

A Game Theoretic Framework for Incentives in P2P Systems *

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Abstract

Peer-To-Peer (P2P) networks are self-organizing, distributed systems, with no centralized authority or infrastructure. Because of the voluntary participation, the availability of resources in a P2P system can be highly variable and unpredictable. In this paper, we use ideas from *Game Theory* to study the interaction of strategic and rational peers, and propose a *differential service-based incentive scheme* to improve the system's performance.

1 Introduction

Peer-To-Peer (P2P) systems are self-organizing, distributed resource-sharing networks. They differ from traditional distributed computing systems in that no central authority controls or manages the various components; instead, nodes form a dynamically changing and self-organizing network. By pooling together the resources of many autonomous machines, P2P systems are able to provide an inexpensive platform for distributed computing, storage, or data-sharing that is highly scalable, available, fault tolerant and robust. As a result, a large number of academic and commercial projects are underway to develop P2P systems for various applications [2, 3, 10, 9, 12, 1].

The democratic (or anarchic) nature of P2P systems, which is responsible for their popularity and scalability, also has serious potential drawbacks. There is no central authority to mandate or coordinate the resources that

each peer should contribute. Because of the voluntary participation, the system's resources can be highly variable and unpredictable. Indeed, in a recent experimental study of Napster and Gnutella, Saroiu et al. [11] found that many users are simply consumers, and do not contribute much to the system. In particular, they found that (1) user sessions are relatively short; 50% of the sessions are shorter than 1 hour, and (2) many users are *free riders*; that is, they contribute little or nothing. For example, in the Gnutella system, 25% of the users share no files at all.

Short sessions mean that a significant portion of the data in the system might be unavailable for large periods of time—the hosts with those data are offline. Short uptimes also hurt system performance because there are fewer servers to download files from. Similarly, as a growing number of users become free riders, the system starts to lose its peer-to-peer spirit, and begins to resemble a more traditional client-server system.

If the P2P systems are to become a reliable platform for distributed resource-sharing (storage, computing, data etc), then they must provide a predictable level of service, both in content and performance. A necessary step towards that goal is to develop mechanisms by which contributions of individual peers can be solicited and predicted. In a system of autonomous but *rational* participants, a reasonable assumption is that the peers can be incentivized using economic principles. Two forms of incentives have been considered in the past [5]: (1) monetary payments (one pays to consume resources and is paid to contribute resources), and (2) differential service (peers that contribute more get better quality of service). The monetary payment scheme involves a fictitious cur-

*The authors were supported in part by National Science Foundation grants IIS-0121562 (C.B and S.S) and 9970700 (D.A)

rency, and requires an accounting infrastructure to track various resource transactions, and charges for them using micropayments. While the monetary scheme provides a clean economic model, it seems highly impractical. For instance, see [8] for arguments against such a scheme for network pricing.

The differential service seems more promising as an incentive model, and that is the direction we follow. There are many different ways to differentiate among the users. For instance, one could define a *reputation index* for the peers, where the reputation reflects a user’s overall contribution to the system. In fact, a reputation based mechanism is already used by the KaZaA [3] file sharing system; in that system, it’s called the *participation level*. Quantifying a user’s reputation and prevention of faked reputations, however, are thorny problems.

In general, since the nodes in a P2P systems are strategic players, they are likely to manipulate any incentive system. As a result, we argue that a correct tool for modeling the interaction of peers is *game theory* [4]. We introduce a formal model of *incentives through differential service* in P2P systems, and use the game theoretic notion of *Nash Equilibrium* to analyze the strategic choices by different peers.

We treat each peer in the system as a rational, strategic player, who wants to maximize his utility by participating in the P2P system. The utility of a peer depends on his benefit (the resources of the system he can use) and his cost (his contribution). Our *differential service* model links the benefit any peer can draw from the system to his contribution—the benefit is a monotonically increasing function of a peer’s contribution. Thus, this is a *non-cooperative* game among the peers: each wants to maximize his utility. The classical concept of Nash Equilibrium points a way out of the endless cycle of speculation and counter-speculation as to what strategies the other peers will use. An equilibrium point is a *locally optimum* set of strategies (contribution levels in our case), where no peer can improve his utility by deviating from the strategy. While Nash equilibrium is a powerful concept, computing these equilibria is not trivial. In fact, no polynomial time algorithm is known for finding the Nash equilibrium of a general N person game.

We first consider a simplified setting, *homogeneous peers*, where we assume that all peers derive equal benefit from everybody else (homogeneity of peers). In this

case, we show (1) there are exactly two Nash equilibria, and (2) there are closed-form analytic formulae for these equilibria. We also investigate the stability properties of these equilibria, and show that in a repeated game setting, the equilibrium with the better system welfare will be realized.

