Group Fairness for Indivisible Good Allocation

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Abstract
We consider the problem of fairly dividing a collection of indivisible goods among a set of players. Much of the existing literature on fair division focuses on notions of individual fairness. For instance, envy-freeness requires that no player prefer the set of goods allocated to another player to her own allocation. We observe that an algorithm satisfying such individual fairness notions can still treat groups of players unequally, with one group desiring the goods allocated to another. Our main contribution is a notion of group fairness, which implies most existing notions of individual fairness. Group fairness (like individual fairness) cannot be satisfied exactly with indivisible goods. Thus, we introduce two “up to one good” style relaxations. We show that certain local optima of the Nash welfare function, somewhat surprisingly, satisfy both relaxations and can be computed in pseudo-polynomial time by local search. Our experiments reveal faster computation and stronger fairness guarantees in practice.

1 Introduction
Algorithms have come to play an increasingly prominent role in our everyday lives, augmenting, or even replacing, traditional human decision making. As our dependence on algorithms in high-stakes domains has increased, the spotlight has been placed on the potential for algorithms to exacerbate inequalities, highlighting the need to design algorithms with fairness in mind to ensure that some segments of the population are not treated differently than others.

While fairness is a relatively new design criterion in many areas of algorithmic decision making, it has a long history of study in the literature on resource allocation, in which a set of goods or resources must be divided among players with competing needs. In the context of resource allocation—often referred to as fair division—fairness is usually considered at an individual level. For instance, the classic definition of envy-freeness (Foley 1967) requires that no player should prefer another player’s allocation to her own. When goods are indivisible, envy-freeness cannot always be guaranteed; consider a single good that must be given to one of two players. Therefore, it is often relaxed to envy-freeness “up to one good,” which allows for a player to envy another as long as this envy can be eliminated by removing a single good from the envious player’s bundle.

In this paper, we ask whether such individual-level guarantees can be strengthened to ensure that algorithmically generated allocations are fair with respect to arbitrary segments of the population. We consider a setting in which a set of indivisible goods must be divided among players with heterogeneous, additive preferences. We first observe that envy-freeness alone is not enough, in the sense that an allocation that is envy-free up to one good may still yield significant levels of inequality and envy between groups of players.

To address this problem, we introduce a notion of group fairness. Loosely speaking, an allocation is said to be group fair if no group of players would prefer to receive and redistribute among themselves the goods allocated to any other group (compared to the goods that they were originally allocated), modulo some scaling to account for the possibly different group sizes. Group fairness is a stronger property than envy-freeness, so it is not satisfiable in general. We therefore relax group fairness by requiring that any unfairness can be eliminated by removing a single good per player from the envied allocation. We obtain two distinct relaxations by distinguishing between removing one good per player in the more favored group before redistributing goods, and removing one good per player in the less favored group after goods have been redistributed among them.

Our main theoretical result is algorithmic. We first show that certain local optima of the Nash welfare function (the product of players’ utilities) satisfy both relaxations of group fairness. In particular, we show this for locally Nash-optimal allocations, in which transferring a single good from one player to another does not increase the product of those players’ utilities. Thus although local Nash optimality only imposes a requirement on pairs of individuals, it is strong enough to guarantee fairness with respect to groups of arbitrary size.

We then show that a locally Nash-optimal allocation, and therefore an allocation satisfying both group fairness relaxations, can be computed in pseudo-polynomial time via a local search algorithm. In contrast, we show that the problem of checking whether an arbitrary given allocation satisfies either relaxation is coNP-hard. In experiments on real and synthetic data, we show that the local search algorithm converges quickly, and is likely to output an efficient allocation.

Related Work. Several distinct definitions of fairness at a group level have been considered in the resource allocation literature. Most closely related to ours is the work of
Berliant, Thomson, and Dunz (1992) (and the later work of Husseinov (2011)), who defined group envy-freeness, an extension of envy-freeness to pairs of equal-sized groups. Our definition of group fairness in turn extends group envy-freeness to cover groups of unequal sizes. Also, we consider indivisible goods, whereas they focused on a single divisible good. Todo et al. (2011) also extended envy-freeness to groups, but considered mechanisms with monetary transfers.

Barman et al. (2018) defined a notion of groupwise maximin share, which strengthens the maximin share guarantee (Budish 2011). Their definition is of a different flavor than ours. In particular, they provide an individual-level fairness guarantee relative to all subgroups of players, while we provide guarantees between groups. Finally, several papers consider the problem of fair division among groups assuming the groups are fixed in advance (Segal-Halevi and Nitzan 2015; Manurangsi and Sudsokpong 2017; Sudsokpong 2018), whereas our results hold for arbitrary pairs of groups.

This line of work serves as a complement and point of contrast to research on algorithmic fairness in other areas of AI, including the burgeoning subfield of fairness in machine learning. Our definition of group fairness is stronger than individual fairness, as it requires fair treatment for groups of all sizes, individuals included. In contrast, in machine learning, individual fairness is too strong as decisions that are unfavorable to some individuals are typically unavoidable. Thus, it is common to introduce group-level parity metrics as weaker notions than individual fairness. These metrics ensure that outcomes are fair on average across pre-specified demographic categories, often defined by protected attributes (Kleinberg, Mullainathan, and Raghavan 2016; Calders and Verwer 2010; Hardt, Price, and Srebro 2016; Kamiran and Calders 2012; Agarwal et al. 2018).

Kearns et al. (2018) argue that algorithms that are fair only to pre-specified groups are “susceptible to (intentional or inadvertent) fairness gerrymandering, in which the algorithm appears to be fair on each individual group, but badly violates the fairness constraint on one or more structured subgroups defined over the protected attributes.” They and others (Hébert-Johnson et al. 2017; Zhang and Neill 2016) have recently proposed algorithms that provide or audit for fairness with respect to exponentially many groups. In a similar spirit, our group fairness definition requires fairness with respect to all possible groups at once.

2 Preliminaries

Throughout the paper, we use the notation $[k]$ to denote the set $\{1, \ldots, k\}$. For vectors $x$ and $y$ of length $K$, we say that $x$ Pareto dominates $y$ if $x_k \geq y_k$ for all $k \in [K]$, with at least one inequality strict, and we say that $x$ strictly dominates $y$ if $x_k > y_k$ for all $k \in [K]$. For set $X$ and element $t$, we use $X + t$ to denote $X \cup \{t\}$ and $X - t$ to denote $X \setminus \{t\}$.

Let $M$ be a set of $m$ goods, and $N$ a set of $n$ players. Each player $i$ has a valuation $v_i : 2^M \rightarrow \mathbb{R}_+ \cup \{0\}$ over subsets of goods. For a single good $g \in M$, we slightly abuse notation and let $v_i(g) = v_i(\{g\})$. We assume that players have additive valuations, so that $v_i(Z) = \sum_{g \in Z} v_i(g)$ for all $Z \subseteq M$ and $v_i(\emptyset) = 0$. Without loss of generality, we assume that each good is positively valued by at least one player, and each player positively values at least one good.

An allocation $A$ is a partition of the goods in $M$ into (possibly empty) bundles $A_i$ for each player $i$. An allocation $A$ is non-wasteful if $g \in A_i$ implies $v_i(g) > 0$.

Much of the literature on fair division is concerned with finding allocations that satisfy particular notions of fairness. One basic notion, proportionality, requires that each player receive a set of goods that she values at least $1/n$ as much as she values the entire set of goods (Steinhaus 1948).

Definition 1 (Proportionality). An allocation $A$ is proportional if for all $i \in N$, $v_i(A_i) \geq (1/n)v_i(M)$.

Envy-freeness (Foley 1967), a stronger notion, says that no player should prefer another’s allocation to her own.

Definition 2 (Envy-freeness). An allocation $A$ is envy-free if for all $i, j \in N$, $v_i(A_i) \geq v_i(A_j)$.

Since envy-freeness cannot always be satisfied, relaxations have been proposed. Envy-freeness up to one good allows a player $i$ to envy a player $j$, but only if the removal of a single good from $j$’s bundle would remove the envy (Lipton et al. 2004). Such an allocation is guaranteed to exist.

Definition 3 (Envy-freeness up to one good). An allocation $A$ is envy-free up to one good (EF1) if for all $i, j \in N$ such that $A_j \neq \emptyset$, there exists a good $g \in A_j$ such that $v_i(A_i) \geq v_i(A_i - g)$.

Finally, envy-freeness up to the least valued good says that if $i$ envies $j$, the removal of any good that $i$ values positively from $j$’s bundle should eliminate the envy (Caragiannis et al. 2016). It is an open question whether such an allocation always exists.

