1st Year Report

Jonathan Thaler

March 6, 2017

Abstract

1 Part I: Basic Research

How can ABS/M be done in pure functional programming Haskell? Is it convenient? Are there special benefits / disadvantages to it?

- start with suitability of haskel / pure functional paradigm as implementation for ABS: take the programming paradigm paper for that. - extend section on Haskell with implementation details (no direct method/function call, parallelism, concurrency) - add special section on STM because its a killer-feature for concurrent ABS in Haskell - section on update-strategies following my submitted paper - EDSL for Functional Reactive ABS/M - model checking and reasoning by quickcheck: [3], [9]

2 Part II: Fields of Application

Applying the methods to ACE and / or Social Simulation. Need a short description of the fields and the usage of ABS/M there.

- section on ACE with special emphasis on simulated economies (ACE Trading World): gowdo equlibrium prices form? - section on Social Simulations with special emphasis on SugarScape: how do societies form? Also includes markets and trading - maybe this model is enough - my new idea: extend SugarScape with a metaphysical model of death and rebirth with karma

3 ACE

3.1 Motivation

[12] gives a broad overview of agent-based computational economics (ACE), gives the four primary objectives of it and discusses advantages and disadvantages. She introduces a model called $ACE\ Trading\ World$ in which she shows

how an artificial economy can be implemented without the *Walrasian Auction*eer but just by agents and their interactions. She gives a detailed mathematical specification in the appendix of the paper which should allow others to implement the simulation.

3.2 Research Questions

negotiation: cant call methods on each other but how can we implement negotiation in a pure functional way?

MY INTERESTS: - Artificial agent-based economies: [12], [7], [8], [5], [1] - Artificial agent-based markets: [10], [4] - Agent-Based Market Design: [11], [2] Benefits of pure functional paradigm: - no side-effects - static, strong type-system

Implications of benefits: - EDSL, expressive - fewer LoC - fewer bugs - parallelism - Debugging: QuickCheck

Possible ideas / directions - Software-Quality - EDSL for modelling, where model specification = haskell code - QuickCheck in ABS (first useage in this field?)

- Qualitative Modelling - EDSL for qualitative, descriptive modelling instead of quantitative

4 Part III: Phd Research

Describe the idea, motivation and research questions of the method I want to research

5 Meta Agent-Based Simulation

- TODO: i have only the idea but am lacking a theory or hypothesis for its use
- meta need a kind of decision error measure to distinguish between various meta-simulations. also we need a mechanism to sample the decision space =; it can be considered to be an optimization technique.

5.1 Overview

5.1.1 Idea

Give each Agent the ability to run the simulation locally from its point of view do anticipate its actions and change them in the future thus introducing a metalevel in the simulation, from which the method derives its name.

5.1.2 Problems

• Definition of a recursive, declarative description of the Model.

- Perfect information about other agents is not realistic and runs counter to agent-based simulation (especially in social sciences) thus an Agent needs to be able to have local, noisy representations of the other agents.
- Local representation of other agents could be captured by Hidden Markov Models: observe what other agents do but have hidden interpretation of their internal state these internal state-representations can be different between the local and the global version whereas the agent learns to represent the global version as best as possible locally.
- Infinite regress is theoretically possible but not on computers, we need to terminate at some point

5.1.3 Interpretation

It can be regarded as a Model of Free Will in ABS, which allows learning in an ABS environment in a new way - look on the section of interpretation.

