

Multi-Objective RL With Multi-Agent Bidding

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Summary

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Contribution(s)

1. Provide a succinct but precise list of the contribution(s) of the paper. Use contextual notes to avoid implications of contributions more significant than intended and to clarify and situate the contribution relative to prior work (see the examples below). If there is no additional context, enter “None”. Try to keep each contribution to a single sentence, although multiple sentences are allowed when necessary. If using complete sentences, include punctuation. If using a single sentence fragment, you may omit the concluding period. A single contribution can be sufficient, and there is no limit on the number of contributions. Submissions will be judged mostly on the contributions claimed on their cover pages and the evidence provided to support them. Major contributions should not be claimed in the main text if they do not appear on the cover page. Overclaiming can lead to a submission being rejected, so it is important to have well-scoped contribution statements on the cover page.

Context: None

2. The submission template for submissions to RLJ/RLC 2025

Context: Built from previous RLC/RLJ, ICLR, and TMLR submission templates

3. *[Example of one contribution and corresponding contextual note for the paper “Policy gradient methods for reinforcement learning with function approximation” (?).]*

This paper presents an expression for the policy gradient when using function approximation to represent the action-value function.

Context: Prior work established expressions for the policy gradient without function approximation (?).

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Abstract

1

2 1 Introduction

3 **TODO:** I am putting this here, it will go at the end of the introduction.

4 Prior works proposed a composition technique based on Q-learning. Each local policy π^i for each
 5 individual reward function R^i would be designed using a Q-learning agent that disregards all reward
 6 functions other than its own. Along the Q-function, it also learns a W-function which maps every
 7 state to a numeric importance score (Humphrys, 1995). Intuitively, if $W(s)$ is high, then it is highly
 8 important for the local policy to be able to execute its action in the state s . The composition of
 9 policies happens at runtime, when at each state s , if $W^i(s)$ is the W-value of the i -th local policy,
 10 for $i \in [1; m]$, and if $i^* = \arg \max_i W^i(s)$, then we select the action proposed by the policy π^{i^*} at
 11 the current state s . It has been demonstrated that, interestingly, W-learning generates selfish local
 12 policies that end up cooperating in practice. Subsequently, this framework has been extended to
 13 deep learning and applied to realistic applications (Rosero et al., 2024).

14 A limitation of W-learning is that it assumes that all local policies will be honest while broadcasting
 15 their W-values: if any of the policies is dishonest, i.e., emits a higher W-value than the actual, then it
 16 will get undue advantages in executing its actions, potentially compromising the global performance.
 17 To put it in game theoretic terminologies, the local policies are not “strategyproof.” This could be a
 18 serious issue if, e.g., the local policies are obtained through different third-party vendors.

19 2 Preliminaries: Multi-Objective MDPs

20 Mainstream RL algorithms consider Markov decision processes (MDP) equipped with a *single* re-
 21 ward function, pertaining to a single task or *objective* for the system. In reality, a majority of real-
 22 world applications of RL requires satisfying multiple, partly contradictory objectives. We model
 23 such multi-objective decision-making problems using multi-objective MDPs (MO-MDP), as for-
 24 mally defined below. Intuitively, an MO-MDP has the exact same syntax as a regular MDP, except
 25 that it now has multiple reward functions pertaining to the different objectives. We formalize MO-
 26 MDP below. We will use the notation $\mathbb{D}(\Sigma)$ to represent the set of all probability distributions over
 27 a given alphabet Σ .

28 **Definition 1** (MO-MDP). *A multi-objective Markov decision process (MO-MDP) with $m \in \mathbb{Z}_{>0}$*
 29 *objectives is specified by a tuple $\mathcal{M} = (S, A, T, R, \mu_0)$, where*

- 30 • S is the set of states,
- 31 • A is the set of actions,
- 32 • $T : S \times A \rightarrow \mathbb{D}(S)$ is the transition function mapping a state-action pair to a distribution over
- 33 the successor states,
- 34 • $\{R^i : S \times A \times S \rightarrow \mathbb{R}_{\geq 0}\}_{i \in [1; m]}$ is the set of reward functions, and

35 • $\mu_0 \in \mathbb{D}(S)$ is the initial state distribution.