Definition 4 (Envy-freeness up to the least valued good). An allocation $A$ is envy-free up to the least valued good (EFX) if for all $i, j \in N$ such that $A_j \neq \emptyset$, and all $g \in A_j$ with $v_i(g) > 0$, $v_i(A_i) \geq v_i(A_i - g)$.

In addition to fairness, it is desirable to produce economically efficient allocations. The standard notion of efficiency is Pareto optimality, which says that it should not be possible to improve a player’s utility without harming someone else.

Definition 5 (Pareto optimality). An allocation $A$ is Pareto optimal if for all allocations $A'$ such that $v_i(A'_i) > v_i(A_i)$ for some $i \in N$, $v_j(A'_j) < v_j(A_j)$ for some $j \in N$.

The final notion we require is local Nash optimality. We say that an allocation is locally Nash-optimal if it is non-wasteful and transferring a single good from one player to another does not increase the product of their utilities.

Definition 6 (Locally Nash-optimal allocation). An allocation $A$ is locally Nash-optimal if for all $i, j \in N$ and $g \in A_j$, $v_j(g) > 0$ and $v_i(A_i) \cdot v_j(A_j) \geq v_i(A_i + g) \cdot v_j(A_j - g)$.

3 Group Fair Allocations

In this section, we move beyond the standard fairness notions that operate on individuals or pairs of players and introduce a new definition of group fairness. Our definition is
modeled on envy-freeness. It requires that no group of players $S$ envy another group $T$, where $S$ envies $T$ if the players in $S$ could redistribute the goods allocated to $T$ among themselves in a way that yields a Pareto improvement, adjusting appropriately for any difference in the group sizes. Note that our definition does not require $S$ and $T$ to be disjoint.

**Definition 7 (Group Fairness).** An allocation $A$ is *group fair* if for every non-empty $S, T \subseteq N$ and every partition $(B_i)_{i \in S}$ of $\bigcup_{j \in T} A_j$, $(|S|/|T|) \cdot v_i(B_i)_{i \in S}$ does not Pareto dominate $(v_i(A_i))_{i \in S}$.

Group fairness is a strengthening of several properties from the fair division literature. Group envy-freeness (Berliant, Thomson, and Dunz 1992) requires the no-envy condition in the definition to hold when $|S| = |T|$, while envy-freeness requires it to hold only when $|S| = |T| = 1$. The core (Foley 1967; Fain, Goel, and Munagala 2016; Fain, Munagala, and Shah 2018) requires that it hold when $T = N$, while proportionality requires that it hold when $|S| = 1$ and $T = N$. Finally, Pareto optimality requires the condition when $S = T = N$.

When goods are divisible, it is easy to check that the globally Nash-optimal allocation, which coincides with a strong form of competitive equilibrium from equal incomes (Segal-Halevi and Sziklai 2018), satisfies group fairness. However, when goods are indivisible, it cannot be guaranteed; this is easy to see from the simple example with a single good and two competing players, one of whom necessarily gets nothing. We therefore turn to relaxed notions.

### 3.1 Two Relaxations of Group Fairness

Before presenting the relaxations, let us step back to consider what an “approximately group fair” allocation should look like. Consider the example in Figure 1. Here there are five players: one of type “circle” who values only circle goods (with zero value for squares), two of type “square” who value only square goods (with zero value for circles), and two of type “flex” who are more flexible and value both squares and circles equally. There are four goods: two circles and two squares. Because it is impossible to give a good to every player, there is no envy-free allocation, and therefore no group fair allocation. However, the allocation $A$ shown in the figure, which gives one circle and one square to each of the flex players, satisfies EF1 and EFX. According to these criteria, we would thus call this allocation fair.

However, we argue that allocation $A$ is not fair to all groups of players, in a way that we will soon make precise. Suppose group $S$ consists of the circle player and one square player, and let $T$ consist of both flex players. Collectively, players in $S$ have demand for all of the goods that have been allocated to players in $T$. In fact, if $T$’s goods were transferred to $S$ and distributed to the players who value them most, each player in $S$ could be made significantly (that is, more than “up to one good”) happier than they are under allocation $A$. We argue that an (approximately) fair solution should split the goods more evenly between sets $S$ and $T$ to rectify this asymmetry, and we would like our “up to one good” relaxation of group fairness to capture this idea.

As a first attempt, one might hope to require that no set $S$ envy another set $T$ (modulo rescaling for size) once a single good has been removed from $T$’s allocation. However, it is easy to see that any relaxation that removes only a single good is still too strong to be satisfiable in general. Suppose that there are $n$ identical players (for any even $n$) and $3n/2$ identical goods. Intuitively, the fairest allocation would give half of the players one good each (call these players $S$), and the other half two each (call these $T$). Even if we remove a single good from some player in $T$, the remaining $n − 1$ goods allocated to $T$ can still be distributed among $S$ in a way that yields a Pareto improvement. Indeed, the same problem arises if we remove any fewer than $n/2 = |T| = |S|$ goods. Therefore, minimal relaxations of group fairness must remove one good per player.

There are two natural ways to do this: remove one good from each player in $T$ before the set of goods is handed over to $S$ (“before”), or remove one good from each player in $S$ after the goods have been redistributed among them (“after”). We consider both in turn.

**Group Fairness up to One Good (After).** We first present the version of our relaxation in which goods are removed from each player in $S$ after redistribution occurs. To motivate our specific choice of definition, consider the example shown in Figure 2 (left) with two circle players, four square players, one circle good, and three square goods. We would argue that the allocation $A$ that is pictured is the unique fair allocation, up to permutations of identical players; all other non-wasteful allocations involve one player receiving multiple goods while another player of the same type receives none. Thus, if we want our relaxed notion of group fairness to be satisfiable, it must be satisfied by this allocation.

Consider sets $S_1$ and $T$. These sets are witness to a violation of group fairness, because $T$’s goods can be reallocated among $S_1$ such that, even after scaling by a factor of $|S_1|/|T| = 1/3$, $S_1$ has an allocation that Pareto improves over the original. In fact, even if we remove a good from the player in $S_1$, she would receive two goods that she values, still a Pareto improvement. Thus relaxing the group fairness definition by removing a good from each player in $S_1$ is not sufficient to guarantee existence. To get around this technicality, which is due to the way in which scaling occurs, we consider a slight variant of the same idea: instead of removing a single good from the bundle $B_i$ received by player $i$ in group $S_1$ and then comparing the (scaled) value of the remaining bundle to the (unscaled) value of the original allocation, we add this good to the original allocation and compare its (unscaled) value to the (scaled) value of the whole $B_i$.

There is one other technicality our definition must account for. Consider sets $S_2$ and $T$. When we partition $T$’s

![Figure 1](image-url)
If we remove a single good from the one player in permutations of identical players, so it must satisfy our relaxation of group fairness of the circle goods to players in set \( S \), which rules out sets with dummy players included. We are now ready to formally define our first relaxation of group fairness.

**Definition 8 (GF1A).** An allocation \( A \) satisfies GF1A if for every non-empty \( S, T \subseteq N \) and every partition \((B_i)_{i \in S}\) of \( \cup_{j \in T} A_j \) such that \( v_i(B_i) > 0 \) for all \( i \in S \), there exists a good \( g_i \in B_i \) for each \( i \in S \) such that \((|S|/|T|) \cdot (v_i(B_i))_{i \in S} \) does not Pareto dominate \((v_i(A_i + g_i))_{i \in S}\).

Returning to the example from Figure 1, we see that, as desired, the pictured allocation fails to satisfy GF1A, as witnessed by the set \( S \) consisting of the circle player and one square player and the set \( T \) consisting of the two flex players. To provide more intuition for what this definition does and does not allow, we point out that the set \( S' \) consisting of the two square players does not serve as a witness with the same set \( T \). Loosely speaking, this is because the set \( S' \) collectively has no demand for circle goods, and so the allocation of the circle goods to players in \( T \) does not preclude these players from also receiving the square goods.

**Group Fairness up to One Good (Before).** In our second relaxation of group fairness, we consider removing one good from the bundle of each player in set \( T \) before \( T \)'s goods are redistributed among players in \( S \), requiring that the (scaled) values of the resulting bundles do not provide a Pareto improvement for \( S \).

Once again, the most straightforward definition would be susceptible to dummy players in \( S \) inflating the scale factor without impacting the underlying fairness of the allocation, as illustrated in Figure 2 (right). Here the allocation \( A \) is the only intuitively fair and non-wasteful allocation, up to permutations of identical players, so it must satisfy our relaxation if we want the relaxation to be satisfiable in general. If we remove a single good from the one player in \( T \) and allocate her remaining good to \( S \) as pictured, both players in \( S \) would get the same value as they would under allocation \( A \), but since \(|S|/|T| = 2\), their scaled values under partition \( B \) would Pareto dominate their values under \( A \). Like before, we avoid this problem by considering only pairs \( S \) and \( T \) for which it is possible to partition \( T \)'s goods among \( S \) so that all players in \( S \) receive positive value.