We next consider the case of *heterogeneous peers*, where the interaction matrix is an arbitrary $N \times N$ matrix. That is, we allow an arbitrary benefit function for each pair of peers. No closed form solution is possible for this setting, and so we study this using simulation. We use the homogeneous case as a benchmark to see how well the simulation tracks the theoretical prediction. Our main findings are that the *qualitative* properties of the Nash equilibrium are impervious to (1) exact form of the probability function used to implement differential service, (2) perturbations like users leaving and joining the system, (3) non-strategic or non-rational players, who do not play according to the rules, etc. Finally, we discuss practical ways of implementing a differential service incentive scheme in a P2P system.

2 Our Incentive Model

2.1 Strategy and Nash Equilibrium

A traditional distributed system assumes that all participants in the system work together cooperatively; the participants in the system share a common goal, do not compete with each other or try to subvert the system. A P2P systems, on the other hand, consists of autonomous components: users compete for shared but limited resources (e.g. download bandwidth from popular servers) and, at the same time, they can restrict the download from their own server by denying access or not contributing any resources. As such, the interaction of the various peers in a P2P system is best modeled as a *non-cooperative game* among rational and strategic players. The players are rational because they wish to maximize their own gain, and they are strategic because they can choose their actions (e.g. resources contributed) that influence the system. The behavior that a player adopts while interacting with other players is known as that player’s *strategy*. In our setting, a peer’s strategy is his level of contribution. The player derives a benefit from his interaction with other

players which is termed as a payoff or *utility*. Interesting economic behavior occurs when the utility of a player depends not only on his own strategy, but on everybody else's strategy as well. The most popular way of characterizing this dynamics is in terms of *Nash equilibrium*. Since the utility or payoff of a player is dependent on his strategy, he might decide to unilaterally switch his strategy to improve his utility. This switch in strategy will affect other players by changing their utility and they might decide to switch their strategy as well. The collection of players is said to be at Nash equilibrium if no player can improve his utility by unilaterally switching his strategy. In general, a system can have multiple equilibria.

2.2 Incentives and Strategies in P2P System

We assume that there are N users (peers) in the system, P_1, P_2, \dots, P_N . We will denote the utility function of the i th peer as U_i . This utility depends on several parameters which we shall discuss below one by one.

2.2.1 Measuring the Contribution

We will use a single number D_i to denote the contribution of P_i . The precise definition of D_i is immaterial as long as it can be quantified and treated as a continuous variable. For concreteness, we will take D_i to be the *cumulative disk space*: disk space contribution integrated over a fixed period of time, say a week. One can also use other metrics such as number of downloads served by this peer to other peers.

For each unit of resource contributed, the peer incurs a cost c_i (measured in dollars). So the total cost of P_i for participating in the system is $c_i D_i$. We shall find it convenient to define a dimensionless contribution

$$d_i \equiv D_i / D_0, \quad (1)$$

where D_0 is an absolute measure of contribution (say 20MB/week). D_0 is a constant that the system architect is free to set—our incentive scheme will strive to ensure that all peers make a contribution at least D_0 .

2.2.2 The Benefit Matrix

Each peer's contribution to the system potentially benefits all other peers, but perhaps to varying degrees. We encode

this benefit using a $N \times N$ matrix B , where B_{ij} denotes how much the contribution made by P_j is worth to P_i (measured in dollars). For instance, if P_i is not interested in P_j 's contribution, then $B_{ij} = 0$. In general, $B_{ij} \geq 0$, and we assume that $B_{ii} = 0$, for all i . Again, we define a set of dimensionless parameters corresponding to B_{ij} by

$$b_{ij} = B_{ij} / c_i, \quad b_i = \sum_j b_{ij}, \quad b_{av} = \frac{1}{N} \sum_i b_i \quad (2)$$

b_i is the total benefit that P_i can derive from the system if all other users make unit contribution each. b_i will turn out to be an important parameter in determining whether it is worthwhile for P_i to join the system. We shall show that there exists a critical value of benefit b_c such that if $b_i < b_c$, then P_i is better off not joining the system. b_{av} is simply the average of b_i for the whole system.

