

no laptops / smartphone usage please!

such usage negatively impacts your peers

This class will focus on strategic interaction on networks, where actors are resource constrained

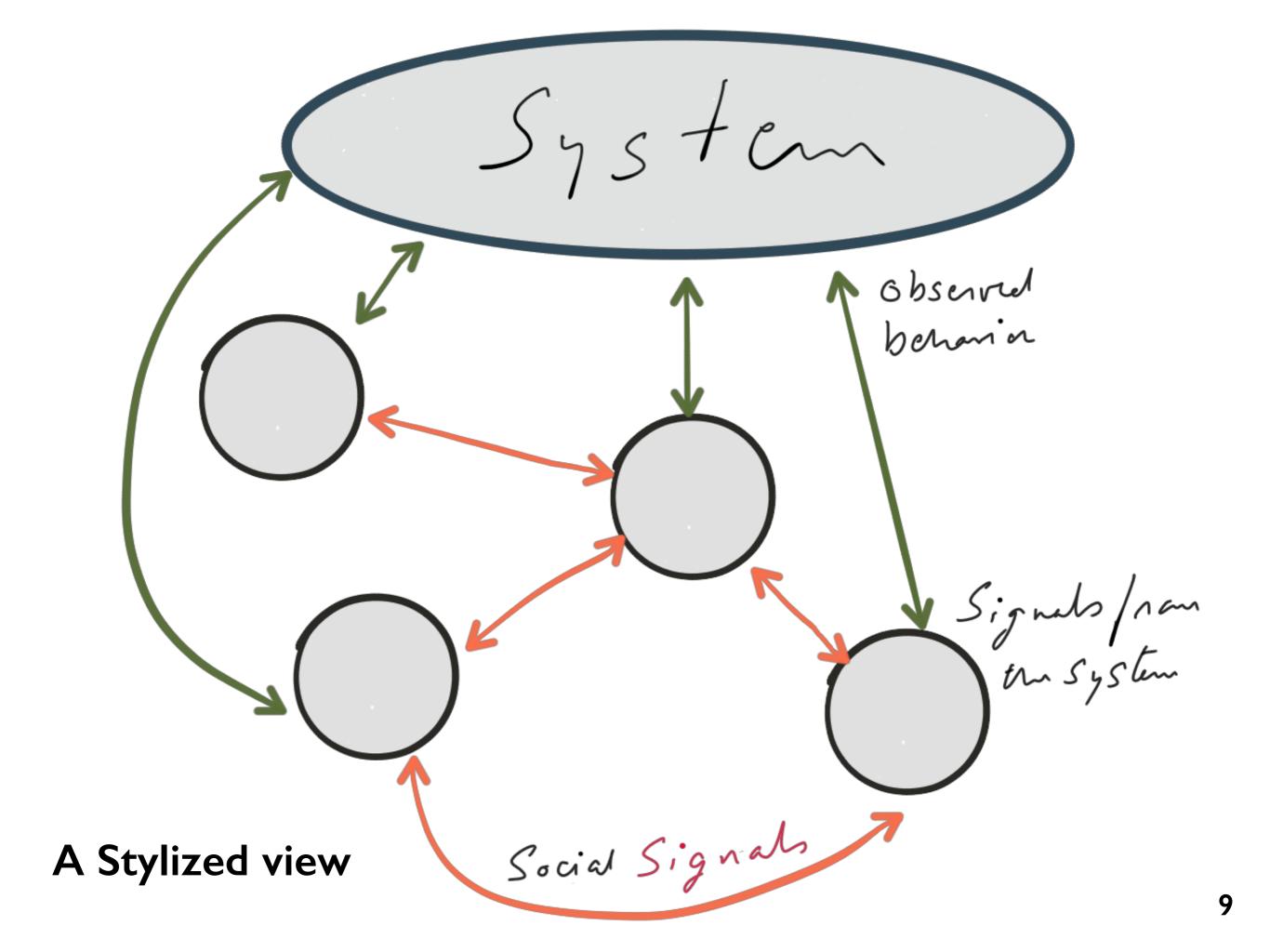
Examples of large-scale strategic behavior problems include







A confluence of ideas from game theory, behavioral economics, advertising and computer science will play a key role in addressing these challenges



When do people cooperate?

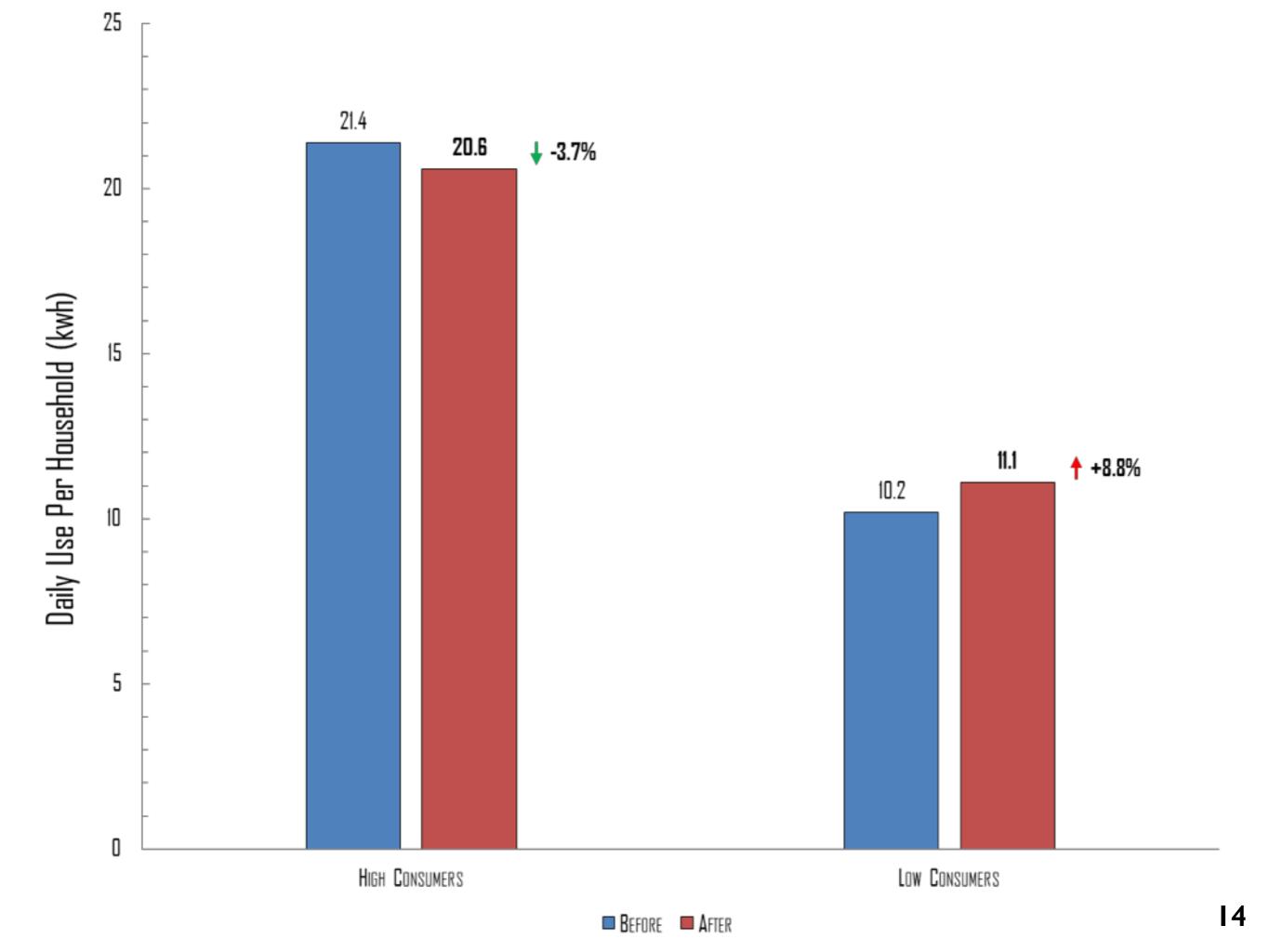
What are examples when large scale technological networks have facilitated collective behavior?

