# Mechanism Design for Social Good

**Rediet Abebe** 

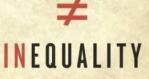
**Cornell University** 



# SOCIAL STRATIFICATION

Class, Race, and Gender in Sociological Perspective

David B. Grusky



What can be done?

ANTHONY B. ATKINSON

#### 6 - David B. Grusky and Manwai C. Ku

Table 1. Types of Assets and Examples of Advantaged and Disadvantaged Groups

Assets		Examples	
Asset group	Examples of types	Advantaged	Disadvantaged
1. Economic	Wealth	Billionaire	Bankrupt worker
	Income	Professional	Laborer
	Ownership	Capitalist	Worker (i.e., employed)
2. Power	Political power	Prime minister	Disenfranchised person
	Workplace authority	Manager	Subordinate worker
	Household authority	Head of household	Child
3. Cultural	Knowledge	Intelligentsia	Uneducated persons
	Digital culture	Silicon Valley residents	Residents of other places
	"Good" manners	Aristocracy	Commoners
4. Social	Social clubs	Country club member	Nonmember
	Workplace associations	Union member	Nonmember
	Informal networks	Washington A-list	Social unknown
5. Honorific	Occupational	Judge	Garbage collector
	Religious	Saint	Excommunicate
	Merit-based	Nobel Prize winner	Nonwinner
6. Civil	Right to work	Citizen	Illegal immigrant
	Due process	Citizen	Suspected terrorist
	Franchise	Citizen	Felon
7. Human	On-the-job training	Experienced worker	Inexperienced worker
	General schooling	College graduate	High school dropout
	Vocational training	Law school graduate	Unskilled worker
8. Physical	Mortality	Person with long life	A "premature" death
	Physical disease	Healthy person	Person with AIDS, asthm
	Mental health	Healthy person	Depressed, alienated









"official 'income only' measurements of poverty... painted a picture that was too optimistic and didn't capture the magnitude of disadvantage, nor the true struggles New Yorkers face in trying to make ends meet."





How can we incorporate income shocks? Can these give us insights into how we should allocate resources?

## **Related Work**

- Optimal income taxation (Mirrlees, 1971)
- Public economics work on consumption dynamics and agent-level response to subsidies (Golosov et al., '03; Diamond & Mirrlees '78; Cremer & Ghavari '95)
- Emerging style of work using computational and optimization-based methods to inform assistance programs (Findeisen and Sachs, '16; Kube et al., '18)
- Investigation and ethics of allocating scarce societal resources (Calabresi and Bobbitt, '74; Elster, '92; Eubanks, '18)

#### Income Shocks and Individuals' Welfare

**Plan**: model welfare to incorporate families' income, wealth, and income shocks

**Objective:** avoid undesirable live-event (e.g. eviction, loss of job, poor health)

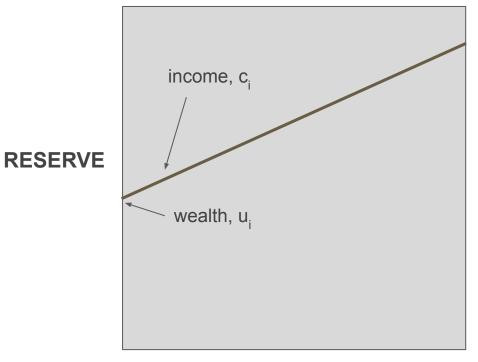
**Techniques:** formulate optimization problem & analyze computational tractability



The Role of Emergency Savings in Family Financial Security

How Do Families Cope With Financial Shocks?