2.2.3 Probability as Service Differentiator

The differential service is a game of expectations: a peer rewards other peers in proportion to *their contribution*. A simple scheme to implement this idea is as follows: peer P_j accepts a request for a file from peer P_i with probability $p(d_i)$, and rejects it with probability $1 - p(d_i)$. Thus, if P_i 's contribution is small, its request is more likely to be rejected. There are many enhancements and improvements to this simple idea. One could, for example, curtail the search capabilities of a peer depending on his contribution. In the Napster model, one could return only a fraction $p(d_i)$ of the total results found. We also assume that every request from peer P_i is tagged with his contribution d_i as metadata. We will discuss some of these enhancements and implementation issues in section 5.

It turns out that the choice of the exact probability function does not affect the *qualitative* nature of our results. Any reasonable probability function that is a monotonically increasing function of the contribution should do. In our analysis, we have chosen the following natural form:

$$p(d) = \frac{d^\alpha}{1 + d^\alpha}, \quad \alpha > 0. \quad (3)$$

It has the desirable properties that $p(0) = 0$, and $p(d) \rightarrow 1$ as d gets large. The choice of the exponent α determines how “step-function-like” the probability function

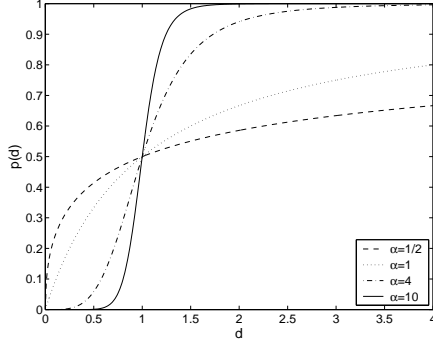


Figure 1: $p(d)$ plotted as a function of d for values of α 1/2, 1, 4 and 10.

is. See Figure 1. For small values, say $\alpha = 1$, the function is rather smooth; but for larger values, say $\alpha = 10$, the function has a step step; for contribution below the step, requests have high probability of rejection; and for contribution above the step, requests have high probability of acceptance.

2.2.4 The Utility Function

With these cost and benefit parameters, the total utility U_i that P_i will derive by joining the system is

$$U_i = -c_i D_i + p(d_i) \sum_j B_{ij} D_j, \quad B_{ii} \equiv 0 \quad (4)$$

The first term is the cost to join the system, while the second term is the total expected benefit from joining the system. In terms of the dimensionless parameter

$$u_i = \frac{U_i}{c_i D_0} \quad (5)$$

we rewrite the utility as

$$u_i = -d_i + p(d_i) \sum_j b_{ij} d_j, \quad b_{ii} \equiv 0 \quad (6)$$

The $-d_i$ term is simply P_i 's cost to join the system and it increases linearly as P_i contributes more disk/bandwidth to the system. P_i 's benefit depends on how much the other peers are contributing to the system (d_j), what that contribution is worth to him (b_{ij}), and how probable it is that

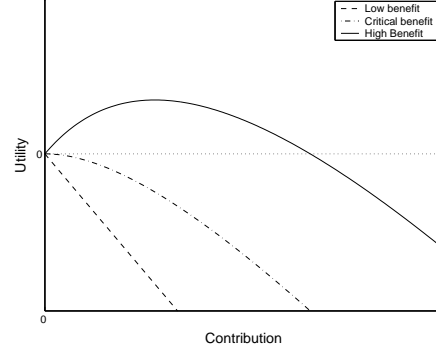


Figure 2: A qualitative plot of utility vs. the contribution/strategy; the scales on X and Y axes are arbitrary. Unless there is a critical level of benefit b_c , the utility for the peer is always less than 0.

he will be able to download that content ($p(d_i)$). Using the fact that $p(0) = 0$ and $p(\infty) = 1$, we can find the two limits of the utility function :

$$\lim_{d_i \rightarrow 0} u_i = 0, \quad \lim_{d_i \rightarrow \infty} u_i = -\infty. \quad (7)$$

Thus, neither extreme maximizes a peer's utility. The value of an intermediate strategy depends on the contribution of other users and the worth of those contributions. See Figure 2 for a graphical representation of a possible utility function for different levels of benefit b_i . If b_i exceeds a critical value b_c , then it is possible for the utility function to have a maximum and only then the peer would want to join the system.

In the next section we start with the discussion of Nash equilibrium for the model that we have just described.

3 Nash Equilibrium in the Homogeneous System of Peers

We define a homogeneous system of peers to be a system where $b_{ij} = b$ for all $i \neq j$; in other words in this system all peers derive equal benefit from everybody else. This simplified system allows us to study the problem in an idealized setting, and gain insights that can be applied

to the more complex heterogeneous system. In the homogeneous system, the model of equation 6 reduces to

$$u = -d + p(d)(N-1)bd. \quad (8)$$

$b_i = b_{av} = b(N-1)$ for all peers P_i . By symmetry, therefore, the problem reduces to a 2-person game, which we analyze below.