36 The notions of policies and paths induced by them are exactly the same as in classical MDPs, which
 37 we briefly recall below. First, we introduce some notation. Given an alphabet Σ , we will write
 38 Σ^* and Σ^ω to denote the set of every finite and infinite word over Σ , respectively, and will write
 39 $\Sigma^\infty = \Sigma^* \cup \Sigma^\omega$. Given a word $w = \sigma_0\sigma_1 \dots \in \Sigma^\infty$, and given a $t \geq 0$ that is not larger than the
 40 length of w , we will write w_t and $w_{0:t}$ to denote respectively the t -th element of w , i.e., $w_t = \sigma_t$,
 41 and the prefix of w up to the t -th element, i.e., $w_{0:t} = \sigma_0 \dots \sigma_t$.

42 A *policy* in an MO-MDP \mathcal{M} is a function $\pi : (S \times A)^* \times S \rightarrow \mathbb{D}(A)$ that maps a history of
 43 state-action pairs and the current state to a distribution over actions. A *path* on \mathcal{M} induced by π is a
 44 sequence $\rho = (s_0, a_0)(s_1, a_1), \dots \in (S \times A)^\infty$ such that for every $t \geq 0$, (1) the probability that the
 45 action a_{t+1} is picked by π based on the history is positive, i.e., $\pi(\rho_{0:t}, s_{t+1})(a_{t+1}) > 0$, and (2) the
 46 probability of moving to the state s_{t+1} from s_t due to action a_t is positive, i.e., $T(s_t, a_t)(s_{t+1}) >$
 47 0. A path can be either finite or infinite, and we will write $Paths(\mathcal{M}, \pi)$ to denote the set of all
 48 infinite paths fo \mathcal{M} induced by π . Given a finite path $\rho = (s_0, a_0) \dots (s_t, a_t)$, the probability that ρ
 49 occurs is given by: $\mu_0(s_0) \cdot \prod_{k=0}^{t-1} T(s_k, a_k)(s_{k+1}) \cdot \pi(\rho_{0:k}, s_{k+1})(a_{k+1})$. This can be extended to
 50 a probability measure over the set of all infinite paths in \mathcal{M} using standard constructions, which can
 51 be found in the literature (Baier & Katoen, 2008). Given a measurable set of paths Ω and a function
 52 $f : Paths(\mathcal{M}, \pi) \rightarrow \mathbb{R}$, we will write $\mathbb{P}^{\mathcal{M}, \pi}[\Omega]$ and $\mathbb{E}^{\mathcal{M}, \pi}[f]$ to denote, respectively, the probability
 53 measure of Ω and the expected value of f evaluated over random infinite paths.

54 We will use the standard discounted reward objectives, where we fix $\gamma \in [0, 1]$ as a given discounting
 55 factor. Let $\rho = (s_0, a_0)(s_1, a_1), \dots \in Paths(\mathcal{M}, \pi)$ be an infinite path induced by π . Define the
 56 discounted sum function, mapping ρ to the discounted sum of the associated rewards: $f_{ds}^i(\rho) :=$
 57 $\sum_{t=0}^{\infty} \gamma^t \cdot R^i(s_t, a_t)$. The *i-value* of the policy ρ for \mathcal{M} is the expected value of the discounted sum
 58 of the i -th reward we can secure by executing ρ on \mathcal{M} , written as $val^{\mathcal{M}, i}(\pi) = \mathbb{E}^{\mathcal{M}, \pi}[f_{ds}^i]$. When
 59 the reward index i is unimportant, we will refer to every element of the set $\{val^{\mathcal{M}, i}\}_{i \in [1; m]}$ as a
 60 *value component*.

