

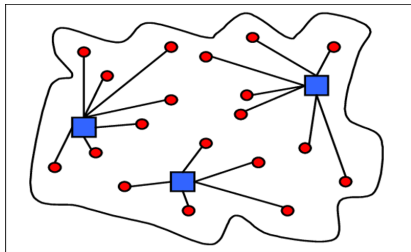
# Minimizing Inequity in Facility Location Games

**Yuhang Guo**, Houyu Zhou

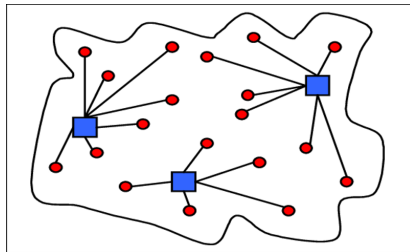
UNSW Sydney

AAAI 2026 Singapore

# Facility Location Problem



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Determining the optimal locations for facilities to minimize travel costs when serving agents.

# Facility Location Games

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Design **mechanisms** to incentivize agents **truthfully** reporting the location.

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*“Maximum Group Effect is the earliest and most frequently used measure that has an equity component.”*



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- ▶ Given location subset  $Y$ , the cost incurred by agent  $i$  is defined as  $c_i(Y, x_i) = \min_{y \in Y} |y - x_i|$ .

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**Maximum Group Effect:**  $\text{mge}(\boldsymbol{\theta}, f(\boldsymbol{\theta})) = \max_{j \in [m]} w_j \cdot E_j,$

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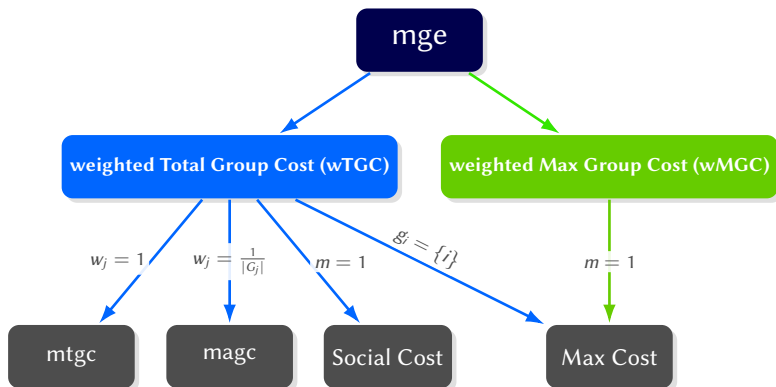
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$$E_j = \begin{cases} \sum_{i \in G_j} c(f(\boldsymbol{\theta}), x_i) & \text{weighted Total Group Cost} \\ \max_{i \in G_j} c(f(\boldsymbol{\theta}), x_i) & \text{weighted Maximum Group Cost} \end{cases}$$



# Our Results

## Capturing Fairness Through Generalized Metrics.



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- ▶ **Approximation Ratio:** For any mechanism  $f$ , the approximation ratio is:

$$\rho = \sup_{\boldsymbol{\theta} \in \Theta^n} \frac{\text{mge}(\boldsymbol{\theta}, f(\boldsymbol{\theta}))}{\text{mge}(\boldsymbol{\theta}, \text{OPT}(\boldsymbol{\theta}))},$$

where  $\text{OPT}(\boldsymbol{\theta})$  is the optimal placement that minimizes mge.

# Our Results

## Unified Mechanisms with Tight Approximation Guarantee.

Setting	Objectives	Mechanisms	Bounds
$k = 1$	wTGC	BALANCED	2
	wMGC	Major-Phantom	2
$k = 2$	wTGC	EndPoints	$1 + (n - 2) \frac{w_{\max}}{w_{\min}}$
	wMGC	EndPoints	$1 + \frac{w_{\max}}{w_{\min}}$
$k \geq 3$	General	/	$\infty$

(All listed bounds are tight. Gray shading denotes the contributions of this work.)

# Single-Facility: weighted Total Group Cost

## Interpretation of Maximum Group Effect

$$\text{mge}(\theta, f(\theta)) = \max_{j \in [m]} w_j \cdot E_j = \max_{j \in [m]} w_j \cdot \sum_{i \in G_j} c(f(\theta), x_i).$$

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### **BALANCED Mechanism**

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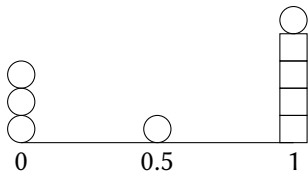
**Input:** Agent profile  $\theta$ , group weights  $\{w_j\}_{j \in [m]}$ .