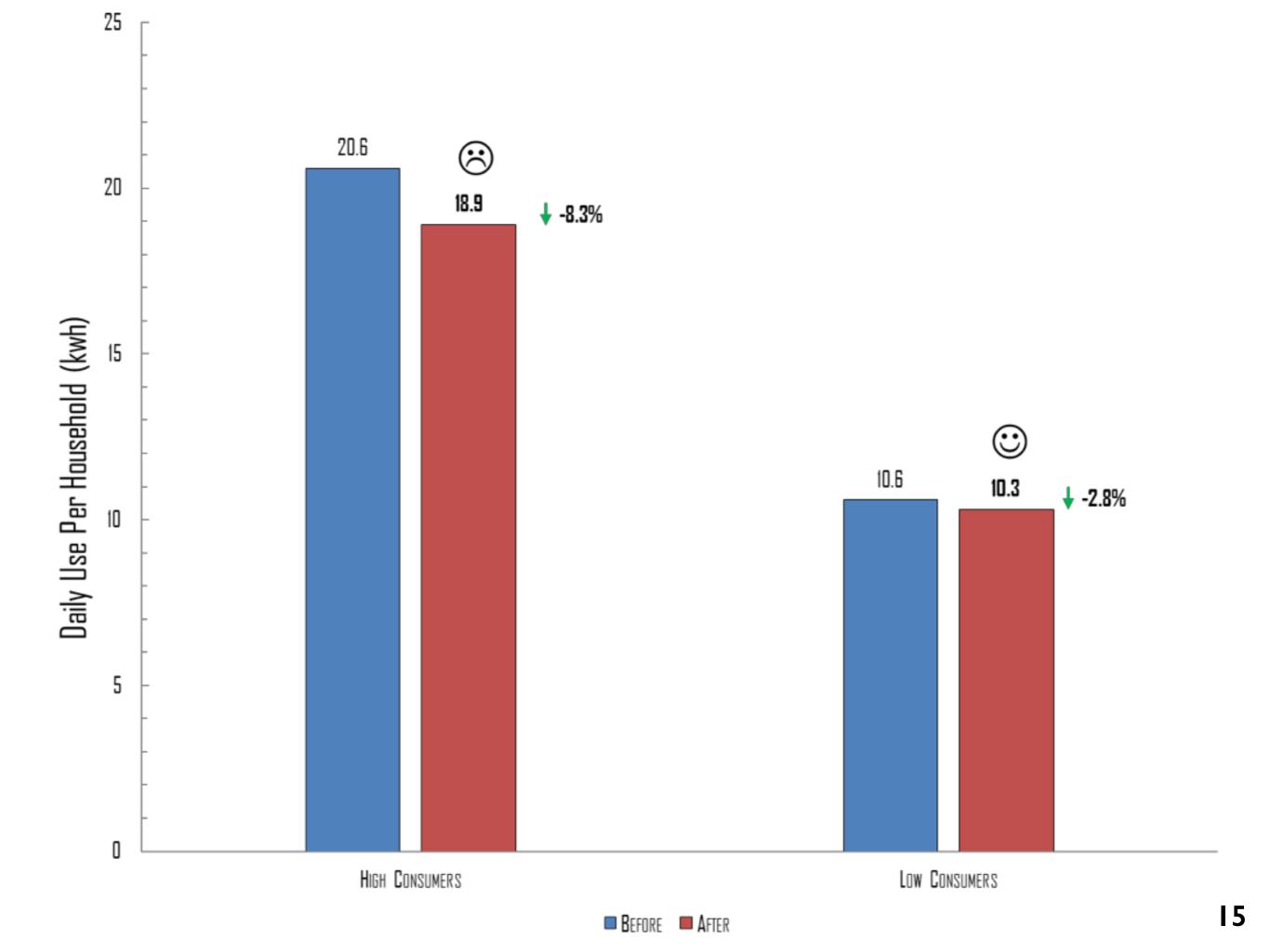




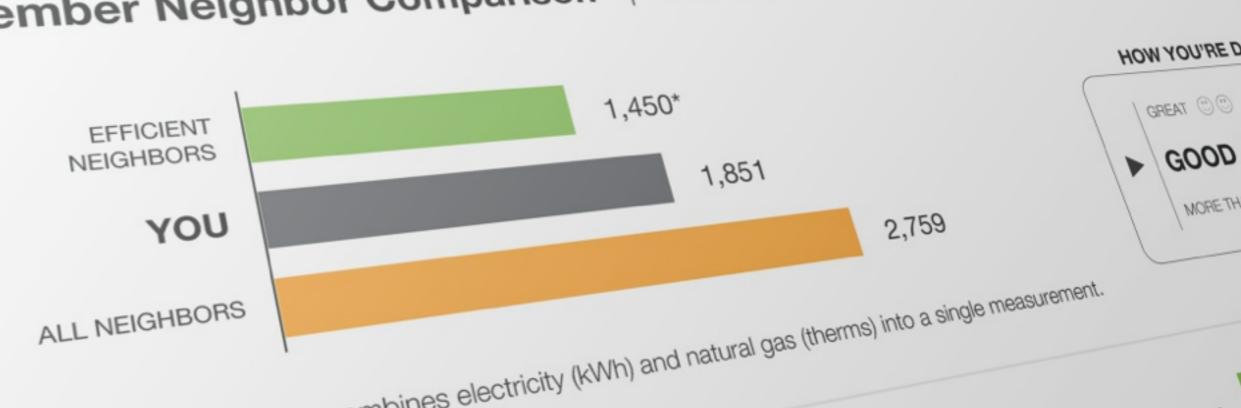








November Neighbor Comparison | You used 28% MORE energy than your efficient neighbors



* This energy index combines electricity (kWh) and natural gas (thems) into a single measurement. Approximately 100 occupied nearby homes that are similar in size to yours

WHO ARE YOUR "NEIGHBORS"?

(avg 2,023 sq ft) and have both electricity and natural gas service.

imbhor Comparison

You used 74% MO This costs you a

MORETH

people tend to cooperate if they expect others to do so too





Elinor Ostrom, Nobel Laureate 2009

Small homogenous groups; ability to sanction, monitor and resolve conflicts in a low-cost manner

