) = x$ . The optimal outcome corresponds to the state where each player selects the first strategy while the worst-case Nash equilibrium is for each player to select the second strategy. The second outcome is a Nash, since the worst case regret for each agent in this configuration is  $6 - 2 = 4$ , whereas if he were to deviate, the worst case regret would now be  $7 - 3 = 4$ . At the worst Nash equilibrium the actual social cost is equal to  $5N$ . At the optimal state the actual social cost is equal to  $3N$ , which results to a ratio of  $5/3$ .  $\square$

Putting everything together we derive the following statement.

**COROLLARY C.4.** *The price of anarchy for any symmetric linear load balancing game under independent uniformly randomizing schedulers and agents applying Savage's minimax principle is at most 3. There exist symmetric linear load balancing games with a price of anarchy of  $4/3$ . Furthermore, there exist linear (non load-balancing) congestion games with a price of anarchy of  $5/3$ .*