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3. Place the facility at the **leftmost** location  $y$  such that  $\max_{j \in [m]} w_j L_j(y) \geq \max_{j' \in [m]} w_{j'} R_{j'}(y)$ .

## Balanced Mechanism: Example

Consider an instance with 9 agents and 2 groups with weights  $w_1 = w_2 = 1$ .

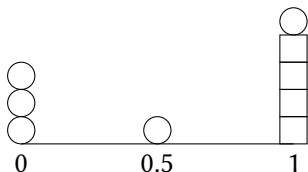
- ▶ Group  $G_1$  ( $\bigcirc$ ): 3 agents at 0, one agent at  $1/2$ , one agent at 1.
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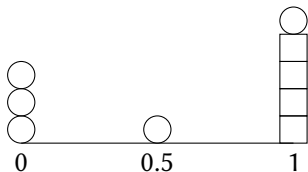


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**Balanced Mechanism**

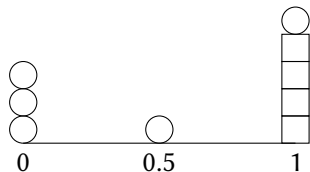
When  $0 \leq y < 1/2$ ,  $\max_{j \in \{1,2\}} L_j(y) = 3$ ,  $\max_{j' \in \{1,2\}} R_{j'}(y) = 4$ .

When  $1/2 \leq y < 1$ ,  $\max_{j \in \{1,2\}} L_j(y) = 4$ ,  $\max_{j' \in \{1,2\}} R_{j'}(y) = 4$ .

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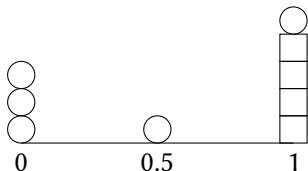
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The facility is placed at the  $1/2$ ,  $\text{mge}(\theta, f(\theta)) = 2$ .

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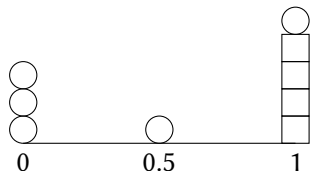
Median Mechanism

The facility is placed at the 1,  $\text{mge}(\theta, f(\theta)) = \frac{7}{2}$ .

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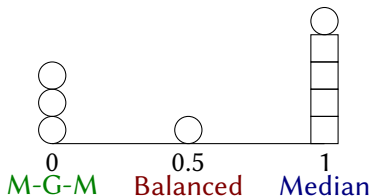
Majority Group Median Mechanism [ZLC22]

Median of Group Median Mechanism [ZLC22]

The facility is placed at the 0,  $\text{mge}(\theta, f(\theta)) = 4$ .



# Balanced Mechanism: Example



- ▶ **Median**: facility at 1,  $\text{mge}(\theta, f(\theta)) = 7/2$ .
- ▶ **Majority Group Median/Median of Group Median**: facility at 0,  $\text{mge}(\theta, f(\theta)) = 4$ .
- ▶ **Balanced**: facility at  $1/2$ ,  $\text{mge}(\theta, f(\theta)) = 2$  (**Optimal**).

# Single-Facility: weighted Maximum Group Cost

## MAJOR-PHANTOM Mechanisms<sup>a</sup>

<sup>a</sup>Phantom mechanism [Mou80]

**Input:** Agent profile  $\theta$ , group weights  $\{w_j\}_{j \in [m]}$ .

1.  $G_{\max}$ : the largest weight group.
2.  $\mathbf{x}^{G_{\max}}$ : the location profile of agents in  $G_{\max}$ .
3. Consider  $|G_{\max}| - 1$  constant values:  $v_1, \dots, v_{|G_{\max}| - 1}$ .
4. Place the facility at  $\text{median}(\mathbf{x}^{G_{\max}}, v_1, \dots, v_{|G_{\max}| - 1})$ .

# Result Overview

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# Takeaways

- ▶ We study a general fairness objective, Maximum Group Effect (mge).
- ▶ We explore strategyproof deterministic mechanisms for minimizing mge and establish tight approximation bounds.
- ▶ Future directions include randomized mechanisms for mge and mechanism design in high dimensional settings.

Thank you for your attention!

Poster session: Jan 24 (Hall 4 1046)

# Reference

- [Mou80] Hervé Moulin. On strategy-proofness and single peakedness. *Public Choice*, 35(4):437–455, 1980.
- [PT09] Ariel D. Procaccia and Moshe Tennenholtz. Approximate mechanism design without money. In *Proceedings of the 10th ACM Conference on Electronic Commerce (EC)*, pages 177–186, 2009.
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