

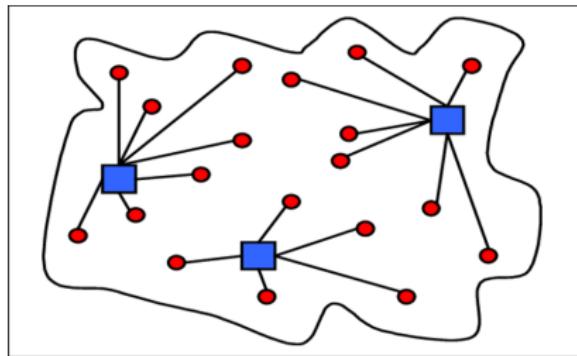
Minimizing Inequity in Facility Location Games

Yuhang Guo, Houyu Zhou

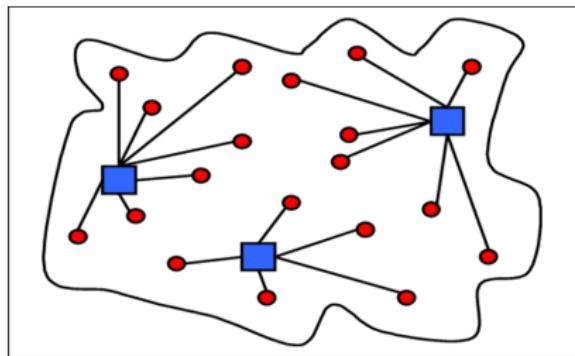
UNSW Sydney

AAAI 2026 Singapore

Facility Location Problem



Facility Location Problem



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

Facility Location Games

Each agent is self-interested and has **private** information about their location.



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

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- ▶ “**Approximate Mechanism Design without Money**”: Social Cost and Max Cost [PT09].

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Invited review

Equity measurement in facility location analysis: A review and framework

Michael T. Marsh, David A. Schilling

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

Model

- ▶ A set $N := \{1, 2, \dots, n\}$ of n agents.

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

Model

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

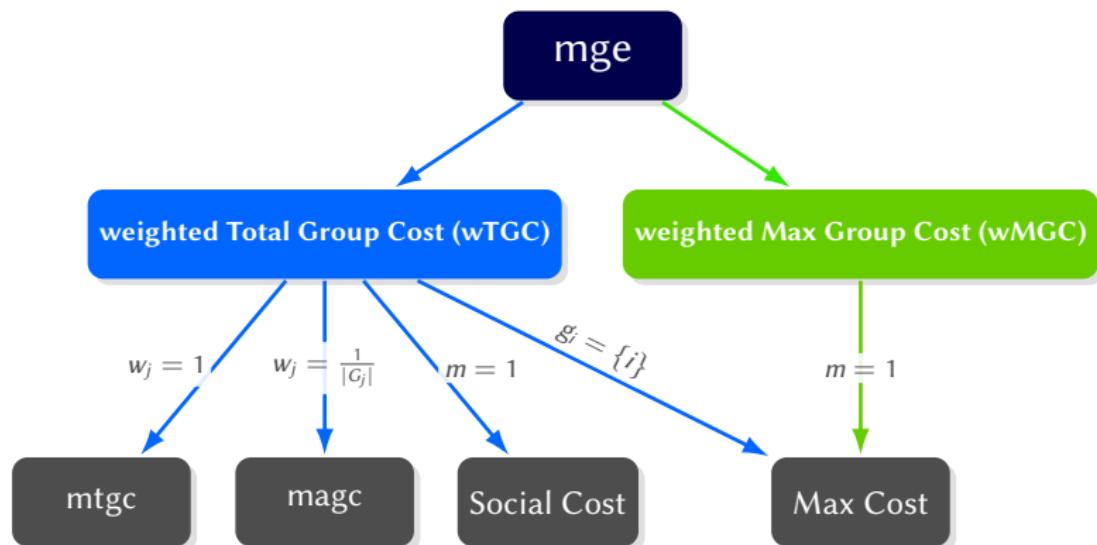
Model

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

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

Our Results

Capturing Fairness Through Generalized Metrics.



Model

- ▶ A deterministic mechanism $f : \theta \rightarrow \mathbb{R}^k$ maps profile θ to k facility location.