# Modeling an Agent's Reserve



#### Reserve: no shocks

$$R_i(t) = u_i + c_i t$$

TIME

# Modeling an Agent's Reserve

# **RESERVE** ruin TIME

#### Reserve: with shocks

$$R_i(t) = u_i + c_i t - \sum_{j:T_{ij} \le t} S_{ij}$$

- Shocks:  $S_{i1}, S_{i2}, \ldots$  arriving at  $T_{i1}, T_{i2}, \ldots$
- Poisson arrival, rate  $\beta_i$
- Shocks drawn from  $F_i$

## **The Optimization Problem**

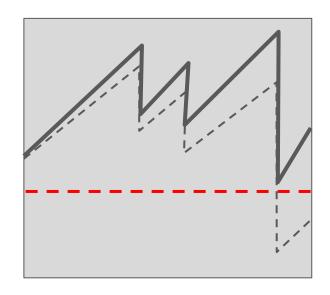
**Object of Interest**: ruin probability

$$\psi_i = \psi(c_i, u_i, \beta_i, F_i)$$

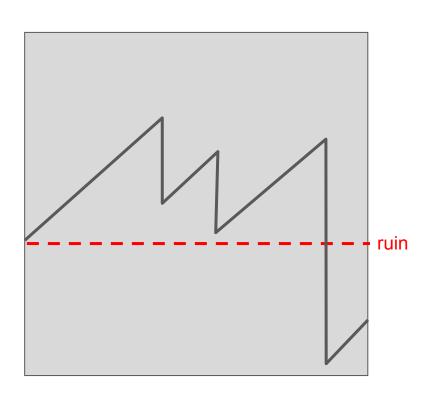
**Income Subsidy:** supplement agent's income with x<sub>i</sub> subject to budget constraint B

Min-sum: minimize expected # of ruin

$$\min_{x_1 + \dots + x_n = B} \sum_{i=1}^{n} \psi(c_i + x_i, u_i, \beta_i, F_i)$$



### The Case with No Initial Wealth



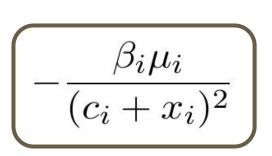
Suppose we have shock-size distribution  $F_i$  given by only its mean  $\mu_i$ 

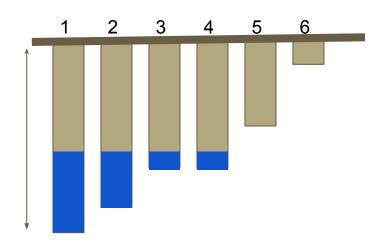
Assume positive drift,  $c_i - \beta_i \mu_i > 0$ 

Ruin probability has a simple expression

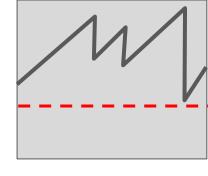
$$\psi(c_i, 0, \beta_i, \mu_i) = \frac{\beta_i \mu_i}{c_i}.$$

## **An Optimal Solution for Income Subsidy**

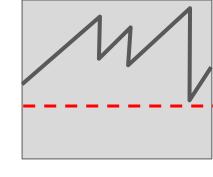




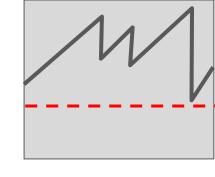
"official 'income only' measurements of poverty... painted a picture that was too optimistic and didn't capture the magnitude of disadvantage, nor the true struggles New Yorkers face in trying to make ends meet."



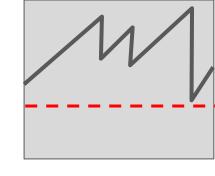
(1) income vs. our ordering?



(1) income vs. our ordering? Maximally



- (1) income vs. our ordering? Maximally
- (2) min-sum vs. min-max?



- (1) income vs. our ordering? Maximally
- (2) min-sum vs. min-max? Maximally



- (1) income vs. our ordering? Maximally
- (2) min-sum vs. min-max? Maximally
- (3) income vs. wealth subsidy?



