

# Le Monde de Monderer

#### **Sergiu Hart**

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# Sergiu Hart

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### **Dov Monderer**

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#### **born** 1950



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#### 1986 Ph.D., Tel Aviv University



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- Irit Talmor
- Aner Sela
- Ilana Weismann
- Jeev Nutov
- Yaron Leitner
- Eyal Chermony
- Shlomit Hon-Snir
- Noa Kfir-Dahav
- Itai Ashlagi
- Raphael Paul Eidenbenz



#### Values of non-atomic games

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- Common belief

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- Dynamics and learning

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- Mechanism design, auctions, implementation

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#### NON-ATOMIC GAME

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SHAPLEY) VALUE

#### NON-ATOMIC GAME

Each single player is negligible, groups of players ("coalitions") matter

#### SHAPLEY) VALUE

A priori evaluation of the expected outcome of the game



MAIN THEOREM. For every  $\mu$ -symmetric, continuous linear operator  $\psi: pNA(\mu) \rightarrow FA$  there exists a unique pair  $(f_0, g_0)$  in  $L_{\infty} \times L_{\infty}$  s.t. for every  $v \in pNA(\mu)$  and every  $S \subseteq I$  the following holds:

$$\psi v(S) = \int_0^1 \partial v(x,S) f_0(x) \, dx + \left( \int_0^1 \partial v(x,I) g_0(x) \, dx \right) \mu(S). \tag{*}$$

The correspondence  $(f_0, g_0) \leftrightarrow \psi$  defined in (\*) is a linear isomorphism between  $L_{\infty} \times L_{\infty}$  and the space of  $\mu$ -symmetric continuous linear operators from  $pNA(\mu)$  into FA, and moreover:

- (a)  $\operatorname{Max}(\|f_0\|_{\infty}, \|g_0\|_{\infty}) \le \|\psi\| \le \|f_0\|_{\infty} + \|g_0\|_{\infty}$ .
- (b)  $\psi$  is positive iff  $f_0 \ge 0$  and  $g_0 \ge 0$ .
- (c)  $\psi$  satisfies the efficiency axiom iff  $f_0 + g_0 = 1$ .
- (d)  $\psi$  satisfies the dummy axiom iff  $g_0 = 0$ .
- (e)  $\psi$  satisfies the projection axiom iff  $\int_0^1 g_0 = 0$  and  $\int_0^1 f_0 = 1$ .

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#### "MEASURE-BASED VALUES OF NON-ATOMIC GAMES"

Mathematics of Operations Research 1986



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Two generals need to coordinate their attack



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- $\square \Leftrightarrow$ Common knowledge



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- ⇒ Level-n mutual knowledge is NOT A GOOD APPROXIMATION of common knowledge
  - What IS a good approximation?



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#### ● p-BELIEF



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The posterior probability of an event E is at least p



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**J** COMMON p-BELIEF

## **Common Belief**

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COMMON p-BELIEF Everyone p-believes that everyone p-believes that everyone p-believes that

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## **Common Belief**

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"APPROXIMATING COMMON KNOWLEDGE WITH COMMON BELIEFS" (with Dov Samet) Games and Economic Behavior 1989



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#### **Solution** p-belief (for p close to 1)



#### Common p-belief (for p close to 1) IS A GOOD APPROXIMATION

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#### Common p-belief (for p close to 1) IS A GOOD APPROXIMATION of common knowledge

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 Posteriors are close ("Agreeing to disagree")



#### Common p-belief (for p close to 1) IS A GOOD APPROXIMATION of common knowledge

- Posteriors are close ("Agreeing to disagree")
- Equilibria are approximate

• An *n*-person game in strategic form  $\Gamma = (N; S^1, ..., S^n; u^1, ..., u^n)$  is a **POTENTIAL GAME** if there exists a function *P* such that for every player *i* 

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More detailed:

$$u^i(s^i, s^{-i}) - u^i(t^i, s^{-i}) = P(s^i, s^{-i}) - P(t^i, s^{-i})$$
for every  $i \in N, s^i, t^i \in S^i$  and  $s^{-i} \in S^{-i}$ .

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When a player changes his strategy: the change in his payoff is the same as the change in the (common) potential function

"POTENTIAL GAMES" (with Lloyd Shapley) Games and Economic Behavior 1996



#### **Example**: Cournot oligopoly

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## **Dynamics and Learning**





#### "FICTITIOUS PLAY PROPERTIES FOR GAMES WITH IDENTICAL INTERESTS" (with Lloyd Shapley) Journal of Economic Theory 1996

"BELIEF AFFIRMING IN LEARNING PROCESSES" (with Dov Samet and Aner Sela) Journal of Economic Theory 1997



#### • for every game: CORE $\subseteq$ { WEIGHTED VALUES }

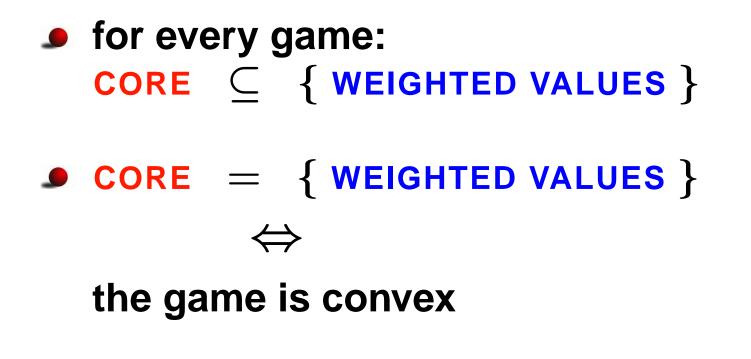
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### • for every game: CORE $\subseteq$ { WEIGHTED VALUES }

• CORE = { WEIGHTED VALUES }

#### the game is convex

 $\Leftrightarrow$ 



"WEIGHTED SHAPLEY VALUES AND THE CORE" (with Dov Samet and Lloyd Shapley) International Journal of Game Theory 1992



#### Mechanism Design and Auctions

#### "BUNDLING EQUILIBRIUM IN COMBINATORIAL AUCTIONS" (with Ron Holzman, Noa Kfir-Dahav, and Moshe Tennenholtz) *Games and Economic Behavior* 2004

"A LEARNING APPROACH TO AUCTIONS" (with Shlomit Hon-Snir and Aner Sela) Journal of Economic Theory 1998

- Mechanism Design and Auctions
- Implementation

#### "MONOTONICITY AND IMPLEMENTABILITY" (with Itai Ashlagi, Mark Braverman, and Avinatan Hassidim) *Econometrica* 2010

- Mechanism Design and Auctions
- Implementation
- Mediators and Correlation

#### "STRONG MEDIATED EQUILIBRIUM" (with Moshe Tennenholtz) *Artificial Inteligence* 2009

- Mechanism Design and Auctions
- Implementation
- Mediators and Correlation
- Distributed Games

"DISTRIBUTED GAMES" (with Moshe Tennenholtz) Games and Economic Behavior 1999





Let D be a domain of valuations.

**Every MONOTONIC** *finite-valued* allocation rule defined on D is IMPLEMENTABLE in dominant strategies



"D" is convex.



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(monotonicity vs cyclical monotonicity)

# Implementation

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## **Major Scientific Contributions**

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- Values of non-atomic games
- Common belief
- Potential games
- Dynamics and learning
- Cooperative game theory
- Game Theory and Computer Science
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What I have **LEARNED** is that the **COMMON BELIEF** that retirement is **DESIGNED** to IMPLEMENT **COOPERATION** and has the **POTENTIAL** for a great VALUE



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