

CS-E4800 Artificial Intelligence

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Autonomous Uber Taxi Cab Service

Exactly like human taxi cab service!

Example

- 1 Central: Pick up passenger at 123 Garden St.?
- 2 Car A: Pick-up possible in 4 minutes!
- 3 Car B: Pick-up possible in 2 minutes!
- 4 Central: B is closer, car B will pick up.

Problem: Car better off **lying** about pick-up time →
Passengers suffer!

Collaborative situation, but selfishness of agents (or their owners) interferes with system's optimality

Centralized versus Distributed Systems

Centralized AI with Distributed Components

Multi-actor systems (fleet of robots, vehicles, machines) under **central control** and **full communication** work like **single-agent systems** (lecture until now!)

Distributed AI and Multi-Agent Systems

- Collaboration of **independent** agents
- Competition of **independent** agents

(Independence = Agents have different "owners")



This Lecture

- 1 How to act in presence of other (selfish) agents?
 - Maximize own utility/profit
 - Beat the opponent in **competition**
 - Must **reason** about **opponents'** behavior
- 2 **Setting up** multi-agent systems
 - Individuals' rationality \nrightarrow Group rationality
 - Inherent problem in non-cooperative scenarios
 - Group rationality by changing individual's **incentives**



Strategic Games (Normal Form Games)

Players choose strategies, and get pay-offs accordingly:

		player 2	
		strategy C	strategy D
player 1	strategy A	P_{1AC}, P_{2AC}	P_{1AD}, P_{2AD}
	strategy B	P_{1BC}, P_{2BC}	P_{1BD}, P_{2BD}

(Examples are 2-player, but everything generalizes to any number.)

Dominated Strategies

Should Player 1 choose A or B?

	C	D
A	0,2	1,3
B	2,4	2,1

Strategy B is better for 1, no matter how 2 plays.

Assuming Player 1 is rational and will play B, Player 2 should play C (because $4 > 1$.)



Dominated Strategies

Definition

A strategy is **strictly dominated** if some other strategy is strictly better than it for every opponent strategy.

Theorem

If

- 1 all players are rational,
 - 2 all players know that all players are rational and that everybody know this (common knowledge), and
 - 3 elimination of strictly dominated strategies leaves exactly one strategy for every agent,
- then these strategies will be played by the agents.



Prisoners' Dilemma

Two suspects are in detention, and asked to give information to police. Options are:

- 1 Cooperate with police, helping convict the other suspect on serious charges
- 2 Not cooperate, getting a small sentence

	shut up	cooperate
shut up	-1,-1	-3,0
cooperate	0,-3	-2,-2

Best if both suspects **shut up**, if commitment to this could be enforced.

But, assuming the other has already committed to a strategy, it is always best to cooperate!



Arms Race

Confrontation between two super-powers:

- 1 Arm: Acquire lots of weapons, exert threat
- 2 Don't arm

	don't arm	arm
don't arm	0,0	-3,1
arm	1,-3	-2,-2

Whatever the other does, it is always better to **arm**
 However, (0,0) better than (-2,-2) (→ Arms treaties)

Examples of Mixed Strategies

Meeting

	A	B	C
A	1,1	0,0	0,0
B	0,0	1,1	0,0
C	0,0	0,0	1,1

versus...

Stalking

	A	B	C
A	-1,1	0,0	0,0
B	0,0	-1,1	0,0
C	0,0	0,0	-1,1

Paper, Rock, Scissors

	P	R	S
P	0,0	1,-1	-1,1
R	-1,1	0,0	1,-1
S	1,-1	-1,1	0,0

Mixed Strategies

- When players have opposing goals, randomly selecting between strategies – which forces the opponent to randomize (and compromise his utility) – may produce the highest payoffs.
- example: Paper, Rock, Scissors
- example: **bluffing** and **sand-bagging** in Poker
 - With bad cards, bidding higher makes the opponent believe your cards are good
 - With good cards, not bidding higher makes the opponent believe your cards are bad

Both are part of **optimal strategies** for Poker

Formalization of Normal Form Games

Definition

- 1 There are **players** $1, \dots, n$
- 2 Player i has a set of **pure strategies** A_i
- 3 A **strategy profile** is (s_1, \dots, s_n) such that $s_i \in A_i$ for every $i \in \{1, \dots, n\}$
- 4 The **utility** $u_i(s_1, \dots, s_n)$ of player i is expressed by a function $u_i : A_1 \times A_2 \times \dots \times A_n \rightarrow \mathbb{R}$



Formalization of Normal Form Games

Definition

A **mixed strategy** σ is a probability distribution on the player's pure strategies A such that $\sum_{s \in A} \sigma(s) = 1$

Definition (Utility of Mixed Strategies)

The **utility** $u_i(\sigma_1, \dots, \sigma_n)$ of player i w.r.t. a mixed strategy profile is

$$\sum_{(s_1, \dots, s_n) \in A_1 \times \dots \times A_n} u_i(s_1, \dots, s_n) \sigma_1(s_1) \cdots \sigma_n(s_n)$$

Nash Equilibrium

Disclaimer

It is not always clear how an NE could be reached and which NE would be played.

Nash equilibrium (without further assumptions) is realistic when

- 1 the agents cannot communicate,
- 2 the agents cannot bargain (re-distribute pay-offs),
- 3 game is played only once,
- 4 there is only one NE.

Nash Equilibrium

Definition

A (mixed) strategy profile $(\sigma_1, \dots, \sigma_n)$ is a **Nash equilibrium** if for all $i \in \{1, \dots, n\}$,

$$u_i(\sigma_1, \dots, \sigma_n) \geq u_i(\sigma_1, \dots, \sigma'_i, \dots, \sigma_n) \text{ for all } \sigma'_i \neq \sigma_i$$

Nash Equilibrium: Intuitive meaning

NE is a (mixed) strategy profile in which no player can improve its pay-off by changing to some other strategy.

Nash Equilibrium: Properties

- 1 Every game has at least one NE
- 2 Not all games have pure-strategy NE
- 3 Every pure strategy in an NE is an equally good response to the opponents' strategies (randomization "only" needed to force opponents to randomize)

For 2-player zero-sum games, NE can be found with Linear Programming. More general games require more complex methods.

Example: Mixed Strategies

Bach or Stravinsky (aka Battle of the Sexes, with Ballet and Soccer)

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

Nash equilibria in pure strategies: $\langle B, B \rangle$, $\langle S, S \rangle$, with payoff $\langle 2, 1 \rangle$, $\langle 1, 2 \rangle$.

Nash equilibrium $\langle \sigma_1, \sigma_2 \rangle$ in mixed strategies with

$$\sigma_1(B) = \frac{2}{3} \quad \sigma_1(S) = \frac{1}{3}$$

$$\sigma_2(B) = \frac{1}{3} \quad \sigma_2(S) = \frac{2}{3}$$

and payoffs $\langle \frac{6}{9}, \frac{6}{9} \rangle$.



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