5.1.4 Application

hypothesis: allows to model social and psychological phenomena like free will. Mostly in social sciences, maybe also in economics. Investigate SugarScape, PrisonersDilemma and ACE Trading World

TODO: question: what is the meaning of an entity running simulations? it strongly depends on the context: in ACE it may be search for optimization behaviour, in Social Simulation it may be interpreted as a kind of free will

5.1.5 Research Questions

- 1. How does deep regression influence the dynamics of a system? Hypothesis: $\ensuremath{\mathsf{TODO}}$
- 2. How do the dynamics of a system change when using perfect information or learning local information? Hypothesis: TODO
- 3. Is a hidden markov model suitable for the local learning? Hypothesis: TODO
- 4. How can MetaABS best be implemented? Hypothesis: implementing a MetaABS EDSL in a pure functional language like Haskell, should be best suited due to its inherent recursive, declarative nature, which should allow a direct mapping of features of this paradigm to the specification of the meta-model
- functional programming perfect. standard toolkits (anylogic, netlogo, repast) are not capable of doing this extend my existing EDSL for functional reactive agent-based simulation & modelling (FrABS/M) with recursive functionality

5.1.6 Related Research

TODO: [6] cite paper of recursive simulation: [] military simulation, [] not explicitly abs, [] implemented in c++, [] deterministic models seem to benefit significantly from using recursions of the simulation for the decision making process. when using stochastic models this benefit seems to be lost

References

- BOTTA, N., MANDEL, A., IONESCU, C., HOFMANN, M., LINCKE, D., SCHUPP, S., AND JAEGER, C. A functional framework for agent-based models of exchange. *Applied Mathematics and Computation* 218, 8 (Dec. 2011), 4025–4040.
- [2] BUDISH, E., CRAMTON, P., AND SHIM, J. Editor's Choice The High-Frequency Trading Arms Race: Frequent Batch Auctions as a Market Design Response. *The Quarterly Journal of Economics* 130, 4 (2015), 1547–1621.
- [3] CLAESSEN, K., AND HUGHES, J. QuickCheck: A Lightweight Tool for Random Testing of Haskell Programs. In *Proceedings of the Fifth ACM SIG-PLAN International Conference on Functional Programming* (New York, NY, USA, 2000), ICFP '00, ACM, pp. 268–279.
- [4] Darley, V., and Outkin, A. V. Nasdaq Market Simulation: Insights on a Major Market from the Science of Complex Adaptive Systems. World Scientific Publishing Co., Inc., River Edge, NJ, USA, 2007.
- [5] GAFFEO, E., GATTI, D. D., DESIDERIO, S., AND GALLEGATI, M. Adaptive microfoundations for emergent macroeconomics. Department of Economics Working Paper 0802, Department of Economics, University of Trento, Italia, 2008.
- [6] GILMER, JR., J. B., AND SULLIVAN, F. J. Recursive Simulation to Aid Models of Decision Making. In *Proceedings of the 32Nd Conference on Winter Simulation* (San Diego, CA, USA, 2000), WSC '00, Society for Computer Simulation International, pp. 958–963.
- [7] GINTIS, H. The Emergence of a Price System from Decentralized Bilateral Exchange. *Contributions in Theoretical Economics* 6, 1 (2006), 1–15.
- [8] Gintis, H. The Dynamics of General Equilibrium. SSRN Scholarly Paper ID 1017117, Social Science Research Network, Rochester, NY, Sept. 2007.
- [9] HUTTON, G. A Tutorial on the Universality and Expressiveness of Fold. J. Funct. Program. 9, 4 (July 1999), 355–372.

- [10] MACKIE-MASON, J. K., AND WELLMAN, M. P. Chapter 28 Automated Markets and Trading Agents. In *Handbook of Computational Economics*, L. T. a. K. L. Judd, Ed., vol. 2. Elsevier, 2006, pp. 1381–1431. DOI: 10.1016/S1574-0021(05)02028-9.
- [11] Marks, R. Chapter 27 Market Design Using Agent-Based Models. In *Handbook of Computational Economics*, L. T. a. K. L. Judd, Ed., vol. 2. Elsevier, 2006, pp. 1339–1380. DOI: 10.1016/S1574-0021(05)02027-7.
- [12] Tesfatsion, L. Agent-Based Computational Economics: A Constructive Approach to Economic Theory. Handbook of Computational Economics, Elsevier, 2006.