Beyond Tit-for-Tat Proposal - Melt

Liam Andrew Beattie[a], Abdul Qaadir Cassiem[a]

[a]*Microeconomics 871, Stellenbosch University, South Africa*

Abstract

Beyond Tit-for-tat: Set up a repeated prisoner's dilemma computer tournament, in which strategies compete against each other. Write a report on your findings.

1. Introduction

The phrase horses for courses alludes to the fact that a racehorse performs best on a racecourse to which it is specifically suited. More generally this idiom is used to express that certain tools and strategies are better suited over others depending on the task or situations at hand. In the context of the repeated prisoners' dilemma, the strategy of tit-for-tat, where one mimics their opponent's previous move, reigns supreme and is best suited over others for the situation at hand[1].

The question this paper aims to answer is as to which situations is tit-for-tat not the dominant strategy. To do this we have to venture down two potential avenues. The first is the adjustment of pay-off values within games, and the second is adjusting pay-off values from games. Consider a standard prisoners' dilemma pay-off table:

Player 1 / Player 2	C (Cooperate)	D (Defect)
C (Cooperate)	(R, R)	(S, T)
D (Defect)	(T, S)	(P, P)

Table 1.1: Prisoner's Dilemma Payoff Matrix with R, P, S, and T Outcomes

Adjusting the values of R (Reward for mutual cooperation), P (Punishment for mutual defection), S (Sucker's pay-off for cooperating while the other defects), and T (Temptation to defect when the other cooperates) is an example of within game pay-off adjustments. These adjustments might produce a new dominant strategy and our analysis aims to find if it does.

Email addresses: `22562435@sun.ac.za` (Liam Andrew Beattie), `20863667@sun.ac.za` (Abdul Qaadir Cassiem)
[1]The tic-for-tat strategy is the dominant strategy in Axelrod ([1980code])

From-game adjustments are a bit different and it considers the utility a player gets from the payoffs of its opponent.

Player 1 / Player 2	C (Cooperate)	D (Defect)
C (Cooperate)	$(R(1-p)+Rp, R(1-p)+Rp)$	$(S(1-p)+Tp, T(1-p)+Sp)$
D (Defect)	$(T(1-p)+Sp, S(1-p)+Tp)$	$(P(1-p)+Pp, P(1-p)+P)$

Table 1.2: Prisoner's Dilemma Payoff Matrix

The level p here is adapted from Charness & Rabin (2002) who created a utility function that captures various social preferences. In essence, p is how much you care about your opponent's pay-offs as well as your own. In standard prisoners' dilemma games, this is 0 and thus people are purely self-interested. If we let our pay-offs be R = 3, T = 5, S = 0, and P = 3, then this situation in strategic form would look like:

Player 1 / Player 2	C (Cooperate)	D (Defect)
C (Cooperate)	$(3, 3)$	$(0, 5)$
D (Defect)	$(5, 0)$	$(1, 1)$

Table 1.3: Prisoner's Dilemma Payoff Matrix for $p = 0$ (Self-interested person)

However we can adjust the value of p for people who are partially considerate of other people's outcomes, or we can make people egalitarian who care just as much for others as they do for themselves.

Player 1 / Player 2	C (Cooperate)	D (Defect)
C (Cooperate)	$(3, 3)$	$(1, 4)$
D (Defect)	$(4, 1)$	$(1, 1)$

Table 1.4: Prisoner's Dilemma Payoff Matrix for $p = 0.2$ (Partially considers others' outcomes)

Player 1 / Player 2	C (Cooperate)	D (Defect)
C (Cooperate)	$(3, 3)$	$(2.5, 2.5)$
D (Defect)	$(2.5, 2.5)$	$(1, 1)$

Table 1.5: Prisoner's Dilemma Payoff Matrix for $p = 0.5$ (Egalitarian person)

p could also take a negative value, which indicates a person is status-seeking and actively wants to bring down their opponent.

Player 1 / Player 2	C (Cooperate)	D (Defect)
C (Cooperate)	$(3.6, 3.6)$	$(-1, 6)$
D (Defect)	$(6, -1)$	$(0.8, 0.8)$

Table 1.6: Prisoner's Dilemma Payoff Matrix for $p = -0.2$ (Negative influence by others' outcomes)

It would be interesting to see under which values of p the dominant strategy changes.

2. Literature Review

We aim to do a short literature review and provide insight from the following sources: Lange & Baylor ([2007code]), Farrell & Ware ([1989code]), Kreps, Milgrom, Roberts & Wilson ([1982code]), Romero & Rosokha ([2018code]), Bó & Fréchette ([2019code]), Breitmoser ([2015code]), Gaudesi, Piccolo, Squillero & Tonda ([2016code]), García & Veelen ([2018code]), Embrey, Fréchette & Yuksel ([2018code]).

Most importantly we aim to structure our output in tables similar to Axelrod ([1980code]).