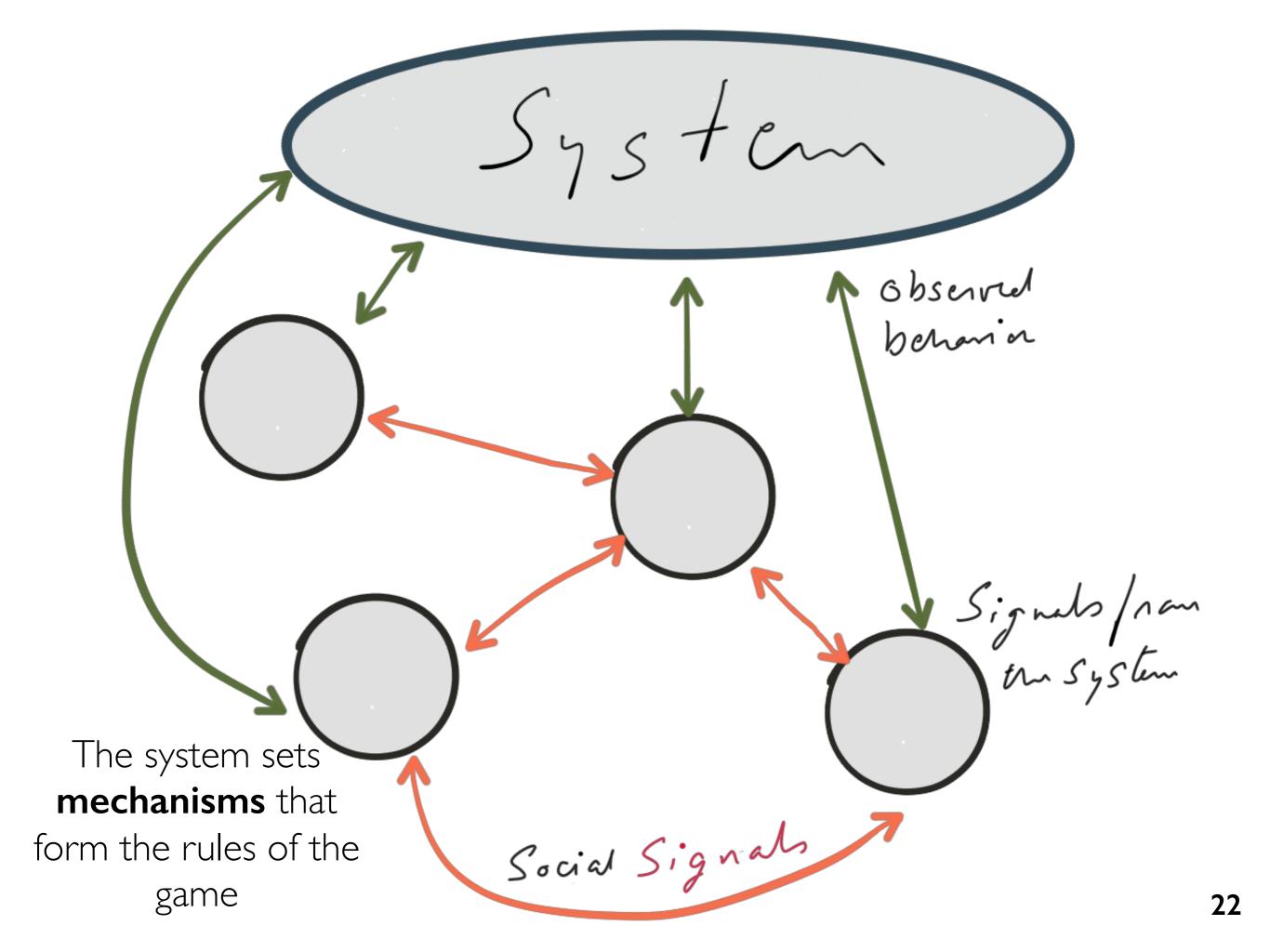




How do we scale up?

mechanisms, realistic models, interventions







Incentive compatible

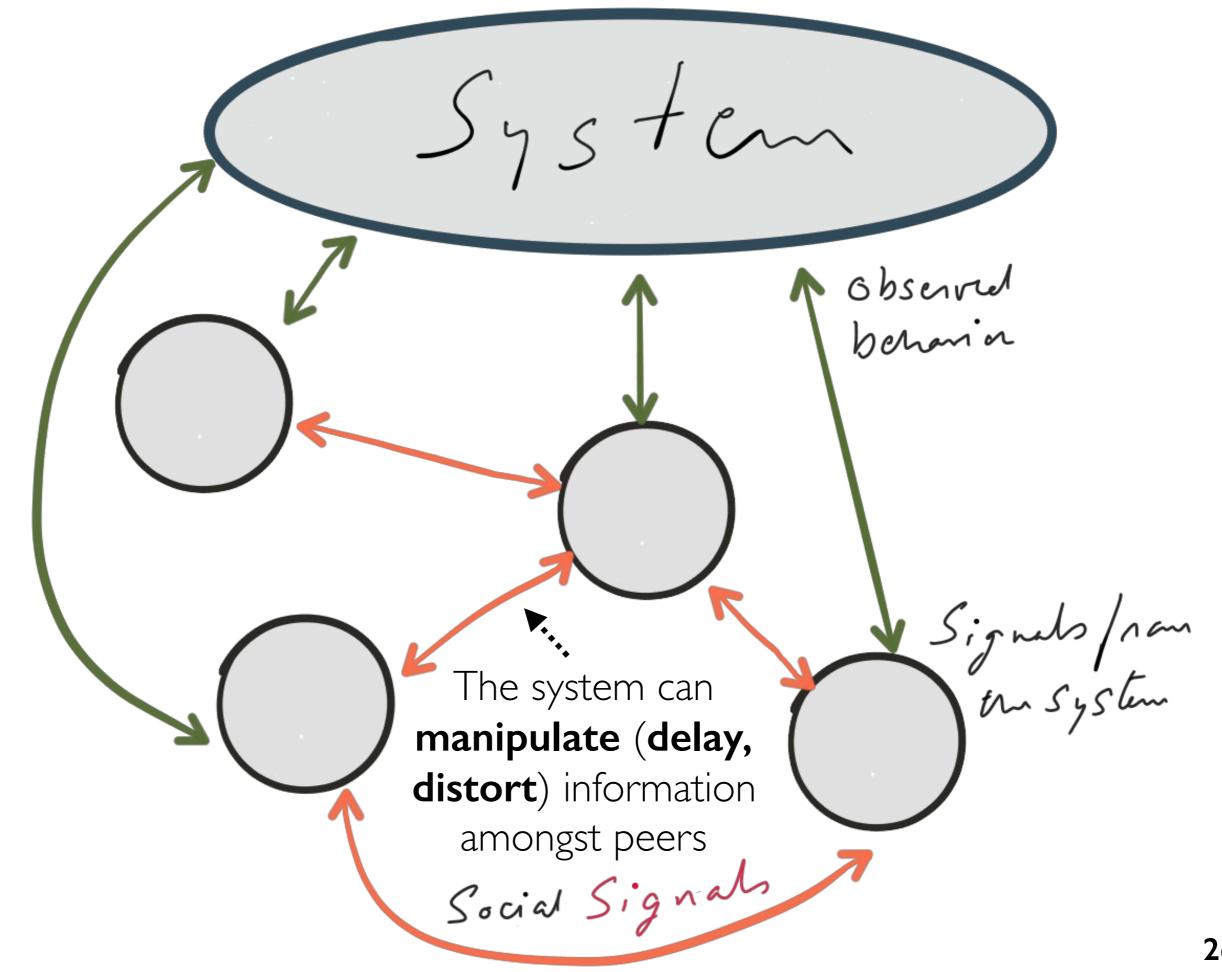
The riot that wasn't: How Twitter spread rumours of communal violence in Kolkata

On Monday, a road blockade was portrayed as a full-blown riot by some social media users – part of a worrying trend of misinformation being spread online.