- (1) income vs. our ordering? Maximally
- (2) min-sum vs. min-max? Maximally
- (3) income vs. wealth subsidy? Maximally

#### The General Case

General distribution of shock sizes

Agents' reserve can have negative drift: ruin probability = 1

Function  $\phi$  is no longer convex; can show optimization is NP-hard

**Theorem:** we can give a fully-polynomial time approximation scheme (FPTAS) to optimize for the min-sum objective.

# **Data Inequalities**

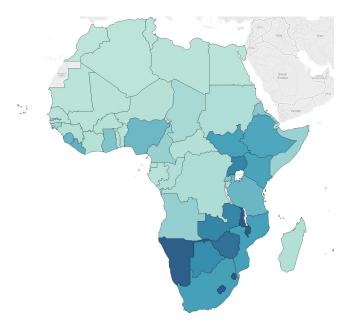


(U.S. Trans Survey, 2015)

(Fountain and Bearman, 2012)

(Abebe et al., 2019)



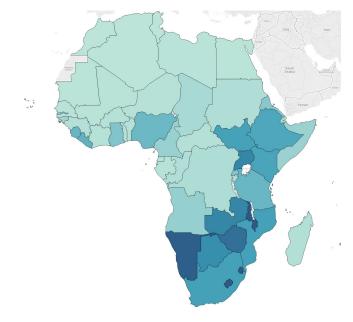


Using Search Queries to Understand Health Information Needs in Africa

R. Abebe, S. Hill, J. W. Vaughan, P. Small, and H. Andrew Schwartz. (ICWSM, 2019)

(2.28%) Symptoms:
pain, sign, lymph, swollen,
nodes, sore, symptom,
symptoms, throat,
infection

(0.46%) Stigma: stigma, issues, discrimination, related, ethical, legal, prevention, safety, pdf, workplace **(0.85%) Drugs:** drug, treatment, patients, abuse, therapy, drugs, resistance, antiretroviral, substance



(0.74%) Natural Cures: cure, oil, black, healing, heal, healed, seed, herbs, natural, cures

(0.66%) Breastfeeding:

positive, baby, mother, breastfeeding, breast, mothers, child, born, feeding, babies

(0.45%) Gender

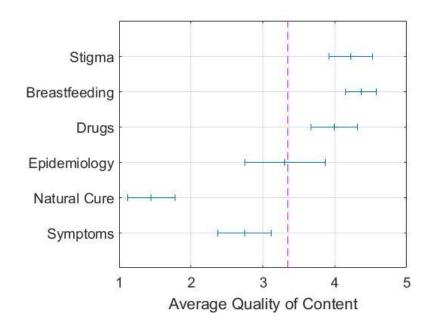
**Inequality:** spread, gender, contribute, power, relations, infections, ways, inequality, unequal, infection