**Definition 9 (GF1B).** An allocation \( A \) satisfies GF1B if for every non-empty \( S, T \subseteq N \) for which there exists a partition \((C_i)_{i \in S}\) of \( \cup_{j \in T} A_j \) with \( v_i(C_i) > 0 \) for all \( i \in S \), there exists a good \( g_j \in A_j \) for every \( j \in T \) with \( A_j \neq \emptyset \) such that for every partition \((B_i)_{i \in S}\) of \( \cup_{j \in T} A_j \setminus \cup_{j \in T} A_j = \emptyset(g_j) \), \((|S|/|T|) \cdot (v_i(B_i))_{i \in S}\) does not Pareto dominate \((v_i(A_i))_{i \in S}\).

Once again it is easy to verify that the allocation pictured in Figure 1 fails to satisfy GF1B, as witnessed by the same sets \( S \) and \( T \) as before. And just as it was with GF1A, the set \( S' \) consisting of the two square players does not serve as a witness with the same set \( T \).

Notice that in the definition of group fairness, the no-envy condition is agnostic about the exact allocation \( A_j \) for each \( j \in T \); only \( \cup_{j \in T} A_j \) is relevant. While this is also true for the GF1A relaxation, it is no longer true for the GF1B relaxation since we require that only a single good be removed from each player in \( T \). An alternative, weaker definition of GF1B would be to remove \( |T| \) goods in total from players in \( T \), without the requirement that one is removed from each player. (See the appendix for an example where the two definitions differ.) We present the stronger definition here, but note that all of our results hold for the weaker version also.

### 3.2 A Comparison of GF1A and GF1B.

To gain further intuition, we briefly discuss examples of cases in which GF1A and GF1B differ, as shown in Figure 3. The players in these examples are again of type circle, square, or flex, but the goods in Figure 3 (left) are more general. A circle (respectively, square) with a label \( v \) is valued \( v \) by players who value circles (respectively, squares), and \( 0 \) by other players. A pentagon labeled \( v \) is valued \( v \) by all.

In Figure 3 (left), groups \( S \) and \( T \) are witness to a violation of GF1B. Even after removing any good from the player in \( T \), it is still possible to give one of the players in \( S \) a value of at least 4 and the other a value of 4.1. Since \(|S|/|T| = 2|\}

![Figure 2: Examples illustrating the necessary technical conditions in the definitions of GF1A (left) and GF1B (right).](image-url)
Theorem 2. Every locally Nash-optimal allocation are global properties involving arbitrary player groups.

Property, involving only pairs of players, while GF1A and GF1B both GF1A and GF1B allocations are always guaranteed to be groups with smallest $|T|$ that are witness to the violation of GF1A. Note that this implies $|A_j| \geq 1$ for all $j \in T$, which in turn implies that $v_i(A_j) > 0$ by non-wastefulness; if $|A_j| = 1$ for some $j \in T$, $(S, T - j)$ would also be witness to the violation of GF1A.

Fix a partition $(B_i)_{i \in S}$ of $\cup_{j \in T} A_j$ for which the GF1A constraint is violated. For the constraint to be violated, it must be the case that $v_i(B_i) > 0$ for all $i \in S$, which implies that $B_i \neq \emptyset$ for all $i \in S$. For all $i \in S$, let $g_i^* \in \arg \max_{g \in B_i} v_i(g)$. Then, we have $v_i(g_i^*) > 0$, and hence, $v_i(A_i + g_i^*) > 0$.

With a little algebraic simplification, we can rewrite the final condition from Definition 6 as

$$v_i(A_i + g) \cdot v_j(g) \geq v_i(g) \cdot v_j(A_j).$$

Then for all $i \in S$, $j \in T$, and $g \in B_i \cap A_j$, we have

$$v_i(g) \cdot v_j(A_j) \leq v_i(A_i + g) \cdot v_j(g) \leq v_i(A_i + g_i^*) \cdot v_j(g),$$

where the second transition follows from the definition of $g_i^*$. Rearranging, we have

$$\frac{v_i(g)}{v_i(A_i + g_i^*)} \leq \frac{v_j(g)}{v_j(A_j)}.$$ 

Summing over $i \in S, j \in T$, and $g \in B_i \cap A_j$, we obtain

$$\sum_{i \in S} \frac{v_i(B_i)}{v_i(A_i + g_i^*)} \leq |T|.$$ 

Since the partition $B$ violates the constraint, $(|S|/|T|) \cdot (v_i(B_i))_{i \in S}$ Pareto dominates $(v_i(A_i + g_i^*))_{i \in S}$, and so $v_i(B_i)/v_i(A_i + g_i^*) \geq |T|/|S|$ for each $i \in S$, with at least one inequality strict. This implies that $\sum_{i \in S} v_i(B_i)/v_i(A_i + g_i^*) > |T|$, a contradiction.

Since Nash-optimal allocations always exist, this immediately implies the existence of allocations that satisfy both GF1A and GF1B. In the next section, we provide an algorithm for computing such an allocation.

### 4 Local Nash Optimality Implies GF1A/B

Our desire to relax the notion of group fairness stemmed from the fact that group fair allocations may not exist in general when goods are indivisible. In this section, we show that both GF1A and GF1B allocations are generally guaranteed to exist. In particular, every locally Nash-optimal allocation is guaranteed to satisfy both GF1A and GF1B. This result is surprising given that local Nash optimality is a local property, involving only pairs of players, while GF1A and GF1B are global properties involving arbitrary player groups.

Theorem 2. Every locally Nash-optimal allocation $A$ satisfies GF1A and GF1B.

The proof follows a similar structure to the proof due to Caragiannis et al. (2016) that Nash optimality implies EF1.\(^1\)

\(^1\)While Caragiannis et al. (2016) state their result for globally Nash-optimal allocations, an identical proof holds for locally Nash-optimal allocations too.
**Corollary 3.** An allocation $A$ satisfying both GF1A and GF1B always exists.

## 5 Complexity Results

We have shown that any locally Nash-optimal allocation is guaranteed to satisfy GF1A and GF1B. We now show that a locally Nash-optimal allocation, and therefore an allocation satisfying GF1A and GF1B, can be computed in pseudo-polynomial time.

We consider a simple local search algorithm that works as follows. Begin with an arbitrary allocation $A$. At every step, check for a violation of local Nash optimality: that is, a pair of players $i, j \in N$ and a good $g \in A_i$ such that transferring good $g$ from $A_i$ to $A_j$ increases the product of utilities of players $i$ and $j$. If such a violation exists, transfer the good. Otherwise, terminate. We show that this algorithm always terminates in a pseudo-polynomial number of steps.

**Theorem 4.** A locally Nash-optimal allocation can be computed in pseudo-polynomial time.

The proof is deferred to the appendix. It proceeds by upper bounding the maximum possible Nash welfare, and lower bounding the multiplicative Nash welfare increase in a single step of the algorithm.

**Corollary 5.** An allocation satisfying both GF1A and GF1B can be computed in pseudo-polynomial time.

Whether an allocation satisfying GF1A or GF1B can be computed in polynomial time remains an interesting open question. We are able to show that the problem of verifying whether a given allocation satisfies GF1A or GF1B is strongly coNP-hard. The proofs are in the appendix.

**Theorem 6.** It is strongly coNP-hard to determine whether an allocation $A$ satisfies GF1A.

**Theorem 7.** It is strongly coNP-hard to determine whether an allocation $A$ satisfies GF1B.

## 6 Simulations

In this section, we investigate the performance of the local search algorithm in practice, in terms of both its running time and the quality of the allocation it returns. Specifically, we measure the number of steps it takes to converge, how frequently it returns a Pareto optimal allocation, and how frequently it returns a globally Nash optimal, also known as max Nash welfare allocation (Caragiannis et al. 2016); the last number is guaranteed to be weakly lower than the former since all max Nash welfare allocations are Pareto optimal.

We first experiment with a dataset of fair division instances obtained from Spliddit.org, a not-for-profit website that allows its users to employ fair division algorithms for everyday problems, including allocation of (possibly indivisible) goods. The dataset contains 2754 division instances in which all goods are indivisible. These instances contain as many as 15 players (2.6 on average) and 93 goods (5.7 on average). The algorithm currently deployed on Spliddit computes a max Nash welfare (and thus also locally Nash-optimal) allocation (Caragiannis et al. 2016).