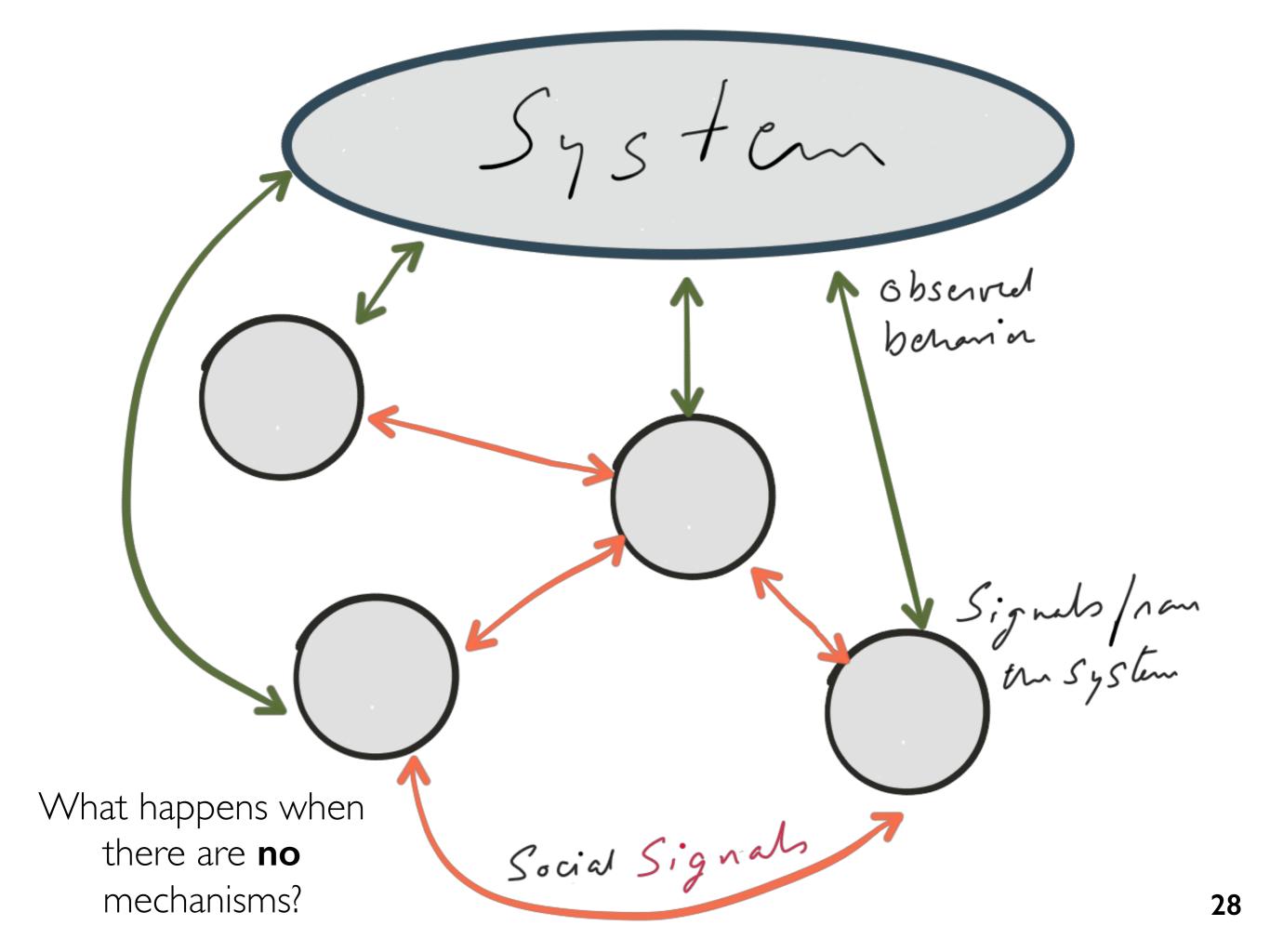


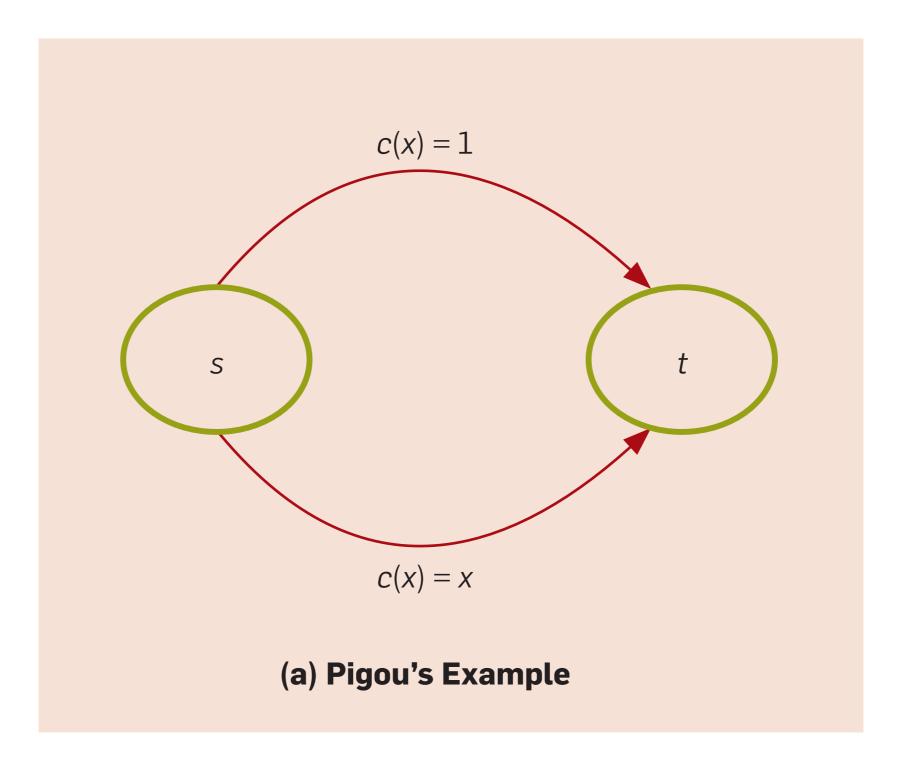
How do we create incentive-compatible reporting on social networks?





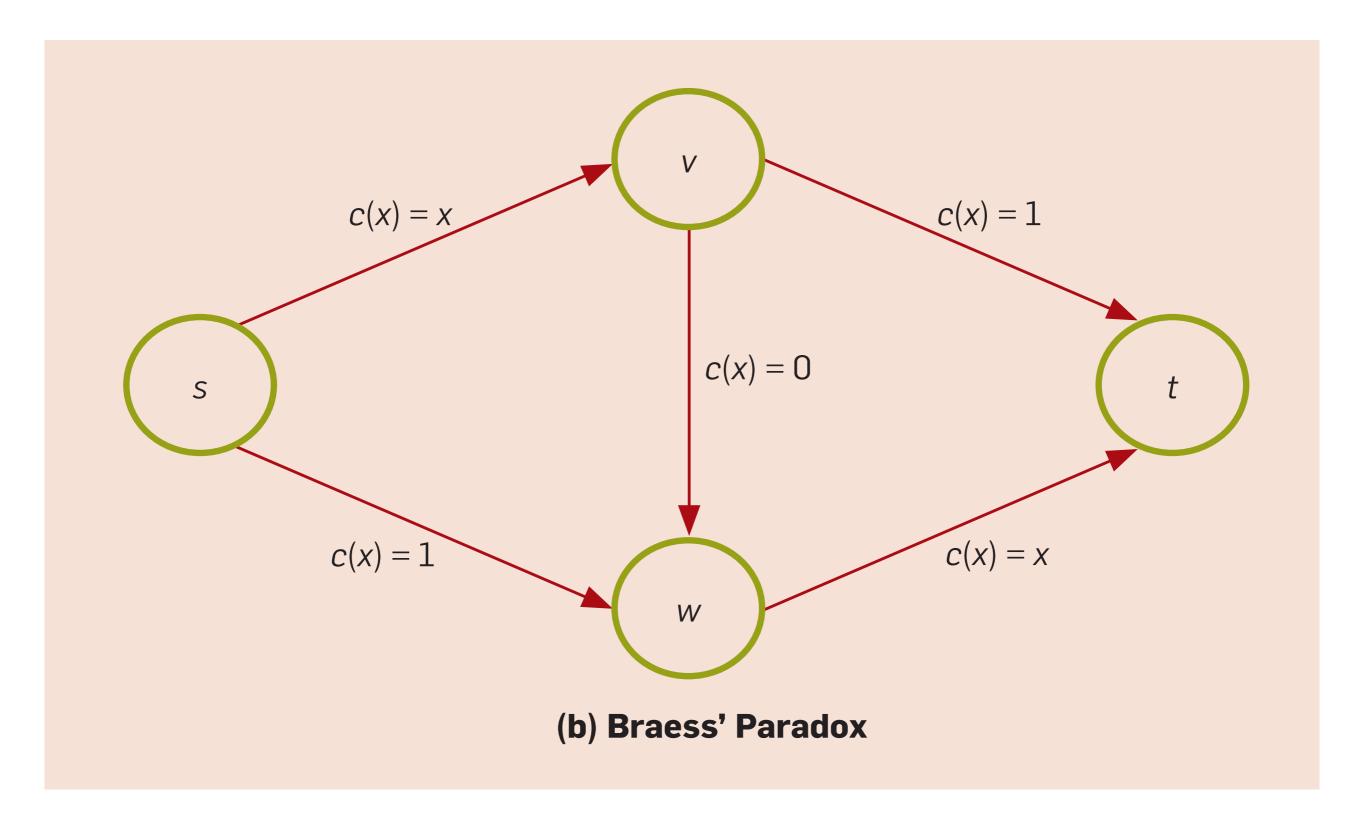
Can peers cooperate to discover manipulation in polynomial time?