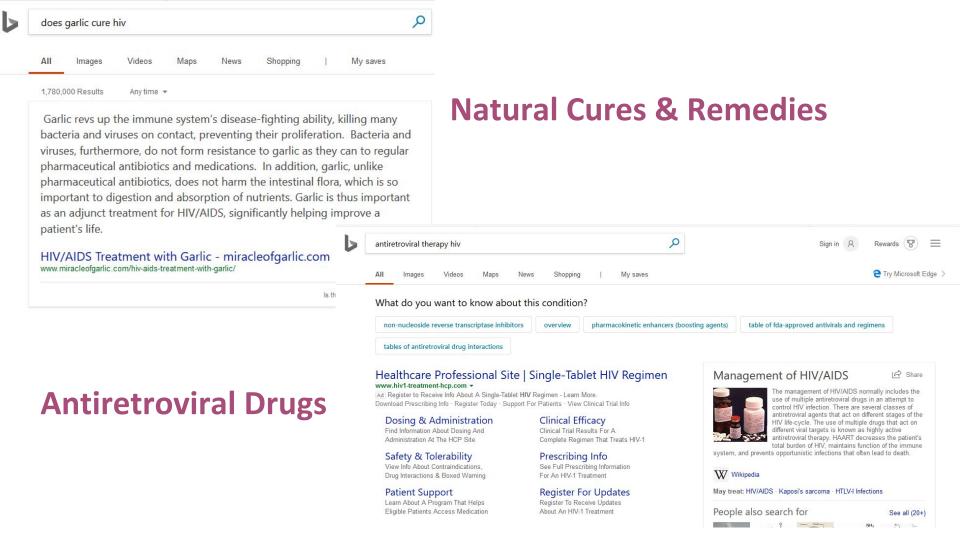
#### **Sample Natural Cure Queries**

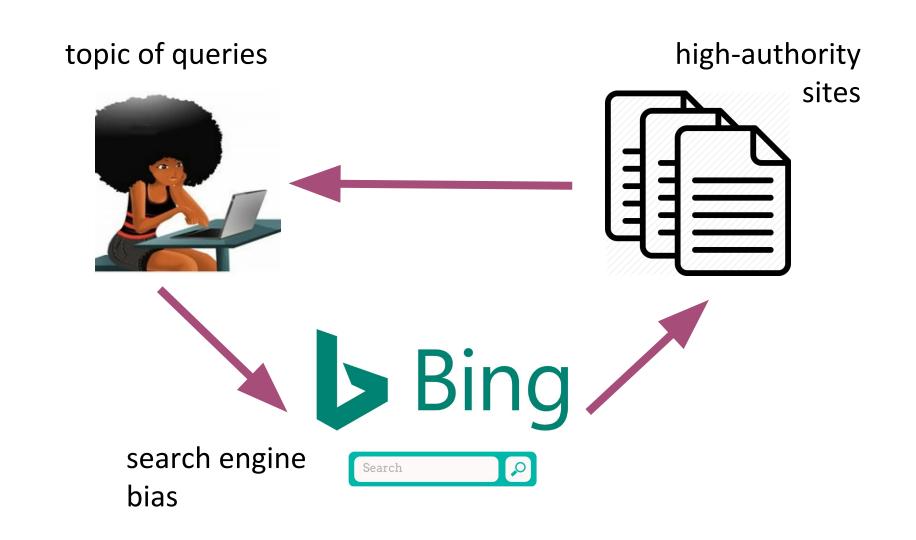
Prophet \*\*\* \*\*\* heals aids
Blackseed oil olive leaf hiv
Prophet \*\*\* testimonies healing hiv
HIV healing prayers \*\*\* \*\*\*
Olive leaf extract cures hiv
Honey bee venom cures aids
Lemon baking soda cures aids
Nigella sativa cures hiv
Chlorine dioxide cures hiv

## **Variance in Quality of Content**

- Evaluate the quality of content of webpages returned to users
- Web-pages returned for natural cures often contain issues related to relevance, accuracy, and objectiveness in health









Search NIH Q

NIH Employee Intranet

Staff Directory

n Español

Charter Members Meetings Working Group Activities Contact Us

NIH Home » About NIH » The NIH Director » Advisory Committee to the Director » Working Groups » ACD Working Group on Artificial Intelligence

#### ADVISORY COMMITTEE TO THE DIRECTOR

#### **Active Groups**

ACD Working Group for Human Embryonic Stem Cell (hESC) Review

HeLa Genome Data Access Working Group

ACD Diversity Working Group Subcommittee on Peer Review

**ACD Working Group on Diversity** 

Next Generation Researchers Initiative Working Group

ACD Working Group on Diversity, Diversity Program Consortium Subcommittee

#### ACD Working Group on Artificial Intelligence

#### Background

Artificial Intelligence (AI), machine learning (ML), and deep learning (DL) are being integrated into many areas of biomedical and clinical research. Most NIH institutes and centers have some investments in AI, ML or DL; for example, to develop these technologies, use them to assist in research processes, or apply them to assist with clinical diagnostics and decisions, among other applications. Overall at NIH, these technologies are cross-cutting, with individual investments and specific applications to diseases or disciplines varying from institute to institute. But there is no overarching strategic plan, and there is concern that NIH is underinvesting in an area that has enormous promise for biomedical research. As AI/ML/DL are more heavily integrated into biomedical and clinical research and medicine, NIH is committed to generating cross-agency efforts in these areas.

How can we use algorithmic and computational insights to improve access to opportunity for historically underserved and marginalized communities?

# MD4SG Mechanism Design for Social Good



R. Abebe, Kira Goldner (UW), Irene Lo (Stanford)

MD4SG Research Group (Summer, 2016)







Global Perspectives on Inequality Bias, Discrimination, and Fairness

Online Labor Markets







Healthcare

Housing

**Developing Nations** 



# MD4SG '19

3rd Workshop on Mechanism Design for Social Good
June 28, 2019 at Phoenix, AZ, USA