3.1 The Two Player Game

In a homogeneous system of two players, Equation 6 reduces to

$$\begin{aligned} u_1 &= -d_1 + b_{12}d_2p(d_1) \\ u_2 &= -d_2 + b_{21}d_1p(d_2) \end{aligned} \quad (9)$$

For algebraic simplicity, let us also assume that $\alpha = 1$, i.e. $p(d) = d/(1+d)$. As discussed in section 2.2, we expect that if the benefits that the peers derive from each other, i.e. b_{12} and b_{21} are too small then it will be best for the peers not to join. The question to ask at this point is whether a Nash equilibrium exists for large enough values of benefits where both peers can derive non-zero utility from their interaction.

This model is very similar to the Cournot duopoly model [4] and we can analyze it using similar methodology. Suppose P_2 decides to make a contribution d_2 to the system. Given this contribution d_2 , naturally the best thing for P_1 to do is to tune his d_1 such that it maximizes his utility u_1 . Maximizing u_1 with respect to d_1 , we immediately find that the best response d_1 is given by

$$r_1(d_2) \equiv d_1 = \sqrt{b_{12}d_2} - 1, \quad (10)$$

where $r_1(d_2)$ is known as the *reaction function* for P_1 . This is the best reaction for P_1 , given a fixed strategy for P_2 . Since P_2 knows that P_1 is going to respond in this fashion, his own reaction function to 1's strategy is

$$r_2(d_1) \equiv d_2 = \sqrt{b_{21}d_1} - 1. \quad (11)$$

Nash equilibrium ¹ exists if there is a set of (d_1^*, d_2^*) , such that they form a fixed point for equations 10 and 11, i.e.

¹For readers versed in game theory, we want to say that we are only interested in pure strategy Nash equilibrium. A mixed strategy will correspond to a peer probabilistically choosing a contribution. Such a scenario is inadmissible and we shall not discuss it any further

the fixed points satisfy

$$\begin{aligned} d_1^* &= \sqrt{b_{12}d_2^*} - 1, \\ d_2^* &= \sqrt{b_{21}d_1^*} - 1. \end{aligned} \quad (12)$$

Finding the fixed point is much easier if we assume $b_{12} = b_{21} = b$ (this is the homogeneous peer system). In that case $d_1^* = d_2^* = d^*$ and the solution of equation 12 is

$$d^* = (b/2 - 1) \pm ((b/2 - 1)^2 - 1)^{1/2} \quad (13)$$

A solution to this equation exists only if $b \geq 4 \equiv b_c$.² Thus, $b_c = 4$ is the critical value of benefit illustrated in Figure 2 below which it is not profitable for a peer to join the system. Note that this critical value 4 is an artifact of the form of the $p(d)$ we chose. For different choices of $p(d)$, this constant b_c will change, but will always be a constant independent of the number of peers in the system. For $b = b_c$, the only solution is $d_1^* = d_2^* = 1$. For $b > b_c$, there are two solutions

$$d_1^* = d_2^* = d_{lo}^* < 1, \text{ and } d_1^* = d_2^* = d_{hi}^* > 1. \quad (15)$$

which are plotted in Figure 3

3.2 The N Player Game

At this point we can come back to the homogeneous system of peers of equation 8. A comparison of equations 8 and 9 shows that for the homogeneous system of peers, the fixed point equations 12 are now

$$d^* = \sqrt{b(N-1)d^*} - 1, \quad (16)$$

or in other words

$$d^* = (b(N-1)/2 - 1) \pm ((b(N-1)/2 - 1)^2 - 1)^{1/2}. \quad (17)$$

So, with the replacement of b by $b(N-1)$, the results for the two peer system are exactly applicable for the N player system as well. Although the homogeneous peer system is not realistic, we shall see that the *average* properties of the Nash equilibria for the heterogeneous system closely follow the homogeneous case.

²For general values of α ,

$$d^* = \left((b\alpha/2 - 1) \pm ((b\alpha/2 - 1)^2 - 1)^{1/2} \right)^{1/\alpha} \quad (14)$$

A solution to this equation exists only if $b\alpha \geq 4$.