3. Game Construction

Game tournaments will take place in a round-robin format where all strategies play each other for N number of games. Total utility is calculated over the whole tournament and the strategy with the greatest value will be the dominant strategy. The tournaments will not be evaluated on games won but this metric will be tracked.

We have not limited ourselves to the number of strategies just yet, but we aim to include most of the following and potentially we create more along the way.

Basic Strategies:

- Always Cooperate: This strategy always cooperates, regardless of the opponent's previous moves.

- Always Defect: This strategy always defects, regardless of the opponent's previous moves.

- Tit-for-Tat (TFT): Cooperates on the first move, then mimics the opponent's last move in subsequent rounds.

- Grim Trigger: Cooperates until the opponent defects once, then defects forever.

- Random: Randomly chooses to cooperate or defect with some probability.

- Tit-for-Two-Tats: Similar to Tit-for-Tat but defects only after two consecutive defections by the available player.

- Pavlov (Win-Stay, Lose-Shift): Cooperates if the last round was a success (mutual cooperation or mutual defection), otherwise defects.

More Complex Strategies:

- Generous Tit-for-Tat: Similar to Tit-for-Tat, but occasionally forgives a defection.

- Tit-for-Tat with Randomisation: A variant of Tit-for-Tat where the player may defect or cooperate with a certain probability after the opponent defects.

- Tit-for-Tat with Forgiveness: Like TFT but occasionally forgives a defection, returning to cooperation.

4. Feedback

Any feedback would be greatly appreciated.

Table 4.1: Tournament Payoff Matrix for p=0

	Always Cooperate	Always Defect	Tit for Tat	Tit for Two Tats	Tit for Tat with Forgiveness	Tit for Tat with Randomisation	Random	Grim/Trigger	Pavlov	Prober	Bully	Bounded Random Strategy	Gradient Cooperation	Total	Rank
Always Cooperate	150	0	150	150	150	150	66	150	150	150	36	150	150	1602	10
Always Defect	250	50	54	58	82	54	158	54	54	250	98	54	250	1466	13
Tit for Tat	150	49	150	150	150	150	107	150	150	150	85	150	150	1741	5
Tit for Two Tats	150	48	150	150	150	150	95	150	150	150	73	150	150	1716	6
Tit for Tat with Forgiveness	150	46	150	150	150	150	95	150	150	150	72	150	150	1713	7
Tit for Tat with Randomisation	150	49	150	150	150	150	119	150	150	150	85	150	150	1753	3
Random	206	24	112	168	128	114	114	26	31	202	65	113	212	1515	12
Grim/Trigger	150	49	150	150	150	150	145	150	150	150	97	150	150	1791	2
Pavlov	150	49	150	150	150	150	153	150	150	150	97	150	150	1799	1
Prober	150	0	150	150	150	150	93	150	150	150	36	150	150	1629	8
Bully	226	38	90	138	97	90	150	42	42	226	74	85	226	1524	11
Bounded Random Strategy	150	49	150	150	150	150	113	150	150	150	81	150	150	1743	4
Gradient Cooperation	150	0	150	150	150	150	75	150	150	150	36	150	150	1611	9

References

Axelrod, R. 1980. Effective choice in the prisoner's dilemma. *The Journal of Conflict Resolution.* 24(1):3–25. [Online], Available: http://www.jstor.org/stable/173932.

Bó, P.D. & Fréchette, G.R. 2019. Strategy choice in the infinitely repeated prisoner's dilemma. *American Economic Review.* 109(11):3929–3952.

Breitmoser, Y. 2015. Cooperation, but no reciprocity: Individual strategies in the repeated prisoner's dilemma. *American Economic Review.* 105(9):2882–2910.

Embrey, M., Fréchette, G.R. & Yuksel, S. 2018. Cooperation in the finitely repeated prisoner's dilemma. *The Quarterly Journal of Economics.* 133(2):509–551.

Farrell, J. & Ware, R. 1989. Evolutionary stability in the repeated prisoner's dilemma. *Journal of Economic Theory.* 47(1):1–12.

García, J. & Veelen, M. van. 2018. No strategy can win in the repeated prisoner's dilemma: Linking game theory and computer simulations. *Frontiers in Robotics and AI.* 5:102.

Gaudesi, M., Piccolo, E., Squillero, G. & Tonda, A. 2016. Exploiting evolutionary modeling to prevail in iterated prisoner's dilemma tournaments. *IEEE Transactions on Computational Intelligence and AI in Games.* 8(3):235–247.

Kreps, D.M., Milgrom, P., Roberts, J. & Wilson, R. 1982. Rational cooperation in the finitely repeated prisoners' dilemma. *Journal of Economic Theory.* 27(2):245–252.

Lange, C. & Baylor, A.L. 2007. Teaching the repeated prisoner's dilemma with a computerized tournament. *The Journal of Economic Education.* 38(4):407–418.

Romero, J. & Rosokha, Y. 2018. Constructing strategies in the indefinitely repeated prisoner's dilemma game. *European Economic Review.* 104:185–219.