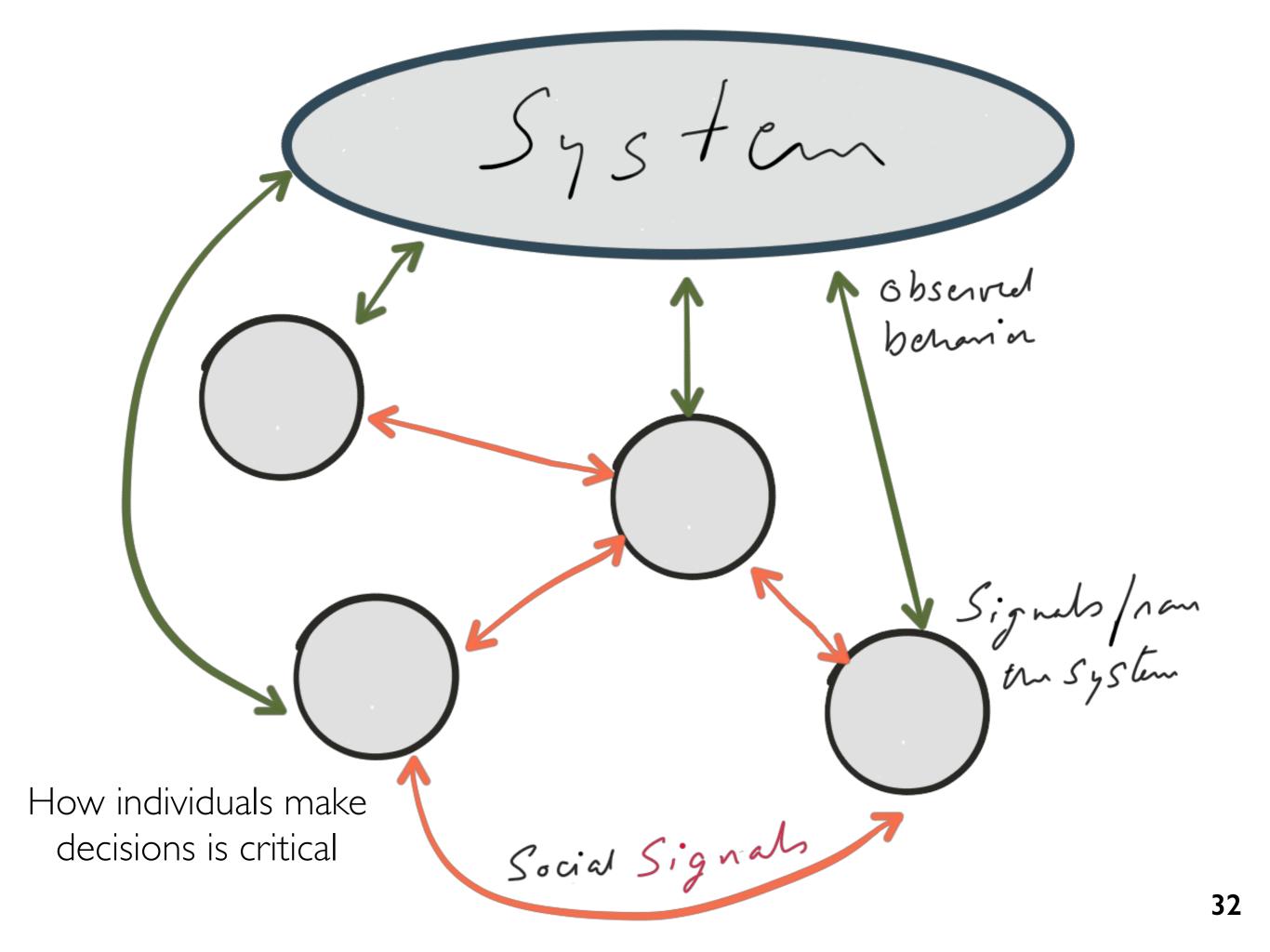


What happens when there are **no** mechanisms?

The price of anarchy is upper bounded by 4/3 for all networks with affine (ax+b) costs



Adding edges to the network can make it worse!



In this class, we will reexamine rational behavior, which forms the basis of game theory and mechanism design

Stanley mows his lawn every weekend and it gives him terrible hay fever. I ask Stan why he doesn't hire a kid to mow his lawn. Stan says he doesn't want to pay the \$10. I ask Stan whether he would mow his neighbor's lawn for \$20 and Stan says no, of course not.

Thaler, Richard H., Misbehaving: The Making of Behavioral Economics (p. 20). W. W. Norton & Company. Kindle Edition.

Linnea is shopping for a clock radio. She finds a model she likes at what her research has suggested is a good price, \$45. As she is about to buy it, the clerk at the store mentions that the same radio is on sale for \$35 at new branch of the store, ten minutes away, that is holding a grand opening sale. Does she drive to the other store to make the purchase?

On a separate shopping trip, Linnea is shopping for a television set and finds one at the good price of \$495. Again the clerk informs her that the same model is on sale at another store ten minutes away for \$485.

Thaler, Richard H., Misbehaving: The Making of Behavioral Economics (p. 20). W. W. Norton & Company. Kindle Edition.