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- ▶ **Strategyproofness:** A mechanism f is strategyproof if, for any agent i with θ_i , consider any misreported location $x'_i \in \mathbb{R}$ and fixing θ'_{-i} . We have:

$$c(f((x_i, g_i), \theta'_{-i}), x_i) \leq c(f((x'_i, g_i), \theta'_{-i}), x_i).$$

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

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

where $\text{OPT}(\theta)$ 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	/	∞

(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

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

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BALANCED Mechanism

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

1. $L_j(y) = \#$ of agents in group j whose location is on the left of (or at) location y . (*non-decreasing*)

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

1. $L_j(y) =$ # of agents in group j whose location is on the left of (or at) location y . (*non-decreasing*)
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$$\text{mge}(\theta, f(\theta)) = \max_{j \in [m]} w_j \cdot E_j = \max_{j \in [m]} w_j \cdot \sum_{i \in G_j} c(f(\theta), x_i).$$

BALANCED Mechanism

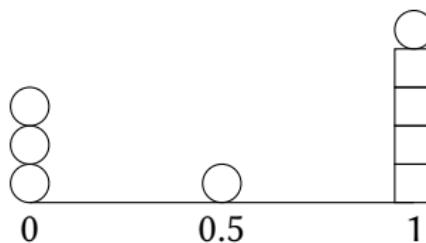
Input: Agent profile θ , group weights $\{w_j\}_{j \in [m]}$.

1. $L_j(y) = \#$ of agents in group j whose location is on the left of (or at) location y . (*non-decreasing*)
2. $R_j(y) = \#$ of agents in group j whose location is on the right of location y . (*non-increasing*)
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 (○): 3 agents at 0, one agent at $1/2$, one agent at 1.
- ▶ Group G_2 (□): 4 agents at 1.

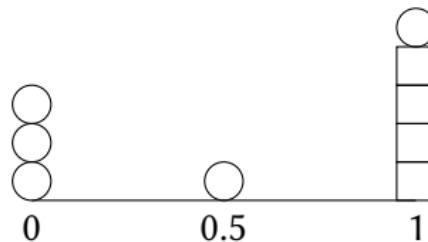


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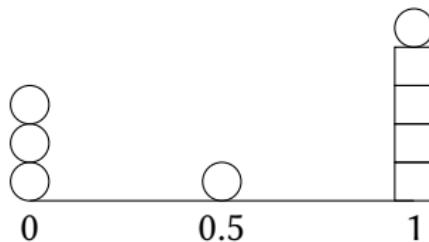


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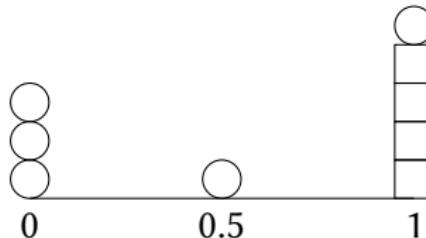
When $0 \leq y < 1/2$, $\max_{j \in \{1,2\}} L_j(y) = 3$, $\max_{j' \in \{1,2\}} R_{j'}(y) = 4$.
When $1/2 \leq y < 1$, $\max_{j \in \{1,2\}} L_j(y) = 4$, $\max_{j' \in \{1,2\}} R_{j'}(y) = 4$.

Balanced Mechanism: Example

Consider an instance with 9 agents and 2 groups with weights

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Balanced Mechanism

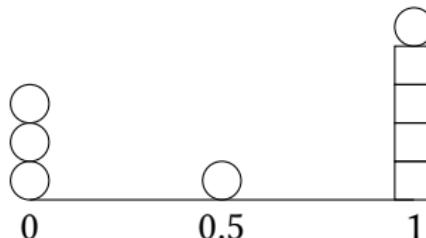
The facility is placed at the $1/2$, $\text{mge}(\theta, f(\theta)) = 2$.

Balanced Mechanism: Example

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- ▶ Group G_1 (○): 3 agents at 0, one agent at $1/2$, one agent at 1.
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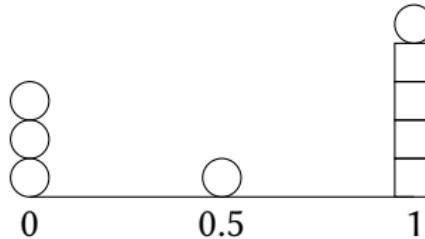
Median Mechanism

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

Balanced Mechanism: Example

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

- ▶ Group G_1 (○): 3 agents at 0, one agent at $1/2$, one agent at 1.
- ▶ Group G_2 (□): 4 agents at 1.

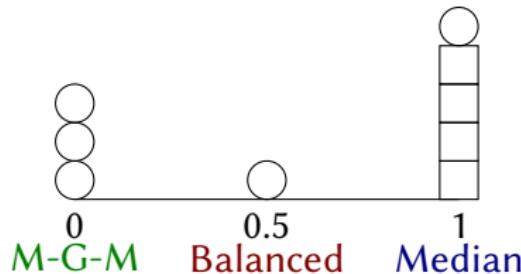


Majority Group Median Mechanism [ZLC22]

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^a

^aPhantom mechanism [Mou80]

Input: Agent profile θ , 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

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

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

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