On this dataset, local search takes only 6.0 steps on average, and the maximum on any instance is 91. In over 88% of the instances, the algorithm returns a Pareto optimal allocation, while in over 68% of the instances, it returns a max Nash welfare allocation.

Since typical Spliddit instances are relatively small, we next explore the algorithm’s performance on larger simulated instances. We vary the number of players ($n$) from 3 to 10. For each $n$ in this range, we vary the number of goods ($m$) from $n$ to $5n$ in increments of $n$. To explore the effect of the magnitude of player valuations on the running time, we additionally vary a parameter $T$ controlling this magnitude from 100 to 1000 in increments of 100. For each combination of $n$, $m$, and $T$, we generate 1000 instances in which the valuation $v_i$ of each player $i$ is sampled i.i.d. from the uniform distribution over all valuations that sum to $T$ (i.e., uniformly at random subject to $v_i(M) = T$).

In Figure 4, we examine the effect of varying $T$. We note that it does not significantly affect the average number of steps until convergence (left figure), or the percentage of instances in which the algorithm finds a Pareto optimal or max Nash welfare allocation (right figure). For the remainder of this section, we report our findings for $T = 500$.

Figures 5a and 5b respectively show that the average number of steps until convergence appears to increase linearly with $m$ (fixing $n = 5$) and increase linearly with $n$ (fixing $m = 3n$). For the largest synthetic instances that we examined ($n = 10$, $m = 50$ and $T = 1000$), local search terminated in 220 steps on average. Instances of this size are close to the maximum size that the max Nash welfare algorithm can reliably handle, while they remain trivial for the local search algorithm.

Figures 5c and 5d show the percentage of instances in which the local search algorithm produces a Pareto optimal or max Nash welfare allocation, as a function of $m$ (with $n = 5$) and $n$ (with $m = 3n$), respectively. In Figure 5c, notice that when $m = n$, only a very small percentage of allocations returned by local search are max Nash welfare allocations, or even Pareto optimal. This is because in almost all cases when $m = n$, any allocation in which every player receives a single good is locally Nash optimal, and local search might terminate at an arbitrary allocation of this form. However, with $m = 2n = 10$, local search returns a max Nash welfare allocation in nearly 60% of the instances, and almost always achieves Pareto optimality. Increasing $m$ further only slightly improves performance.

Examining Figure 5d reveals a different story for the performance as a function of $n$. With $n = 3$, local search usu-
ally finds a Pareto optimal allocation and finds a max Nash welfare allocation in nearly 80% of the instances. As \( n \) increases, the allocation remains likely to be Pareto optimal, but quickly becomes unlikely to be globally Nash optimal.

We remark that for every combination of \( n, m \geq 2n \), and \( T \) in our simulations, local search returns a Pareto optimal allocation in at least 85% of the instances.

## 7 Discussion

**Fairness with respect to fixed groups of players.** Our group fairness properties provide fairness guarantees simultaneously for every pair of groups \( S \) and \( T \). In some applications, we may instead be given a fixed partition of the players into groups—based, for example, on gender or race—and asked to ensure that these particular groups are treated fairly. An interesting open question is whether it is possible to provide a stronger guarantee than either GF1A or GF1B if we are asked for fairness only with respect to fixed groups (potentially in conjunction with an individual fairness notion such as EF1). For instance, is it possible to provide “up to one good” guarantees with the removal of a single good overall, as opposed to a single good per player?

**Strong envy-freeness up to one good.** In the definition of GF1B, sets \( S \) and \( T \) are chosen before the selection of the good \( g_j \) for each player \( j \in T \). However, the proof of Theorem 2 establishes that locally Nash optimal allocations satisfy a slightly stronger version of the definition in which a single good \( g_j \) is chosen in advance (independent of sets \( S \) and \( T \)). This property is formally defined as strong GF1B in the appendix. When restricting to sets \( S \) and \( T \) with \( |S| = |T| = 1 \), the original GF1B definition yields envy-freeness up to one good, while strong GF1B yields a slightly stronger property.

**Definition 10** (Strong envy-freeness up to one good (s-EF1)). An allocation \( A \) is s-EF1 if for each \( j \in N \) such that \( A_j \neq \emptyset \) there exists a good \( g_j \in A_j \) such that for all \( i \in N \), \( v_i(A_i) \geq v_i(A_j - g_j) \).

It follows that every locally Nash optimal allocation satisfies s-EF1. It is easy to check that the allocations produced by the round robin algorithm and the algorithm of Barman, Krishnamurthy, and Vaish (2018), which are both known to satisfy EF1, also satisfy the stronger s-EF1.

**Locally Nash-optimal allocations and approximate market equilibria.** When goods are divisible, it is known that globally Nash optimal allocations coincide with strong competitive equilibria with equal incomes (Segal-Halevi and Sziklai 2018), where (informally) each good is assigned a price, each player is given one unit of fake money (equal incomes), and each player purchasing her highest valued bundle of goods that she can afford perfectly partitions the set of goods (competitive equilibrium).

With indivisible goods, such an allocation may not exist. A recent line of work (Budish 2011; Babaioff, Nisan, and Talmgam-Cohen 2017; Barman, Krishnamurthy, and Vaish 2018) proposes relaxations in which the competitive equilibrium condition is retained, but the equal incomes condition is relaxed to almost equal incomes. The relaxation due to Barman, Krishnamurthy, and Vaish (2018) is guaranteed to be satisfiable, and leads to allocations that are envy-free up to one good and Pareto optimal. However, Caragiannis et al. (2016) posed the interesting open question of whether such relaxations retain any connection to the Nash welfare function.

In the supplemental material, we explore a relaxation that is very different from the relaxation due to Barman, Krishnamurthy, and Vaish (2018). We retain exactly equal incomes, and instead relax the competitive equilibrium condition: each player now purchases an almost optimal bundle of goods that she can afford. Our relaxation loses Pareto optimality while theirs guarantees it. However, our relaxation satisfies both GF1A and GF1B, while theirs can be shown to satisfy only GF1B and violate GF1A. Additionally, we recover an equivalence between approximate market equilibria and local Nash optimality (Theorem 10), partially answering the open question by Caragiannis et al. (2016).
References


Appendix

A Omitted Proofs

A.1 Second Part of the Proof of Theorem 2

We showed in the main body that any locally Nash optimal allocation satisfies GF1A. Here we show the same for GF1B. Let $A$ be a locally Nash optimal allocation.

Suppose for contradiction that $A$ does not satisfy GF1B. Let $(S, T)$ be a pair of groups for which the GF1B constraint is violated, and choose such a pair with the minimum $|T|$. Note that this implies $|A_j| \geq 2$ for all $j \in T$. This is because if $|A_j| \leq 1$ for some $j \in T$, then $(S, T - j)$ is also a witness to a violation of GF1B.

We now show that $v_i(A_i) > 0$ for all $i \in S$. To see this, suppose otherwise. Then there exists an $i \in S$ with $v_i(A_i) = 0$. Because there exists $C_i \subseteq \cup_{j \in T} A_j$ with $v_i(C_i) > v_i(A_i) = 0$, there must exist a good $g \in A_j$ for some $j \in T$ such that $v_i(g) > 0$. Because $|A_j| \geq 2$ and $A$ is non-wasteful, $v_j(A_j - g) > 0$. Therefore, we could strictly increase the product of utilities of players $i$ and $j$ (from zero to a positive value) by transferring $g$ from player $j$ to $i$.

We have established that $v_i(A_i) > 0$ for all $i \in S$. For all $j \in T$, let $g^*_j \in \arg \max_{g \in A_j} v_j(g)$. Because $|A_j| \geq 2$ and $A$ is non-wasteful, $v_j(A_j - g^*_j) > 0$ for all $j \in T$. With a little algebraic simplification, we can rewrite the final condition from Definition 6 as

$$v_i(A_i) \cdot v_j(g) \geq v_i(g) \cdot v_j(A_j - g).$$

Then for all $i \in S, j \in T,$ and $g \in A_j - g^*_j$, we have

$$\frac{v_i(g)}{v_i(A_i)} \leq \frac{v_j(g)}{v_j(A_j - g)} \leq \frac{v_j(g)}{v_j(A_j - g^*_j)},$$

where the second transition follows from the choice of $g^*_j$. Summing over all $i \in S, j \in T$, and $g \in A_j - g^*_j$, we obtain

$$\sum_{i \in S} \frac{v_i(B_i)}{v_i(A_i)} \leq |T|.$$

Since the partition $B$ violates the constraint, $(|S|/|T|) \cdot (v_i(B_i))_{i \in S}$ Pareto dominates $(v_i(A_i))_{i \in S}$, and so $v_i(B_i)/v_i(A_i) \geq |T|/|S|$ for each $i \in S$ with at least one inequality strict. This implies that $\sum_{i \in S} v_i(B_i)/v_i(A_i) > |T|$, a contradiction.