Imperfect knowledge Limited resources Make sub-optimal decisions

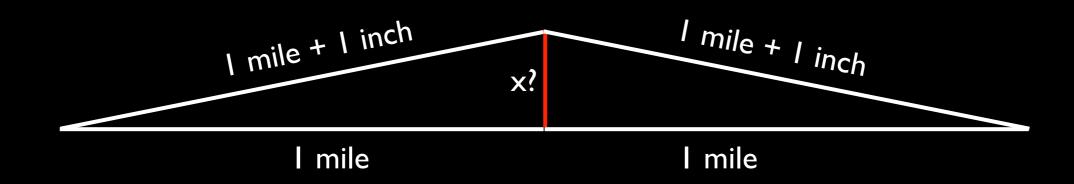


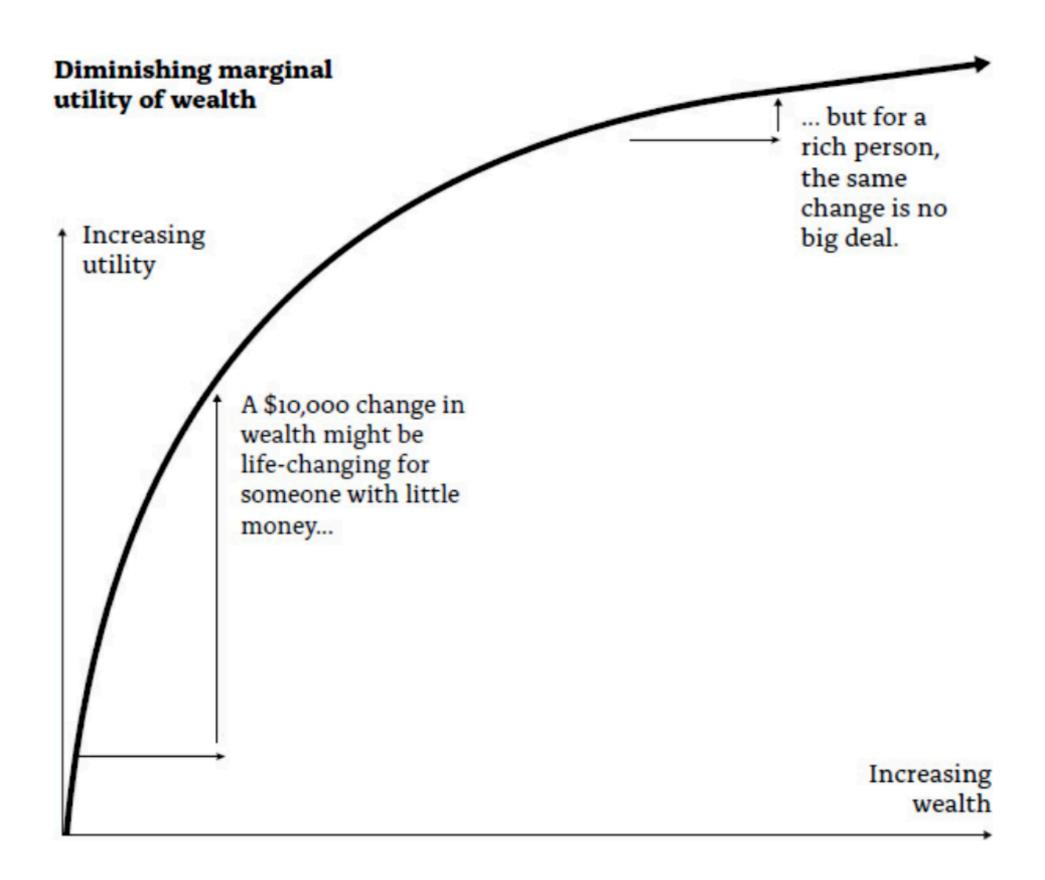
Econs vs. Humans



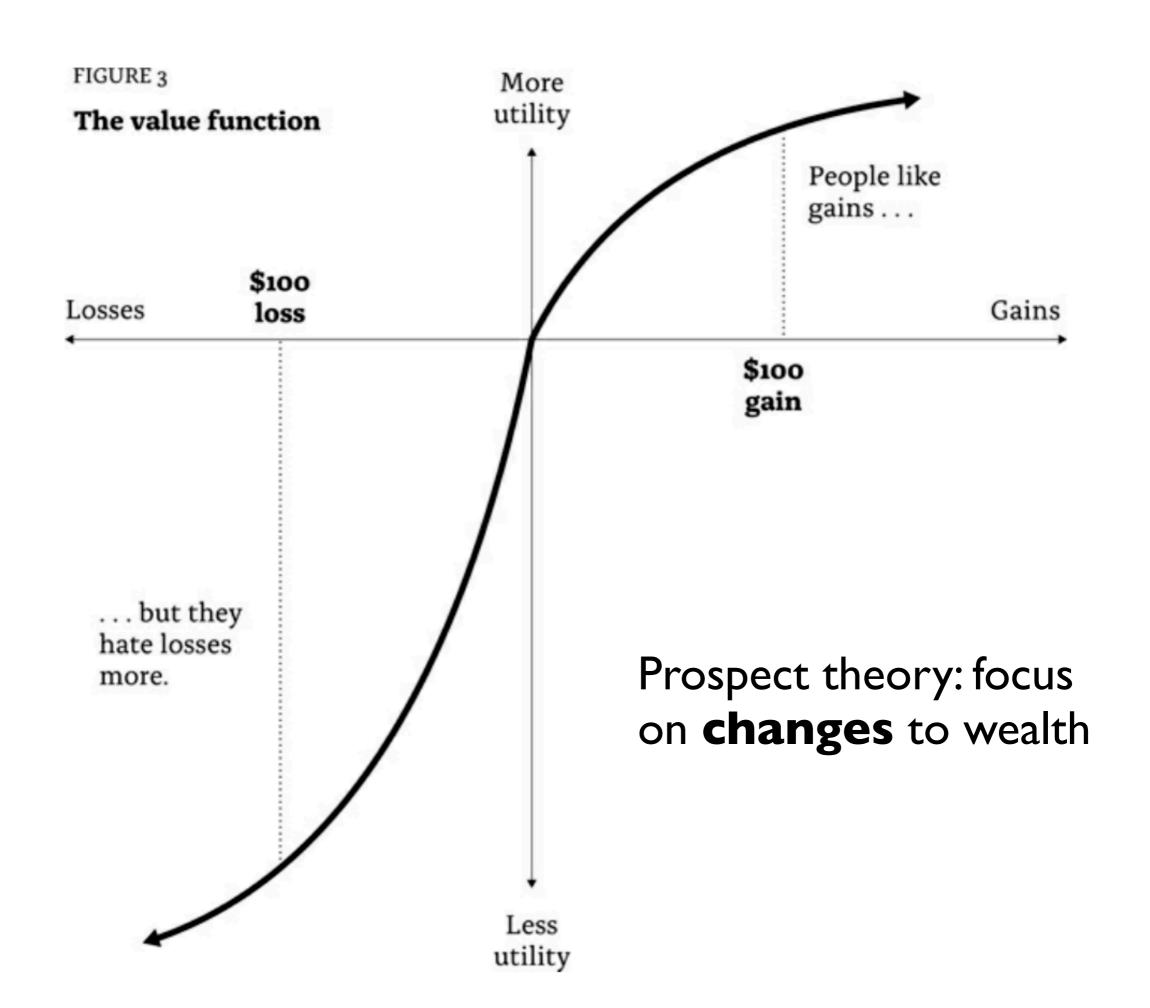
Have complete knowledge Always possess resources to act on decisions Make optimal decisions