61 When the MO-MDP \mathcal{M} is clear from the context, we will drop it from all notation and will simply
 62 write $Paths(\pi)$, \mathbb{P}^π , \mathbb{E}^π , and val^i .

63 It is known that *memoryless* (aka, stationary) policies suffice for maximizing single discounted re-
 64 ward objectives, where a policy π is called memoryless if the proposed action only depend on the
 65 current state. In other words, given every pair of finite paths ρ, ρ' both ending at the same state, the
 66 probability distributions $\pi(\rho)$ and $\pi(\rho')$ are identical.

67 Unlike classical single-objective MDPs, the optimal policy synthesis problem for MO-MDP requires
 68 fixing one of many possible optimality criteria. Many possibilities exist, including pareto optimality,
 69 requiring a solution where none of the value components could be unanimously improved without
 70 hurting the others; weighted social welfare, requiring a weighted sum of the value components be
 71 maximized; and fairness, requiring the minimum attained value by any value component is maxi-
 72 mized. **TODO: Give some citations for each category.**

73 3 Auction-Based Compositional RL on Multi-Objective MDPs

74 We consider the compositional approach to policy synthesis for MO-MDPs, where we will design a
 75 selfish, *local* policy maximizing each individual value component, and the composition of all local
 76 policies gives rise to some globally optimal solution. The main crux is in the composition process,
 77 where each local policy may propose a different action, but the composition must decide one of
 78 the actions that will be actually executed. Importantly, the composition must be implementable
 79 in a distributed manner, meaning we will *not* use any global policy that would pick an action by
 80 analyzing all local policies and their reward functions. **TODO: running example**

3.1 The Framework

We present a novel *auction*-based RL framework for compositional policy synthesis for MO-MDPs. In our framework, not only do the local policies emit actions, but also they *bid* for the privilege of executing their actions for a given number of time steps $\tau \in \mathbb{N}_{>0}$ in future. The bids are all nonnegative real numbers, and the highest bidder’s actions get executed for the subsequent τ steps, with ties being resolved uniformly at random. The policy whose actions are executed is referred to as the *active* policy while the rest are called *idle* policies. To discourage overbidding, we require the active policy to pay a one-time price—modeled as a negative reward or a *penalty*—equal to its bid value. This way, it is against the interest of a policy to bid more than the total reward it would earn if it is active in the next τ steps; otherwise, the net earning would be negative, while bidding the zero amount would secure non-negative earnings. Through bidding, each policy can communicate the importance for it to execute its actions, and the composition mechanism guarantees that the most important policy is executed.

The parameter τ controls how frequently the agent changes its policies. In practice, if τ is too small, the switching could be too frequent for any of the objectives to be fulfilled. For example, **TODO: running example...**

We introduce three different variations of the compositional framework, based on three kinds of reward systems for the idle policies:

1. Each idle policy earns a reward of the same amount as its bid, in addition to the default reward from the transitions in the MO-MDP.
2. Idle policies only get the default reward specified by the original MO-MDP, i.e., they neither earn a reward nor pay a penalty associated to the bidding.
3. Just like the active policy, each idle policy pays a penalty of the same amount as its bid.

Each of the three variations have their own benefits and pitfalls, which we will describe subsequently in Section 3.3.

3.2 Learning Local Policies

We show that computing each individual local policy in our framework reduces to finding the optimal policy in a stochastic game, for which we could use any standard off-the-shelf learning framework. In particular, given an MO-MDP and given the objective $i \in [1; m]$, we construct a stochastic game that captures all possible interactions of policy i against the other policies.

Suppose we are given the MO-MDP $\mathcal{M} = (S, A, T, R, \mu_0)$.