$\square$

A.2 Proof of Theorem 1

We first show that envy-freeness up to the least valued good is equivalent to local Nash optimality. By Theorem 2, this establishes the first implication.

Lemma 8. For identical valuations, EFX is equivalent to local Nash optimality.

Proof. Let $v$ be the common valuation function. An allocation $A$ is locally Nash optimal if and only if for all $i, j \in N$,

$$\forall x \in A_j : (v(A_i) + v(x))(v(A_j) - v(x)) \leq v(A_i)v(A_j)$$

$$\Leftrightarrow \forall x \in A_j : v(x)(v(A_j) - v(A_i) - v(x)) \leq 0$$

$$\Leftrightarrow \forall x \in A_j \text{ s.t. } v(x) > 0 : v(A_i) \geq v(A_j) - v(x).$$

Note that the final set of inequalities is precisely the definition of EFX.2

2We note that this matches the original definition of envy-freeness up to the least valued good by Caragiannis et al. (2016), where player $i$ should not envy $j$ if, among all goods in player $j$’s bundle that $player i values positively$, we remove a good that player $i$ values the least. Some later work (e.g., Plaut and Roughgarden (2018) dropped the positive value condition. For identical valuations, we could drop zero valued items, and the two conditions would coincide.

GF1A and GF1B trivially imply EF1 by definition. Hence, it remains to show that a) GF1A is strictly stronger than EF1, and b) EF1 implies GF1B.

To show the first part, consider an instance with 4 players and 6 goods, where four goods are worth 1 and two goods are worth 2. Consider the allocation in which each player gets a single good worth 1, and two of the players (say players 3 and 4) additionally get one good worth 2. It is easy to check that the allocation is EF1. However, players in $S = \{1, 2\}$ can take the goods allocated to players in $T = \{3, 4\}$, and redistribute among themselves so that player 1 receives both goods worth 2, and player 2 receives both goods worth 1. Now, removing a single good from each bundle would still yield a Pareto improvement for $S$, violating GF1A.

Next, we show that EF1 implies GF1B. Let $v$ be the common value function. Suppose allocation $A$ is EF1. Consider arbitrary sets of players $S, T$. For $j \in T$, let $A_j = A_j \setminus g_j$, where $g_j \in \arg \max_{g \in A_j} v(g)$. Suppose for contradiction that there exists a
which is the desired contradiction.

We present the proof of Theorem 7 before the proof of Theorem 6, since the former illustrates many of the key ideas in the latter.

### A.4 Proof of Theorem 7

Let $T \in \mathbb{N}$ and suppose that each player’s utility for each good, $v_i(g)$, is an integer, with $v_i(M) \leq T$. We show that the local search algorithm terminates in $\text{poly}(n, m, T)$ steps.

Suppose that we are at step $k$ of the local search algorithm. For all players $i \in N$, let $A_i^k$ denote $i$’s allocation before the swap, and $A_i^{k+1}$ denote the allocation after the swap. Since each player’s utility is bounded by $T$, the Nash product at any step is at most $T^n$.

Consider one step of the local search where a good is transferred from $i$ to $j$ resulting in the product of their utilities increasing by at least 1 (this is the minimum possible increase, since all valuations are integral). If the current Nash product is $P = \prod_{\ell \in N} v_{\ell}(A_{\ell}^k)$, the product of utilities of players not involved in the swap is

$$\prod_{\ell \in N \setminus \{i,j\}} v_{\ell}(A_{\ell}^k) = P / (v_i(A_i^k) \cdot v_j(A_j^k)) \leq P / T^2,$$

and hence the new Nash product

$$\prod_{\ell \in N} v_{\ell}(A_{\ell}^{k+1}) = v_i(A_i^{k+1}) \cdot v_j(A_j^{k+1}) \cdot \prod_{\ell \in N \setminus \{i,j\}} v_{\ell}(A_{\ell}^k) \geq (v_i(A_i^k) \cdot v_j(A_j^k) + 1) \cdot \prod_{\ell \in N \setminus \{i,j\}} v_{\ell}(A_{\ell}^k) = \prod_{\ell \in N} v_{\ell}(A_{\ell}^k) + \prod_{\ell \in N \setminus \{i,j\}} v_{\ell}(A_{\ell}^k) \geq P + P / T^2 = P(1 + 1/T^2)$$

Because the Nash product at initialization is at least 1, the Nash product at step $k$ is at least $(1 + 1/T^2)^k$. However, we know that the optimal Nash product is at most $T^n$. Solving for $k$, we have that the number of steps is bounded by $n \left( \frac{\log T}{\log(1+1/T^2)} \right) \leq n(T^2 + 1) \log T$.

To complete the proof, we note that each step can be completed in $O(m \cdot n)$ time. For each good $g \in A_i$ and each player $j \neq i$, check if the product of player $i$ and $j$’s utilities can be improved by swapping $g$ from $A_i$ to $A_j$.

### A.3 Proof of Theorem 4

Let $T \in \mathbb{N}$ and suppose that each player’s utility for each good, $v_i(g)$, is an integer, with $v_i(M) \leq T$. We show that the local search algorithm terminates in $\text{poly}(n, m, T)$ steps.

Suppose that we are at step $k$ of the local search algorithm. For all players $i \in N$, let $A_i^k$ denote $i$’s allocation before the swap, and $A_i^{k+1}$ denote the allocation after the swap. Since each player’s utility is bounded by $T$, the Nash product at any step is at most $T^n$.

Consider one step of the local search where a good is transferred from $i$ to $j$ resulting in the product of their utilities increasing by at least 1 (this is the minimum possible increase, since all valuations are integral). If the current Nash product is $P = \prod_{\ell \in N} v_{\ell}(A_{\ell}^k)$, the product of utilities of players not involved in the swap is

$$\prod_{\ell \in N \setminus \{i,j\}} v_{\ell}(A_{\ell}^k) = P / (v_i(A_i^k) \cdot v_j(A_j^k)) \leq P / T^2,$$

and hence the new Nash product

$$\prod_{\ell \in N} v_{\ell}(A_{\ell}^{k+1}) = v_i(A_i^{k+1}) \cdot v_j(A_j^{k+1}) \cdot \prod_{\ell \in N \setminus \{i,j\}} v_{\ell}(A_{\ell}^k) \geq (v_i(A_i^k) \cdot v_j(A_j^k) + 1) \cdot \prod_{\ell \in N \setminus \{i,j\}} v_{\ell}(A_{\ell}^k) = \prod_{\ell \in N} v_{\ell}(A_{\ell}^k) + \prod_{\ell \in N \setminus \{i,j\}} v_{\ell}(A_{\ell}^k) \geq P + P / T^2 = P(1 + 1/T^2)$$

Because the Nash product at initialization is at least 1, the Nash product at step $k$ is at least $(1 + 1/T^2)^k$. However, we know that the optimal Nash product is at most $T^n$. Solving for $k$, we have that the number of steps is bounded by $n \left( \frac{\log T}{\log(1+1/T^2)} \right) \leq n(T^2 + 1) \log T$.

To complete the proof, we note that each step can be completed in $O(m \cdot n)$ time. For each good $g \in A_i$ and each player $j \neq i$, check if the product of player $i$ and $j$’s utilities can be improved by swapping $g$ from $A_i$ to $A_j$. 

### A.4 Proof of Theorem 7

We present the proof of Theorem 7 before the proof of Theorem 6, since the former illustrates many of the key ideas in the latter.

We reduce from the 3-Partition problem: Given a multiset $N$ of $3m$ numbers $n_1, \ldots, n_{3m}$, lying strictly between 1/4 and 1/2, can $N$ be partitioned into $m$ triplets $N_1, \ldots, N_m$ such that the sum of the members of each triplet is 1?

Given an instance of 3-Partition, construct a group fair division instance and allocation $A$ as follows. There are $m$ players $s_1, \ldots, s_m$. Each player $s_i$ receives a single good $g_i$ that they value at $m + 1 - \epsilon$. Player $s_j$ has valuation 0 for good $g_i$ whenever $j \neq i$. An additional player $s_*$ receives a single good that they value at $m + 1$, and all other players value at 0. Finally, there exists a player $t$ that receives all of the following goods: 3 $m$ goods corresponding to each element of $N$, that are valued at $n_i$ by player $t$ and each player $s_j$ and 0 by player $s_*$, as well as two goods $g_i$, $g_j^*$ that are valued 1/2 by player $t$ and each player $s_j$ and 1 by player $s_*$.

We show that there exists a solution to the 3-Partition instance if and only if the corresponding allocation violates GF1B.