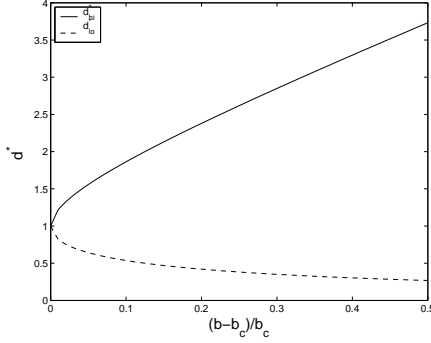


Figure 3: The Nash equilibrium contributions for the two peer system plotted as a function of scaled benefit $(b - b_c)/b_c$. For $b < b_c$, there are no equilibria. For all $b > b_c$ there are two possible equilibria

3.3 Stability of the Nash Equilibria

Since our system has two possible Nash equilibria, the natural question arises which equilibrium will be chosen by the system in practice. There is a natural learning scenario between peers which can help us answer this question. Suppose the user P_2 sets his contribution to some d_2 to start with. In this situation, P_1 can use the reaction function $r_1(d_2)$ to set his optimum contribution at d_1 . Seeing this contribution P_2 adjusts his own contribution and thus each peer takes turns in setting their contribution. If this process converges, then naturally that level of contribution for P_1 and P_2 will constitute a Nash equilibrium, i.e.

$$\begin{aligned} d_1^* &= r_1(r_1(r_1(\dots(d_2)))) \\ d_2^* &= r_2(r_2(r_2(\dots(d_1)))) \end{aligned} \quad (18)$$

The learning process and convergence is graphically outlined in Figure 4. From the figure we see that under this learning process, either the peers will quit the game (zero utility) or they will converge to the equilibrium d_{hi}^* . Note that this iterative procedure gives us an algorithm to find the stable Nash equilibrium of a game and we shall make use of it in section 4. The fixed point $d_{hi}^*(d_{lo}^*)$ is *locally stable(unstable)*, i.e. if the two peers start near the fixed point, under iteration of the mappings, they will move closer to (away from) the fixed point. It is gratifying to

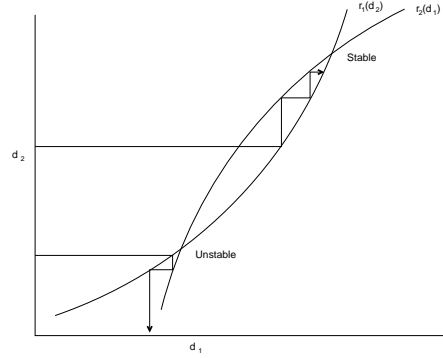


Figure 4: The Cournot learning process near the vicinity of the two fixed points. Here we have plotted the reaction functions from equations 10,11. For any starting value of $d_2 > d_{lo}^*$ (d_{lo}^* is the unstable fixed point), the learning process converges to the stable fixed point. If the starting point is too close to the origin, then the iteration moves away from the unstable fixed point and eventually ends up at 0.

see that the stable Nash equilibrium d_{hi}^* is also the desirable equilibrium for the performance of the system.

The stability of the fixed points can be estimated by linearizing the mappings r_1 and r_2 near the fixed point [7]. Consider a point $(d_1^* + \delta d_1, d_2^* + \delta d_2)$ close to the fixed point (d_1^*, d_2^*) . Expanding equation 12 around the fixed point, we find that after one iteration, the new deviations are given by

$$\begin{bmatrix} \delta d_1' \\ \delta d_2' \end{bmatrix} = \begin{bmatrix} 0 & (d_1^* + 1)/(2d_2^*) \\ (d_2^* + 1)/(2d_1^*) & 0 \end{bmatrix} \begin{bmatrix} \delta d_1 \\ \delta d_2 \end{bmatrix} \quad (19)$$

The new deviation will be smaller in magnitude than the old deviation provided the maximum eigenvalue $\sqrt{(d_1^* + 1)(d_2^* + 1)/(4d_1^*d_2^*)}$ of the matrix on the RHS is smaller than 1. For $b > b_c$, the fixed point $(d_{hi}^* > 1)$, is stable and the other fixed point (d_{lo}^*) is unstable. For $b = b_c$, the two fixed points collapse into one. The eigenvalues of the matrix are exactly equal to one and the deviations neither increase, nor decrease in magnitude, i.e. the fixed point is *neutral*.

4 Nash Equilibrium in the Heterogeneous System of Peers

In a heterogeneous system, we need to deal with the full complexity of the model. The fixed point equations for $\alpha = 1$ can be immediately derived in analogy with the two player game (equation 12) as

$$d_i^* = \left[\sum_{j \neq i} b_{ij} d_j^* \right]^{1/2} - 1. \quad (20)$$

Since it is not possible to solve this set of equations analytically, we use an iterative learning model to solve this system of equations.