Normative v. descriptive

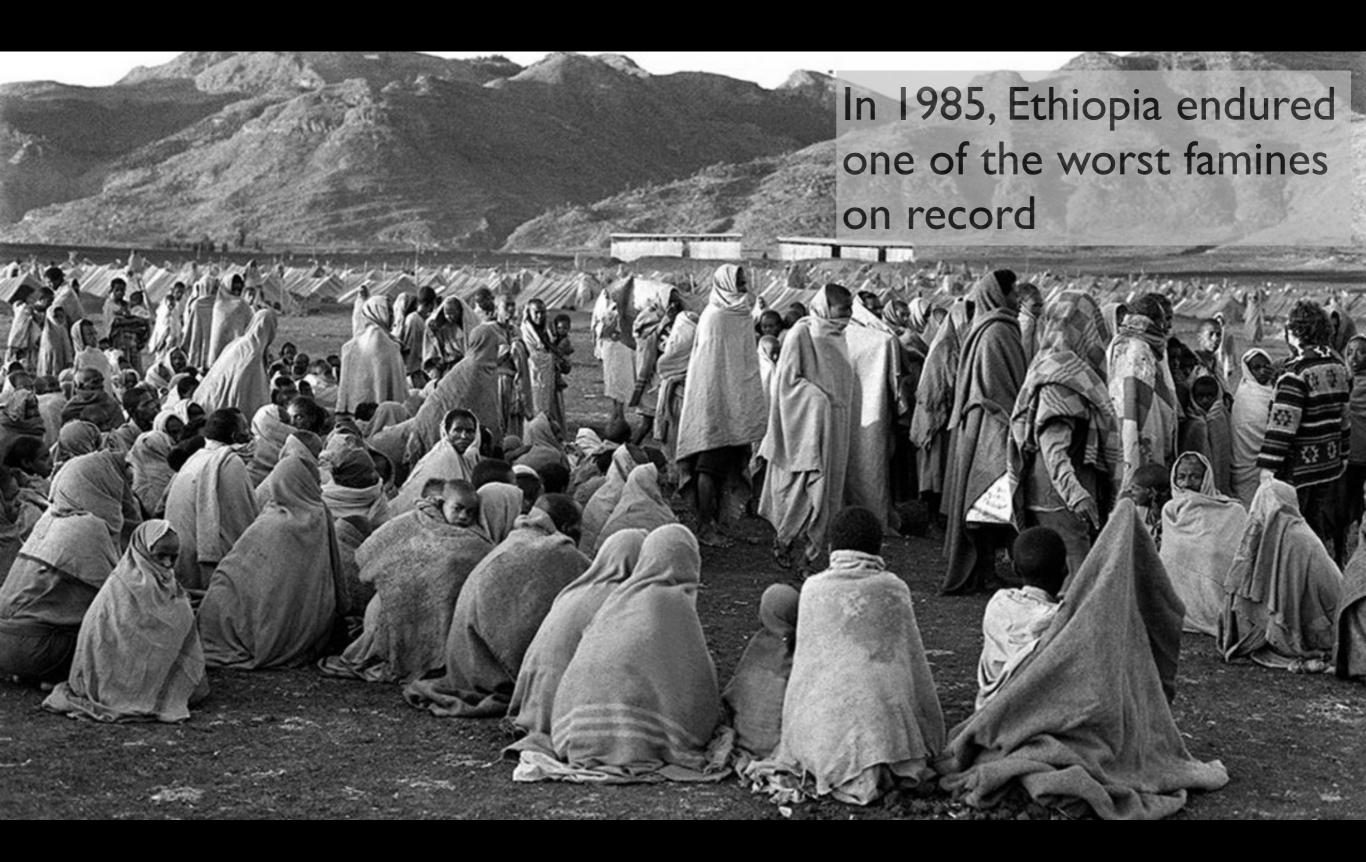




Expected utility: diminishing returns; focus on levels of wealth



reciprocity



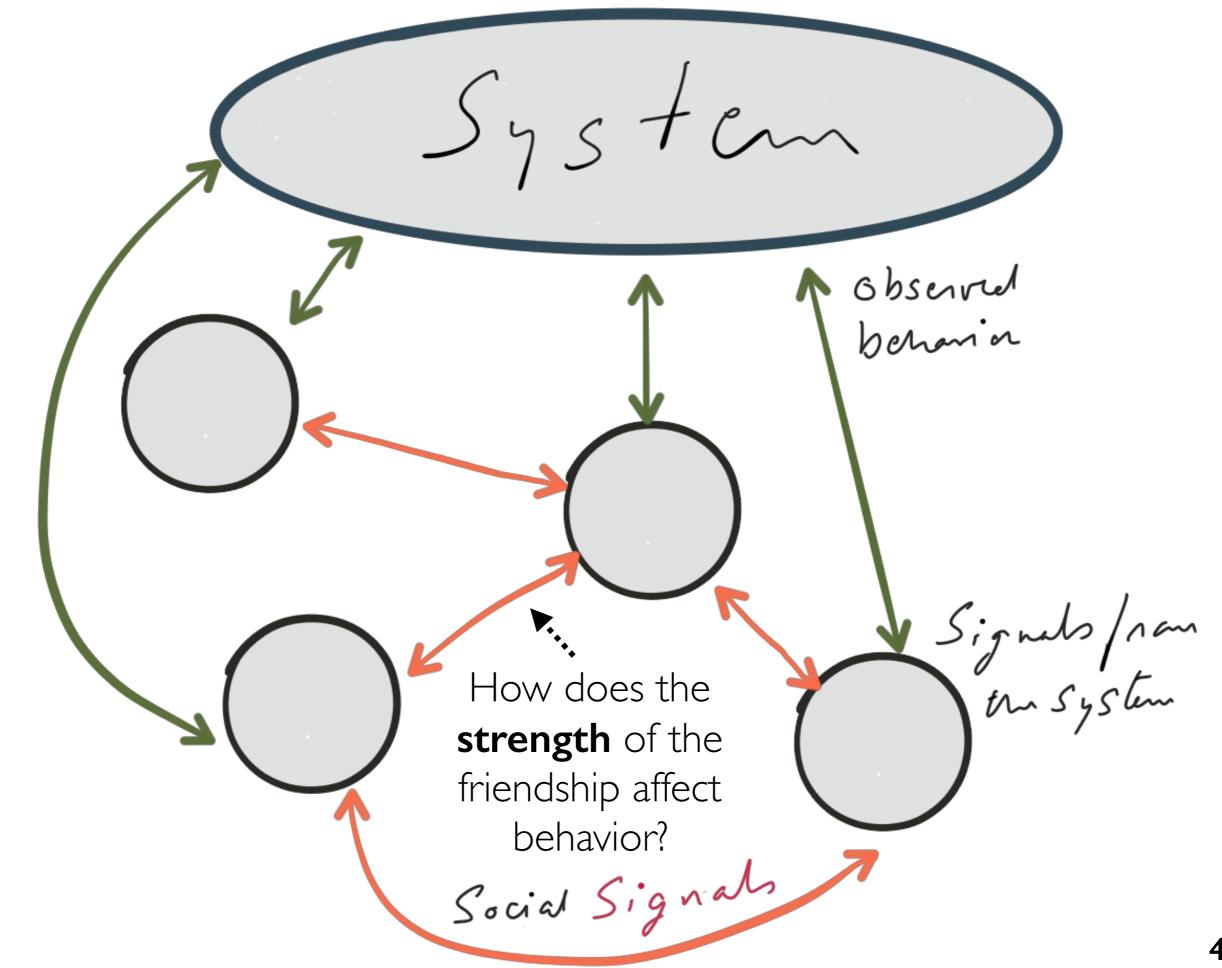


Yet, Ethiopia, then one of the poorest countries in the world, offered \$5,000 to help Mexico! Because, in 1935, Mexico had sent aid to Ethiopia, when it was invaded by Italy.

Cialdini, Robert B., Influence:

Cialdini, Robert B.. Influence: Science and Practice.

Pearson HE Inc.



$$rac{\sum_{i \in N_{v}} \omega_{i} \phi(i)}{|N_{v}|} \geq heta_{v}$$
 Linear Threshold model