First, suppose that there exists a solution $(N_i)_{i \in [m]}$ to the 3-Partition problem. Consider sets of players $S = \{s_*, s_1, \ldots, s_m\}$ and $T = \{t\}$. To see that these sets are witness to a violation of GF1B, suppose that good $g_j^*$ is removed from $t$’s bundle and
the remaining goods repartitioned among $S$. Consider the following partitioning $(B_i)_{i \in S}$ of $A_i \setminus \{g^2_i\}$: $B_i = N_i$ for all $i \in [m]$ (and therefore each $s_i$ receives utility 1), and $B_s = \{g^2_i\}$ (and therefore player $s_i$ receives utility 1). For each $i \in [m]$, we have
\[
(|S|/|T|) \cdot v_s(B_s) = m + 1 - m + 1 - \epsilon = v_s(A_s)
\]
and for $s_s$ we have
\[
(|S|/|T|) \cdot v_s_s(B_s) = m + 1 - m = v_s(A_s).
\]
If, rather than removing $g^2_i$ we remove some good $n_i$, we can replace $n_i$ with $g^2_i$ in the partition $B$, which increases $v_s(B_s)$ for the relevant player $s_i$. Therefore, allocation $A$ violates GF1B.

Next, suppose there does not exist a solution to the 3-Partition instance. We show that the corresponding allocation $A$ satisfies GF1B. First, note that if there exists a violation of GF1B, then there must exist a violation in which $T = \{t\}$ (because all other players are only allocated a single good, so would contribute nothing after removal of that good, and smaller $|T|$ lowers the utility threshold required to violate GF1B).

We now consider all possible makeups of the coalition $S$. First, suppose that $s_s \notin S$. After removing good $g^2_s$ from $A_t$, the remaining goods can be partitioned among $S$, providing a total utility of $m + 1$. It must be the case that at least one member of $S$ has
\[
(|S|/|T|) \cdot v_s(B_s) \leq \left(\frac{|S|}{|T|}\right) \cdot \left(m + 1\right)/|S|
\]
\[
= m + \frac{1}{2} < m + 1 - \epsilon \leq v_s(A_s),
\]
since each $i$ is either one of the $s_i$ players, with utility $m + 1 - \epsilon$, or player $t$, with utility $m + 1$.

Next, suppose that $s_s \in S$ and $|S| < m + 1$. Then we can remove $g^2_s$ from $A_t$, so that the only good that can be allocated to $s_s$ in the partition $B$ is $g^1_s$. But now we have that
\[
(|S|/|T|) \cdot v_s(B_s) < m + 1 = v_s(A_s),
\]
so no such $S$ can be a witness to a violation of GF1B.

Next, suppose that $s_s \in S$ and $|S| = m + 1$. Again, suppose that we remove $g^2_s$ from $A_t$ and allocate $g^1_s$ to $s_s$ in the partition $B$. We now have that the remaining $3m$ items from $A_t$ that correspond to elements from the set $N$ must be distributed among the other $m$ players in $S$. Since there does not exist a solution to the 3-Partition instance, there must exist one such player $i$ that receives utility strictly less than $1$ in the repartition $B$. For this player,
\[
(|S|/|T|) \cdot v_s(B_s) < m + 1.
\]
Provided that $\epsilon$ is chosen sufficiently small, we can ensure that
\[
(|S|/|T|) \cdot v_s(B_s) < m + 1 - \epsilon = v_s(A_s).
\]
Finally, if $s_s \in S$ and $|S| = m + 2$ then we have the same argument except that the $3m$ items from $A_t$ corresponding to elements from $N$ must be divided among $m + 1$ players. Therefore, some player receives utility at most $\frac{m}{m+1}$. For this player,
\[
(|S|/|T|) \cdot v_s(B_s) \leq (m + 2) \cdot \frac{m}{m + 1} < m + 1,
\]
and, by the same argument as before, this is sufficient.

Therefore, allocation $A$ satisfies GF1B if, and only if, the 3-Partition instance does not have a solution. It is easy to check that this is a pseudo-polynomial reduction (Garey and Johnson 1978), thus proving strong coNP-hardness.

\[\Box\]

### A.5 Proof of Theorem 6

We reduce from the 3-Partition problem: Given a multiset $N$ of $3m$ numbers $n_1, \ldots, n_{3m}$ lying strictly between 1/4 and 1/2, can $N$ be partitioned into $m$ triplets $N_1, \ldots, N_m$ such that the sum of the members of each triplet is $1$? This proof is similar to the proof of Theorem 7, except that it takes more work to establish that the only possible violations of GF1A are those with $T = \{t\}$. This is because players with only a single good obviously cannot contribute to a GF1B violation as part of $T$ (since that one good is removed before the goods are redistributed), but this is not so obvious for GF1A.

Given an instance of 3-Partition, construct a group fair division instance and allocation $A$ as follows. There are $m$ players $s_1, \ldots, s_m$. Each player $s_i$ receives a single good $g_i$ that they value at $2(m+1)^2 + m + 1 - (m+1)^2 - \epsilon$. Player $s_j$ has valuation $0$ for good $g_i$ whenever $j \neq i$. An additional player $s_s$ receives a single good that they value at $m$, and all other players value at 0. Finally, there exists a player $t$ that receives all of the following goods. $3m$ goods corresponding to each element of $N$, that are valued at $n_i$ by player $t$ and each player $s_j$, and 0 by player $s_s$, as well as a set $X = \{x_1, \ldots, x_{2m}\}$ of $2m$ goods that are valued at $(m+1)^2$ by player $t$ and each player $s_j$, and 0 by player $s_s$. Finally, there is a single good $g_s$ that is valued $2(m+1)^2 + 1$ by player $t$ and each player $s_j$ and 1 by player $s_s$. We show that there exists a solution to the 3-Partition instance if and only if the corresponding allocation violates GF1A.
First, suppose there exists a solution \((N_i)_{i \in [m]}\) to the 3-Partition problem. Consider sets of players \(S = \{s, s_1, \ldots, s_m\}\) and \(T = \{t\}\). To see that these sets are witness to a violation of GF1A, consider partition \((B_i)_{i \in S}\) of \(A_t\) that sets \(B_{s_i} = \{g_s\}\) and \(B_{s_j} = \{x_{2i-1}, x_{2i}\} \cup N_i\) for each \(i \in [m]\). We have
\[
\left(\frac{|S|}{|T|}\right) \cdot v_{s_i}(B_{s_i}) = m + 1
\]
\[
= v_{s_i}(A_{s_i} + g_s)
\]
and
\[
\left(\frac{|S|}{|T|}\right) \cdot v_{s_i}(B_{s_j}) = (m + 1)(2(m + 1)^2 + 1)
\]
\[
> 2(m + 1)^3 + m + 1 - \epsilon
\]
\[
\geq v_{s_i}(A_{s_i} + g_i),
\]
where the final inequality holds for all \(g_i \in B_{s_i}\). Therefore, allocation \(A\) violates GF1B.

Next, suppose there does not exist a solution to the 3-Partition instance. We show that the corresponding allocation \(A\) satisfies GF1A. To show that no sets \(S, T\) are witness to a violation of GF1A, let us consider what form such \(S\) and \(T\) could take. Note that it must be the case that \(S = T\), because no other player has goods valued by anyone except themselves.

If it is the case that \(|S| = |T|\) and GF1A is violated, we can remove any player \(T \cap S \ni t\) from both \(T\) and \(S\) and GF1A will still be violated. To see this, note that player \(t\)'s removal weakly increases \(|S|/|T|\), and weakly increases \(v_j(B_j)\) for all \(j \neq t\) (because player \(t\)'s contribution to \(\cup_{j \in T} A_j\) is not positively valued by anyone except \(t\)). For the same reasons, we can remove any player \(T \cap S \ni t\) from \(T\) and GF1A will still be violated. Thus, if there exists a violation of GF1A with \(|S| \geq |T|\), there also exists a violation with \(|S| < |T|\).

Next, suppose that there is a violation of GF1A in which \(|S| < |T|\). Once again, we can remove any player \(T \cap S \ni t\) from \(T\), and GF1A will still be violated. After repeating this process, if there remains a GF1A violation with \(|S| < |T|\) then it must be the case that \(T = S \cup \{t\}\). If \(s_i \in S\) then
\[
\left(\frac{|S|}{|T|}\right) \cdot v_{s_i}(B_{s_i}) < m + 1 \leq v_{s_i}(A_{s_i} + g_s)
\]
for all partitions \(B\), since the only possible \(g_s\) that \(s_i\) has non-positive valuation for is good \(g_s\). This contradicts that sets \(S\) and \(T\) are witness to a GF1A violation.