4.1 The Learning Model and Simulation Results

Let us consider the interaction of users in a real P2P system. Any particular peer P_i interacts only with a limited set of all possible peers — these are the peers who serve files of interest to P_i . As it interacts with these peers, P_i learns of the contributions made by them and to maximize its utility adjusts its own contribution. Obviously this contribution that P_i makes is not globally optimal because it is based only on information from a limited set of peers. But after P_i has set its own contributions, this information will be propagated to the peers it interacts with and those peers will adjust their own contribution. In this way the actions of any peer P_i will eventually reach all possible peers. The reaction of the peers to P_i 's contribution will affect P_i itself and it will find that perhaps it will be better off by adjusting its contribution once more. In this way, every peer will go through an iterative process of setting its contribution. If and when this process converges, the resulting contributions will constitute a Nash equilibrium.

The iterative learning algorithm that we have chosen to solve equation 20 mimics this learning process. To start with, all the peers have some random set of contributions. In a single iteration of the algorithm, every peer P_i determines the optimal value of d_i that it should contribute given the values of d for other peers and the values of b_{ij} . At the end of the iteration the peers update their contributions to their new optimal values. Since now the contributions d_i are all different, the peers need to recompute their

optimal values of d_i and we can start the next iteration. When this iterative process converges to a stable point, we reach a Nash equilibrium. In the following numerical experiments we demonstrate that for heterogeneous system of peers, the iterative learning process does converge to the desirable Nash equilibrium d_{hi}^* and we compare the results with the analytic results for the system of homogeneous peers.

4.1.1 Choice of Parameters

We choose the number of peers N to be from 500-1000. Since a peer P_i interacts only with a small subset of its peers, b_{ij} is non-zero only for a few values of j . We also assume that the peers for which b_{ij} is non-zero are picked randomly from all possible peers. Note that this subset is not the set of neighbors in the overlay network sense, but the set of other peers with whom it exchanges files. The size of the set for which $b_{ij} \neq 0$ is chosen to be 2% of N . In general for smaller value of this fraction, the algorithm takes longer to reach the Nash equilibrium, but the equilibrium itself does not change. The values of b_{ij} do not evolve in time and we choose them from a Gamma distribution. The choice of Gamma distribution was arbitrary, we have experimented with Gaussian distribution as well. We choose the initial values of d_i from a Gaussian distribution. The distribution d_i evolves at every iteration and eventually converges to the Nash equilibrium distribution. The value of α for all our results is 1.0 unless otherwise specified.

4.1.2 Convergence to Nash Equilibrium

In Figure 5 we show the distribution of b_{ij} and d_i for $N = 1000$ peers. The values of b_{ij} were chosen from a Gamma distribution such that $b_{av} = 6.0$. The equilibrium values d_i^* distribute themselves in a bell shaped distribution with mean $d_{av}^* = 3.68$. If the system was completely homogeneous, than the distribution of b_{ij} would consist of a single peak at $b = b_{av}/(N - 1)$ and the corresponding value of d_{hi}^* from equation 17 would be 3.73 which is less than 1.5% away from the value of d_{av}^* . In Figure 6 we show the equilibrium average contribution by the peers as a function of average benefit. The solid line is the solution from the homogeneous system. As expected, the equilibrium contribution increases monotonically with increas-

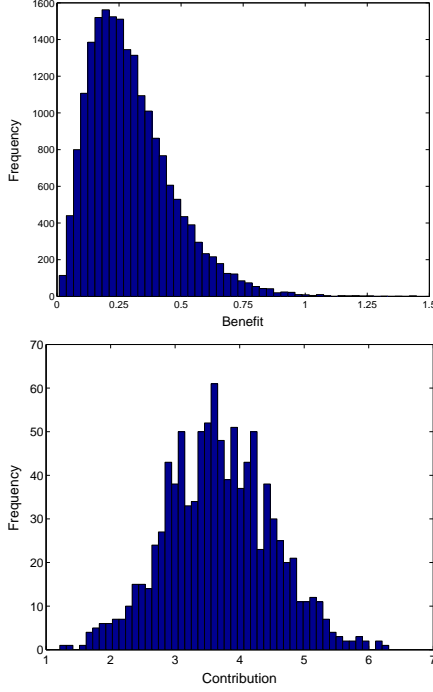


Figure 5: Distributions of benefit and resulting contribution for 1000 peers. The histogram for benefits is the distribution of b_{ij} for $b_{ij} \neq 0$. Corresponding $b_{av} = \frac{1}{N} \sum_{ij} b_{ij}$ is 6.0. For contribution, the average is 3.68.