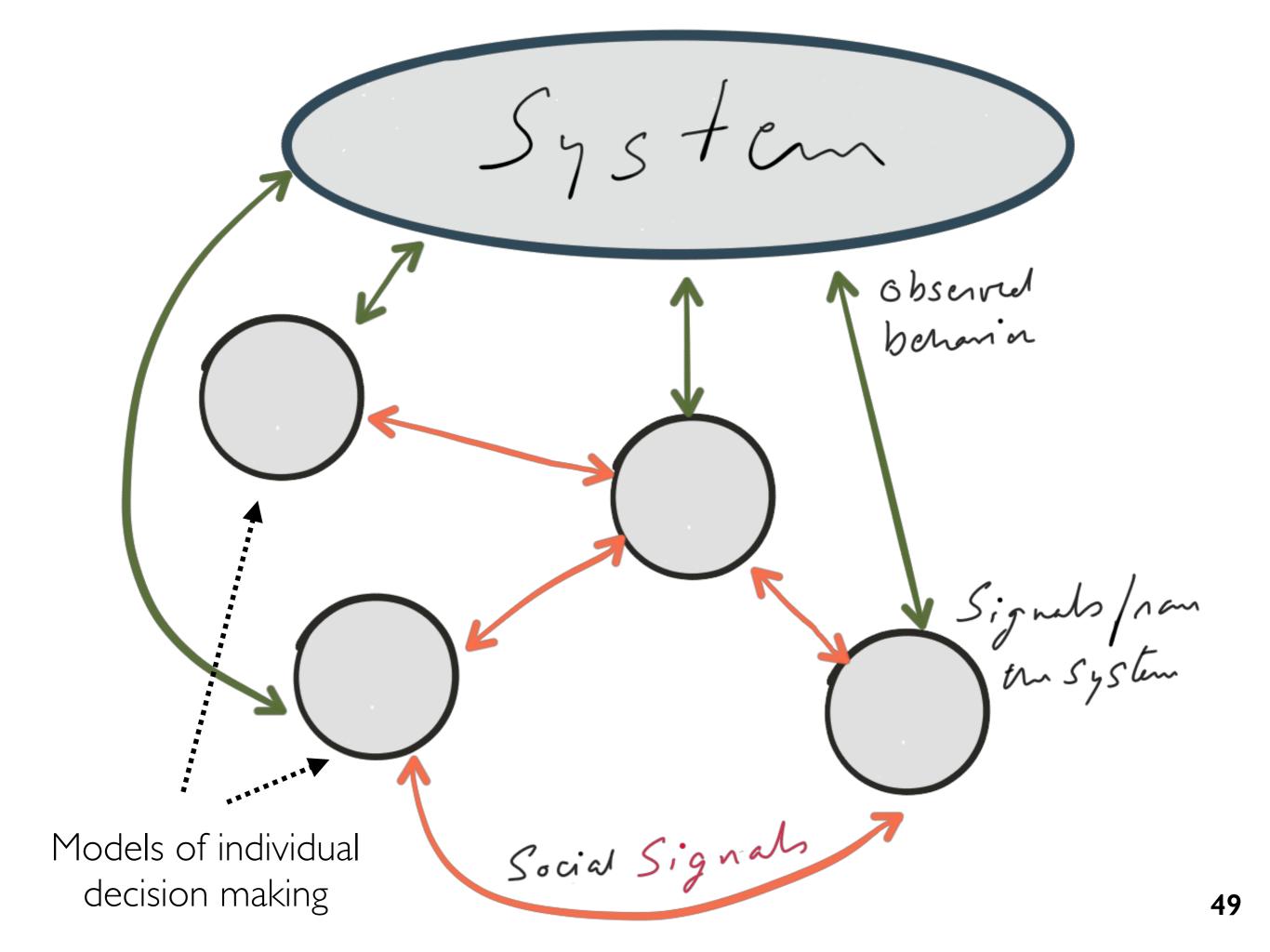


When did **he** decide to join?

Monday, Feb. 1st, 1960



Greensboro, NC, Woolworth's sit-in



Linda is thirty-one years old, single, outspoken, and very bright. She majored in philosophy. As a student, she was deeply concerned with issues of discrimination and social justice, and also participated in antinuclear demonstrations.

Which alternative is more probable?

- Linda is a bank teller.
- Linda is a bank teller and is active in the feminist movement.

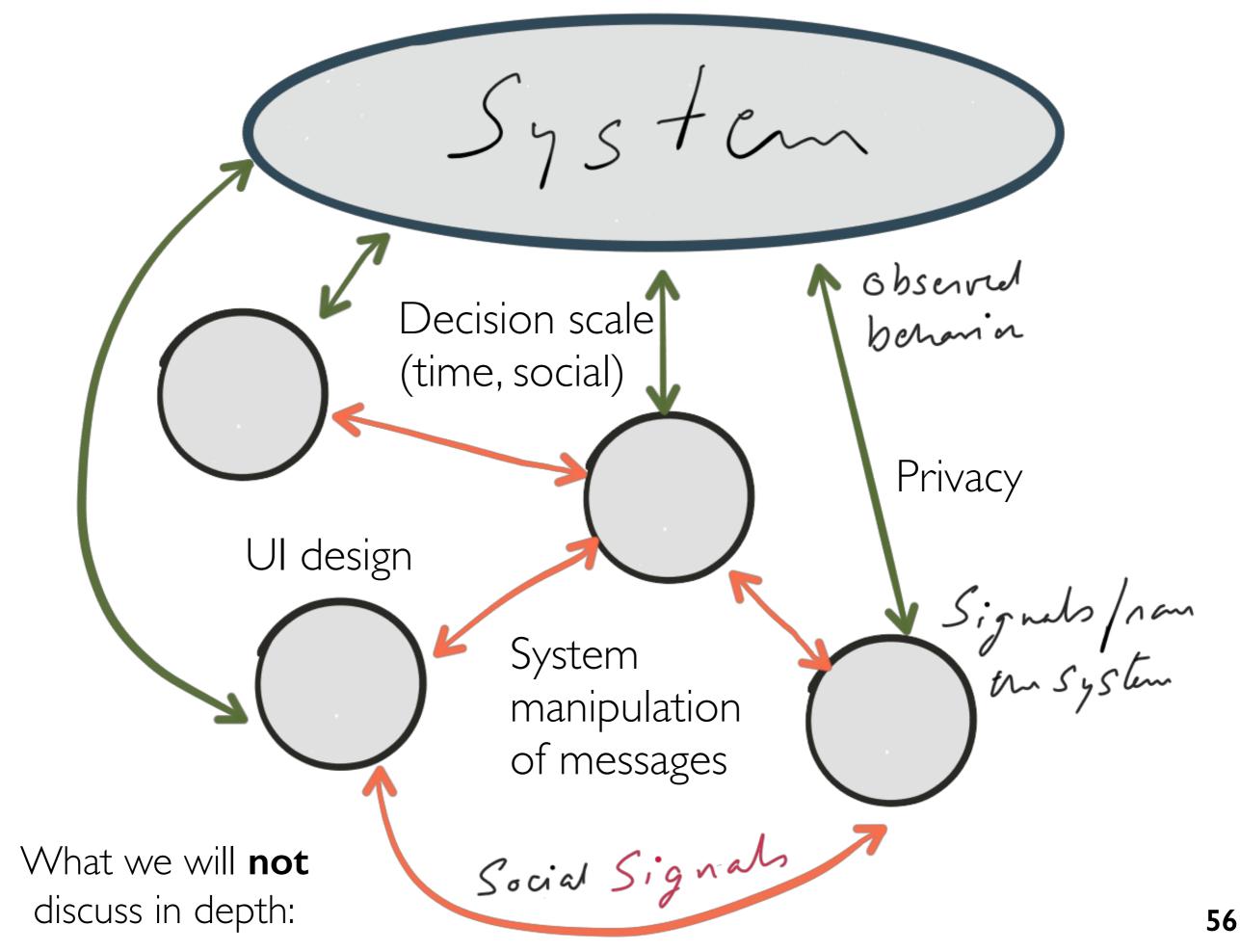
Assume that you have two choices: a nearly sure bet (97%, called 'p' bet) of winning \$10, or a 37% chance of winning \$30 (called '\$' bet)

what would you choose, p or \$?

how much will you pay in exchange for the **p** bet?

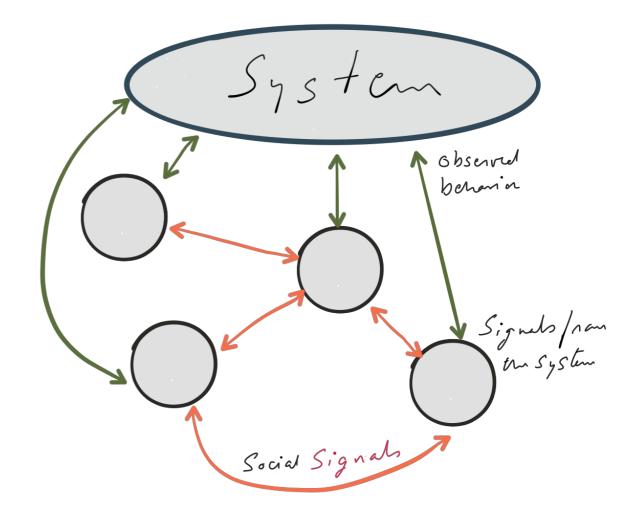
how much will you pay in exchange for the \$bet?

We shall be discussing several open problems in this class, and brainstorm over solutions



CS598 CLASS MECHANICS

Everything you wanted to know



class website:

https://courses.engr.illinois.edu/cs598hs/sp2019/

Let's go over the class schedule

paper review

I paper presentation

15%

weekly, open ended questions

I each week (pass / fail); can re-submit in case of fail for 50% credit

20% (total)

project

%	proposal 10%
%	paper 30%
%	Final presentation 10%
	best presentation (extra credit) 2%

participation

feedback on final presentations 10% class participation 5%

you can miss two classes; for every class beyond two, you will lose a third of a letter grade

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i.e. A \rightarrow A- (for missing three classes)
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i.e. $A \rightarrow B+$ (for missing four classes)

academic integrity

zero tolerance policy!

Plagiarism deserves special mention. It is an academic violation to copy, to include text from other sources, including online sources, without proper citation. Any student found to be violating this code will be subject to disciplinary action.

MEET THE TA