3.3 A Comparative Study of the Three Variations

4 A Multi-Agent Bidding Approach for Multi-Objective RL

Definition 2 (MO-MDP). A multi-objective Markov decision process (MO-MDP) with $m \in \mathbb{Z}_{>0}$ objectives is specified by a tuple $\mathcal{M} = (S, A, T, R, \mu_0)$, where

- S is the set of states,
- A is the set of actions,
- $T : S \times A \rightarrow \mathbb{D}(S)$ is the transition function mapping a state-action pair to a distribution over states,
- $R : S \times A \times S \rightarrow \mathbb{R}^m$ is the reward function with each output component corresponding to the different objectives, and
- $\mu_0 \in \mathbb{D}(S)$ is the initial state distribution.

123 A policy in an MO-MDP \mathcal{M} is a function $\pi : (S \times A)^* \times S \rightarrow \mathbb{D}(A)$ that maps a history of
 124 state-action pairs and the current state to a distribution over actions.

125 **Definition 3** (MAB-MDP). Let $\mathcal{M} = (S, A, T, R, \mu_0)$ be an MO-MDP with m objectives and
 126 let $b \in \mathbb{Z}_{>0}$ be the bid upper bound. Also, define $M = \{1, \dots, m\}$ be indices of the m agents
 127 corresponding to the m objectives along with \perp representing a null agent. Lastly, let $B = \{0, \dots, b\}$
 128 be the range of bids and $\rho > 0$ be the bid penalty factor. We define the multi-agent bidding Markov
 129 decision process (MAB-MDP) as a tuple $\mathcal{B}_{\mathcal{M}} = (\hat{S}, \hat{A}, \hat{T}, P, \hat{R}, \hat{\mu}_0)$ where

- 130 • $\hat{S} = M \times S$ is the new state space augmented with the index of the agent that won the previous
 131 round of bidding,
- 132 • $\hat{A} = A^m \times B^m$ represents the action space of the m agents in which each agent selects an action
 133 from A and a bid from B ,
- 134 • $\hat{T} : \hat{S} \times \hat{A} \rightarrow \mathbb{D}(\hat{S})$ is the new transition function defined as,

$$\hat{T}((_, s), (\mathbf{a}, \mathbf{b})) := \frac{1}{|B_{\max}|} \sum_{i \in B_{\max}} (T(s, a_i), i)$$

135 where $B_{\max} := \{i \mid b_i = \max\{b_1, \dots, b_m\}\}$ is the set of agents with maximal bids. The tuple
 136 $(T(s, a_i), i)$ represents the distribution over \hat{S} induced by the original transition function T such
 137 that the second component is fixed, and the weighted sum represents taking the weighted sums of
 138 the distributions over \hat{S} .

- 139 • $P : \hat{A} \times M \rightarrow \mathbb{R}^m$ is the bidding penalty for the m agents and the second component is the index
 140 of the agent that won the bidding.
- 141 • $\hat{R} : \hat{S} \times \hat{A} \times \hat{S} \rightarrow \mathbb{R}^m$ is the reward function for the m agents with

$$\hat{R}_k((_, s_0), (\mathbf{a}, \mathbf{b}), (i, s)) := R_k(s_0, a_i, s) - P_k((\mathbf{a}, \mathbf{b}), i)$$

142 where $i \in M$ is the index of the agent that won the bid and chose the action.

- 143 • $\hat{\mu}_0 := (\mu_0, 1)$ is the initial state distribution over \hat{S} induced by μ_0 and the second component is
 144 fixed to be 1 without loss of generality.

145 Given an MAB-MDP $\mathcal{B}_{\mathcal{M}}$, a policy for each agent indexed by $i \in \{1, \dots, m\}$ takes a similar form:
 146 $\pi_i : (\hat{S} \times \hat{A})^* \times \hat{S} \rightarrow \hat{A}$. Intuitively, a state $(i, s) \in \hat{S}$ encodes the agent that won the bidding and
 147 chose the action to reach s in the previous step. At each step, each of the agents choose an action and
 148 a bid, and an action amongst the set of highest bidders is chosen uniformly at random. The reward
 149 function includes a penalty term that captures the desired bidding mechanism.

150 References

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