Any violation of GF1A with \(|S| < |T|\) must therefore have \(s_i \notin S\). Suppose that \(S\) contains exactly \(k \leq m\) of the \(s_i\) players. We will show that no violation of GF1A is possible in this case. Consider some partition \((B_i)_{i \in S}\) of \(\cup_{j \in T} A_j\). If there exists \(i\) such that \(B_{s_i}\) contains neither \(g_s\) nor any \(x_j\) good, then
\[
\left(\frac{|S|}{|T|}\right) \cdot v_{s_i}(B_{s_i}) < m < v_{s_i}(A_{s_i}),
\]
so this partition does not produce a violation of GF1A. It therefore must be the case that for all \(s_i \in S\), \(B_{s_i}\) contains \(g_s\) or at least one good \(x_j\). By considering the total utility available to players in \(S\) from the set of goods \(\cup_{j \in T} A_j\), we have
\[
\min_{s_i \in S} \left(\frac{|S|}{|T|}\right) v_{s_i}(B_{s_i}) \leq \frac{k}{k + 1} \left(2(m + 1)^3 + m + 1 - (m + 1)^2 - \epsilon + \frac{2(m + 1)^3 + m + 1}{k}\right)
\]
\[
= \frac{k}{k + 1} \left(2(m + 1)^3 + m + 1 - (m + 1)^2 - \epsilon\right) + \frac{2(m + 1)^3 + m + 1}{k + 1}
\]
\[
= 2(m + 1)^3 + m + 1 - \frac{k}{k + 1} ((m + 1)^2 + \epsilon)
\]
\[
< 2(m + 1)^3 + m + 1 - \epsilon
\]
\[
\leq v_{s_i}(A_{s_i} + g_s)
\]
where \(g_s \in B_{s_i}\) is either some good \(x_j\) or \(g_s\). The final inequality holds provided \(\frac{k}{k + 1} ((m + 1)^2 + \epsilon) \geq \epsilon\), which holds as long as \(\epsilon < \frac{k}{k + 1} (m + 1)^2\). Therefore, this partition does not produce a violation of GF1A either, so sets \(S\) and \(T\) are not witness to a violation.

Combining the above arguments, we have that the only \(T\) for which we have not excluded a GF1A violation is \(T = \{t\}\). It remains for us to rule out violations of this form.

To that end, suppose that \(s_\star \in S\). Fix a partition \((B_i)_{i \in S}\). Note that if \(g_s \notin B_{s_\star}\), then
\[
\left(\frac{|S|}{|T|}\right) \cdot v_{s_\star}(B_{s_\star}) = 0 < v_{s_\star}(A_{s_\star}),
\]
so set \(S\) and partition \((B_i)_{i \in S}\) do not constitute a violation of GF1A. Therefore, it must be the case that \(g_s \in B_{s_\star}\).

If \(|S| < m + 1\), then
\[
\left(\frac{|S|}{|T|}\right) \cdot v_{s_\star}(B_{s_\star}) < m + 1 = v_{s_\star}(A_{s_\star} + g_s),
\]
so GF1A is not violated.

If \(|S| = m + 1\), then partition \((B_i)_{i \in S}\) divides \(A_i - g_s\) (or some strict subset thereof) among \(S \setminus \{s_1\}\) (because \(g_s \in B_s\)). Note that the only way to divide \(A_i - g_s\) so that all \(i \in S \setminus \{s_1\}\) is to give each player an equal number of \(x_i\) goods, plus utility of exactly 1 from goods in \(N\). If two players receive an unequal number of \(x_i\) goods, then one receives at least \((m + 1)^2\) more utility than the other, which cannot be made up for even by allocating the other player all of the goods corresponding to \(N\) (which sum to only \(m\)). Because there is no solution to the 3-Partition instance, there must exist some player \(i \in S\) with

\[
\frac{2m(m+1)^2 + m}{m} = 2(m + 1)^3 + m + 1 = v_i(A_i).
\]

We also have that if \(i = s_j\) for some \(j\), then \(v_{s_j}(A_{s_j} + g_{s_j}) = 2(m + 1)^3 + m + 1 - \epsilon > (|S|/|T|) \cdot v_{s_j}(B_{s_j})\) for small enough \(\epsilon^3\).

If \(|S| = m + 2\) then we can make a similar argument. There must exist some player \(i \in S\) with

\[
\frac{2m(m+1)^2 + m}{m+1} = (m + 2)(2m + 1) + m(m + 2) + m + 1 - \epsilon = v_{s_j}(A_{s_j} + g_{s_j})
\]

where the second inequality holds for small enough \(\epsilon\).

The only remaining case is that of \(s_2 \notin S\). The total utility to be divided amongst players in \(S\) is \(2(m + 1)^3 + m + 1\). Therefore, because there is no solution to the 3-Partition instance (and we can again argue that for all players to get the same utility they must each receive utility exactly 1 from goods in \(N\), some player in \(S\) gets utility \(v_i(B_i) < 2\frac{(m+1)^3 + m + 1}{|S|}\). We have

\[
\frac{2m(m+1)^3 + m + 1}{|S|} = 2(m + 1)^3 + m + 1
\]

Therefore, there exists an \(\epsilon\) for which

\[
\frac{2m(m+1)^3 + m + 1}{|S|} < 2(m + 1)^3 + m + 1 - \epsilon = v_{s_j}(A_{s_j} + g_{s_j})
\]

\[
= v_i(A_i)
\]

We have now completely ruled out the existence of a GF1A violation. Therefore, when there is no solution to the 3-Partition instance, GF1A is satisfied. It is easy to check that this is a pseudo-polynomial reduction (Garey and Johnson 1978), thus proving strong coNP-hardness.

\[\square\]

**B Market Interpretation of Local Nash Optimality**

We first introduce some additional notation. A price measure is a function \(p : M \rightarrow \mathbb{R}_+\). For \(Z \subseteq M\), we abuse the notation and define \(p(Z) \triangleq \sum_{g \in Z} p(g)\); in particular, \(p(\emptyset) = 0\). Given a non-wasteful allocation \(A\), its standard price measure \(p\) is given by \(p(g) = v_i(g)/v_i(A_i)\) for all \(i \in N\) and \(g \in A_i\). Note that this is well-defined because if \(g \in A_i\) under a non-wasteful allocation \(A\), then we must have \(v_i(g) > 0\), and thus \(v_i(A_i) > 0\).

We observe that with a little algebraic simplification, we can rewrite the final condition from Definition 6 in the following way.

\[
v_i(A_i + g) \cdot v_i(g) \geq v_i(g) \cdot v_i(A_i),
\]

**Definition 11 (CEE1).** We say that a pair \((A, p)\) of allocation \(A\) and price measure \(p\) is a competitive equilibrium with equal incomes up to one good (CEE1) if

- \(p(g) > 0\) for all \(g \in M\).
- \(A\) is non-wasteful (\(\forall i \in N, g \in M : g \in A_i \Rightarrow v_i(g) > 0\)).
- CE1: For all \(i \in N\) and \(Z \subseteq M\) with \(Z \neq \emptyset\),

3This argument assumes that we can set \(g_{s_j}\) to be one of the \(x_k\) goods, which is possible as long as \(B_{s_j}\) contains at least one of these goods. Were this not the case, we would have \(v_{s_j}(B_{s_j}) \leq m < A_{s_j}\).
- if $Z \subseteq A_i$ then $v_i(A_i) \geq v_i(Z)/p(Z)$,
- else there exists a good $g \in Z \setminus A_i$ such that $v_i(A_i + g) \geq v_i(Z)/p(Z)$.

• EI: For all $i \in N$, $A_i = \emptyset$ or $p(A_i) = 1$.

**Lemma 9.** If $(A, p)$ is CEEI, then $p$ is the standard price measure of $A$.

**Proof.** Fix $i \in N$ such that $A_i \neq \emptyset$. Due to non-wastefulness, we have $v_i(A_i) > 0$. For all $g \in A_i$, the CE1 condition with $Z = \{g\}$ requires that $v_i(A_i) \geq v_i(g)/p(g)$, i.e., $p(g) \geq v_i(g)/v_i(A_i)$. Summing over all $g \in A_i$, we get $p(A_i) \geq v_i(A_i)/v_i(A_i) = 1$. However, the EI condition requires that this must be an equality. Hence, we have $p(g) = v_i(g)/v_i(A_i)$ for all $i \in N$ and $g \in A_i$. \hphantom{.}

**Theorem 10.** $(A, p)$ is CEEI if and only if $A$ is a locally Nash-optimal allocation, and $p$ is its standard price measure.