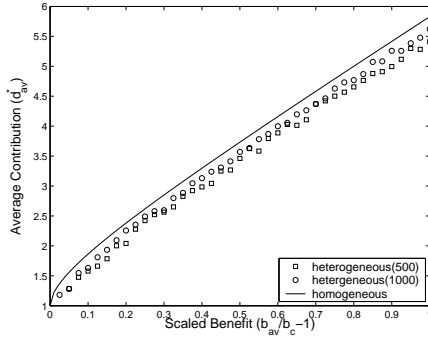


Figure 6: Average contribution at Nash equilibrium plotted against average benefit for 500 and 1000 peers. The solid line is the prediction from the homogeneous system (equation 13).

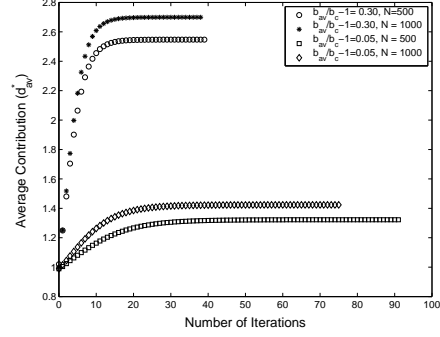


Figure 7: Average contribution at Nash equilibrium plotted against number of steps required to reach Nash equilibrium for 500 and 1000 peers. We assumed convergence was reached when the average contribution per peer differed no more than one part in a million. The average initial value of contribution per peer is 1.0. The values of average benefit are scaled as usual.

ing benefit. For average benefit $b_{av} < b_c$, the iterative algorithm converges to $d_i = 0$. Note that the two sets of results for 500 and 1000 peers almost coincide with each other. So our results are essentially independent of system size.

In Figure 7 we show the approach to convergence for the learning algorithm. The two data sets correspond to different values of average b_{av} . Higher the average value of b_{av} , faster is the convergence to equilibrium. As the value of b_{av} approach the critical value b_c , approach to equilibrium becomes slower and slower. This is to be expected since we have argued in section 3.3 that near the critical point, any deviation dies out very slowly. We have observed that for a wide set of initial conditions for d_i , the process always converges to a unique Nash equilibrium. For very small initial values of d_i , we are close to the unstable Nash equilibrium and the iteration converges to zero, i.e. the contribution by all peers vanish and the system collapses. The data for system collapse is not shown, but Figure 4 illustrates the situation.

4.1.3 Inactive or Uncooperative Peers

In Figure 8, we show the effect of some peers leaving the system. Intuitively one would think that if some peers

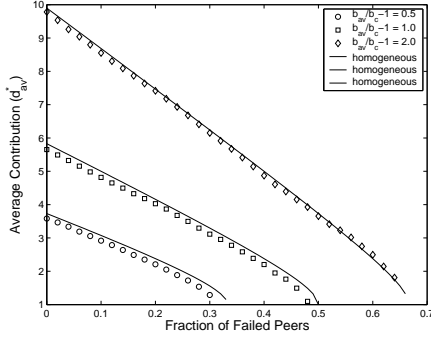


Figure 8: Average contribution at Nash equilibrium plotted against fraction of peers alive. Total number of peers is 1000. The solid lines are predictions from the homogeneous system model (equation 13).

leave the system, the benefit per peer would be reduced and we should be seeing pretty much the same behavior as in Figure 6. Our simulations confirm this intuition. As the fraction of active peers dwindle, the contribution from each of the peers decrease and at some point, the benefits are too low for the peers and the whole system collapses. The system can be pretty robust for high benefits : for a benefit level of $(b_{av} - b_c)/b_c = 2.0$, the system can survive until 2/3 of the peers leave the system. In contrast to traditionally fragile distributed systems, we see that for P2P systems robustness increase with size : as the system grows bigger and bigger, benefits for each peer increases and the system becomes more robust to random fluctuations.

In Figure 9 we explore the effect of having peers which behave uncooperatively, i.e. they refuse to adjust their contribution and simply make a constant contribution. The effect of such non-cooperative peers is clear. If they constitute 100% of the peers, of course the average contribution is equal to their contribution. Otherwise their effect is to bias the equilibrium contribution value toward them.

5 Discussion

In this paper we have proposed a differential service based incentive mechanism for P2P systems to eliminate free

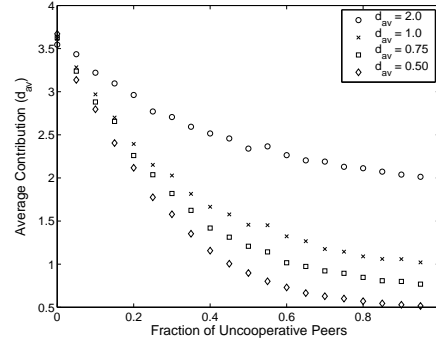


Figure 9: Average contribution at Nash equilibrium plotted against fraction of uncooperative peers. Total number of peers is 1000. The labels specify the average contribution of uncooperative peers. Average benefit is $b_{av}/b_c - 1 = 0.5$.

riding and increase overall availability of the system. We have shown that a system with differential incentives will eventually operate at Nash equilibrium. The strategy of a peer P_i wishing to join the system depends on a single parameter b_i which is the benefit that P_i can derive from the system. If the benefit b_i is larger than a critical benefit b_c , then the peer's best option is to join the system and operate at the Nash equilibrium value of contribution. If on the other hand $b_i < b_c$, the peer is better off not joining the system. When $b_i = b_c$, the peer is indifferent between these two options. These properties are robust and do not depend on the details of the particular incentive mechanism that is used.

5.1 Implications for System Architecture

The incentive policy that we have discussed can be implemented with minor modifications to current P2P systems. Let us look at some of the modifications required.

Current P2P architectures do not restrict download in any way except by enforcing queues and maximum number of possible open connections. Our incentive scheme is easily implemented by accepting requests from peers with a probability $p(d)$. To prevent rapid fire requests from the same peer, it will be necessary to keep record of a request for a small duration of time. In our discussion we have as-

sumed that the function $p(d)$ is same for all users, i.e. it is part of the system architecture which can not be modified by users. For greater flexibility, it is possible to allow individual peers to configure $p(d)$, but the effects on overall system performance is not clear.

The contribution is measured in terms of uptime and disk space. When a peer makes a request for a file, the contribution information can be attached as an extra header to the request. In fact, the current Gnutella protocol already sends metadata like shared disk space and uptime with its request messages. New users can be given a default value of contribution for a limited period of time so that they can start using the system at a reasonable level.

There is incentive for peers to misreport contributions so that they can reap the benefit of the system while making no contribution. To prevent such misuse, it is possible to implement a *neighbor audit scheme*. Such a scheme is especially attractive in a fixed network topology such as the CAN [9] or Chord [12] system. Every peer will continually monitor the uptime and disk space of its neighbor. If any doubt exists about the accuracy of the information reported by a peer, the information can be verified from its neighbor.

5.2 Alternative Metrics for Contribution and Incentive

We have touched upon only a handful of questions that are relevant to building a reliable P2P architecture with incentives. There are many unresolved issues which will have to be addressed in future by system architects. For example, what is the best metric for the contribution of a user? A popular metric is the number of uploads provided by a peer. So the peers that provide the most popular files and have the highest bandwidth are deemed to contribute the most. Our metric, which simply integrates disk-space over time does not discriminate against low bandwidth peers or peers which provide file which are not very popular. Such a metric is very appropriate for a project like Freenet [1] which aspires to be an anonymous publishing system regardless of the popularity of the documents published. The metric that is in practical use by KaZaA is

called *participation level* and is given by

$$\text{participation level} = \frac{\text{uploads in MB}}{\text{downloads in MB}} \times 100. \quad (21)$$

The participation level is capped at a maximum of 1000.

Our analysis of incentives relied on the peers being rational and trustworthy. Trust is not easy to enforce. The neighbor audit scheme will deter individual misbehavior, but collusion among a set of peers is still possible. Another trust related problem involves malicious peers who contribute fake files. The idea of EigenTrust [6] is a significant step in this direction which also protects against collusion among malicious peers.

The incentive scheme we have outlined is through selective denial of requests. There are other ways to implement incentives. For example one could implement differential service for P_i by restricting the download bandwidth to a fraction $p(d_i)$ of the total bandwidth available. KaZaA's participation level operates on a similar principle: if more than one peer requests the same file, the peer with smaller participation level is pushed to the back of the queue.

Instead of implementing incentives on download level, one could also restrict the search capabilities of a peer. The basic idea is to reduce the number of peers to which queries are propagated. In Gnutella, a peer forwards a query to its neighbors based on the Time To Live (TTL) field. By reducing the TTL of the query or by forwarding the query only to a fraction of the total neighbors, the search space for the query can be restricted.

$$\text{scaled TTL for } P_i = \lceil p(d_i) \times \text{initial TTL} \rceil \quad (22)$$

We note that the effect of restricting search using a function $p(d)$ is *not* equivalent to restricting download using the same function. Network topology will have a significant role to play in determining the actual set of files that a user has access to. Regardless of the actual implementation of incentives, our conclusions concerning existence and properties of the Nash equilibrium in the system will remain qualitatively unchanged.

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