**Proof.** Let us first prove the “if” direction. Let $A$ be a locally Nash-optimal allocation and $p$ be its standard price measure. Fix $i \in N$. For all $g \in A_i$, we have $v_i(A_i) \cdot p(g) = v_i(g)$ by definition of a standard price measure. Summing over $g \in Z \subseteq A_i$, we get $v_i(A_i) \cdot p(Z) = v_i(Z)$, which satisfies the first part of the CE1 condition.

Further, for all $j \in N \setminus \{i\}$ and $g \in A_j$, substituting $p(g) = v_i(g)/v_j(A_j)$ in Equation (1) yields $v_i(A_i + g) \cdot p(g) \geq v_i(g)$. Fix $Z \subseteq M$ such that $Z \setminus A_i \neq \emptyset$, and let $g^* \in \arg\max_{g \in Z \setminus A_i} v_i(g)$. Then, we have $v_i(A_i + g^*) \cdot p(g) \geq v_i(A_i + g) \cdot p(g) \geq v_i(g)$ for all $g \in Z \setminus A_i$ and $v_i(A_i + g^*) \cdot p(g) \geq v_i(A_i) \cdot p(g) = v_i(g)$ for all $g \in Z \cap A_i$. Summing over $g \in Z$ yields $v_i(A_i + g^*) \cdot p(Z) \geq v_i(Z)$, as desired.

For the converse, let $(A, p)$ be CEEI. Lemma 9 shows that $p$ must be the standard price measure of $A$. Fix $i, j \in N$ and $g \in A_j$. In the CE1 condition, taking $Z = \{g\}$ yields $v_i(A_i + g) \geq v_i(g)/p(g)$. Substituting $p(g) = v_i(g)/v_j(A_j)$ and observing that $A$ is non-wasteful by definition of CEEI, we obtain Equation (1). Hence, $A$ is a locally Nash-optimal allocation. \hphantom{.}

**C Removing a Single Good Overall**

One might wonder if we can remove just a single good, instead of $|S|$ or $|T|$ goods. As we argued in Section 3, this is impossible if we want to prevent $S$ from being able to find a Pareto improving allocation using $T$’s goods (minus a single good).

However, the question becomes more interesting if we relax preventing Pareto improvements to preventing only strict improvements, where every strategy is strictly better off. The relevant variation of the GF1A definition is as follows.

**Definition 12.** An allocation $A$ satisfies **Strict-Improvement-GF1A** if for every non-empty $S, T \subseteq N$ and every partition $(B_i)_{i \in S}$ of $\cup_{j \in T} A_j$, there exists a player $j \in S$ and a good $g^* \in B_j$ such that $|S|/|T| \cdot (v_i(B_i))_{i \in S}$ does not strictly dominate $(v_i(A_i + g_i))_{i \in S}$, where $A_i + g_i = A_i$ for all $i \neq j$.

It turns out that this variant is implied by our standard version of GF1A. If $(|S|/|T|) \cdot (v_i(B_i))_{i \in S}$ does not Pareto dominate $(v_i(A_i + g_i))_{i \in S}$, there must exist some $j \in S$ for whom $(|S|/|T|) \cdot v_j(B_j) \leq v_j(A_j + g_j)$. It now suffices to let $j$ and $g^*$ be the single player/good combination that is chosen to prevent a strict improvement.

What about the “before” variant? The relevant property is the following:

**Definition 13.** An allocation $A$ satisfies **Strict-Improvement-GF1B** if for every non-empty $S, T \subseteq N$, there exists a good $g^* \in \cup_{j \in T} A_j$ such that for every partition $(B_i)_{i \in S}$ of $(\cup_{j \in T} A_j) - g^*$, $(|S|/|T|) \cdot (v_i(B_i))_{i \in S}$ does not strictly dominate $(v_i(A_i))_{i \in S}$.

Unfortunately, this property does not hold in general, even when all players have identical valuations. Suppose we have five players and 13 identical goods. Three players get three goods each, two players get two goods each. Let $S$ be the set of two players and $T$ be the set of three. Even after taking one good from $T$’s bundle, the remaining goods can be re-allocated so that each member of $S$ gets four goods each. Even adjusted by $|S|/|T| = 2/3$, they both strictly improve on their previous utility of 2.

When all players have identical valuations and $|S| = |T|$, the leximin mechanism satisfies this property. The leximin mechanism finds an allocation $A$ that maximizes $\min_{i \in N} v_i(A_i)$, and subject to that condition maximizes the second-lowest utility, and so on.

**Theorem 11.** When all players have identical valuations, the leximin mechanism satisfies Strict-Improvement-GF1B restricted to $|S| = |T|$.

**Proof.** Let $v$ be the common valuation function. For contradiction, suppose that there exists $T \subseteq N$ such that for all $g \in \cup_{j \in T} A_j$, there exists $S \subseteq N$ with $|S| = |T|$ and partition $(B_i)_{i \in S}$ of $(\cup_{j \in T} A_j) - g$, such that $v(B_i) > v(A_i)$ for all $i \in S$. Denote by $K$ the set of all players with minimum utility under allocation $A$. $K = \arg\min_{i \in S \cup T} v(A_i)$.

Let $g^* \in \cup_{j \in T} A_j$ with $v(g^*) > 0$ (if no such exists, any allocation is trivially Strict-Improvement-GF1B) and consider an allocation $C$ with $C_i = B_i$ for all $i \in S$ and $C_i = A_{f(i)}$ for all $i \in T \setminus S$, where $f$ is a bijection from $T \setminus S$ to $S \setminus T$. Good $g^*$ has still not been allocated but we will do so later, as required. Let $C_i = A_i$ for all $i \notin S \cup T$ (which implies $v(C_i) = v(A_i)$).
For every \( i \in S \), we have that \( v(C_i) > v(A_i) \geq \min_{j \in S \setminus T} v(A_j) \). For every \( i \in T \setminus S \), we have that \( v(C_i) = v(f(i)(A_{f(i)})) \), which means that exactly \( |K \cup (S \setminus T)| \) players from \( T \setminus S \) have \( v(C_i) = \min_{j \in S \setminus T} v(A_j) \), and all others have \( v(C_i) > \min_{j \in S \setminus T} v(A_j) \). Therefore, in total, exactly \( |K \cap (S \setminus T)| \leq |K| \) players have \( v(C_i) = \min_{j \in S \setminus T} v(A_j) \) and none have \( v(C_i) < \min_{j \in S \setminus T} v(A_j) \). Finally, we can assign good \( g^* \) to some player with \( v(C_i) = \min_{j \in S \setminus T} v(A_j) \), which gives us that the number of players with \( v(C_i) = \min_{j \in S \setminus T} v(A_j) \) is strictly less than \(|K|\). Therefore, allocation \( C \) is leximin better than \( A \), a contradiction.

The case where \(|S| = |T|\) and players have unequal valuations is still open. We know that the globally Nash optimal allocation does not satisfy it. In the example below, it is easy to check that the Nash optimal allocation is:

\[
\begin{array}{c|ccccccc}
& g_1 & g_2 & g_3 & g_4 & g_5 & g_6 \\
p_1 & 0.52 & 0.52 & 1.01 & 0 & 1 & 0 \\
p_2 & 0.52 & 0.52 & 0 & 1.01 & 0 & 1 \\
p_3 & 0.48 & 0 & 0.52 & 0 & 0 & 0 \\
p_4 & 0 & 0.48 & 0 & 0.52 & 0 & 0 \\
\end{array}
\]

### D  Weaker Version of GF1B

Recall the weaker version of GF1B discussed in the text following Definition 9. It replaces the condition that one good must be removed for each player in \( T \) with a condition that \(|T|\) goods must be removed from any players in \( T \). Here we provide the formal definition.

**Definition 14** (Weak group fairness up to one good, before/w-GF1B). An allocation \( A \) is GF1B if for every non-empty \( T \subseteq N \), there exists \( G_T \subseteq \bigcup_{j \in T} A_j \), such that for every \( S \subseteq N \) for which there exists a partition \( (C_i)_{i \in S} \) of \( \bigcup_{j \in T} A_j \), with \( v_i(C_i) > 0 \) for all \( i \), for every partition \( (B_i)_{i \in S} \) of \( \bigcup_{j \in T} A_j \setminus G_T \), \(|S|/|T| \cdot (v_i(B_i))_{i \in S} \) does not Pareto dominate \((v_i(A_i))_{i \in S}\).

Clearly this definition is no stronger than the existing definition as it gives more flexibility about what goods can be removed. The following example shows that it is strictly weaker.

![Allocation A](image)

Figure 6: Allocation that is not GF1B but does satisfy the weaker definition.

To see that the instance in Figure 6 does not satisfy GF1B, consider sets \( S \) and \( T \) as in the figure. Even after removing one of the stars and one of the goods valued \( 3/4 \), it is possible to rearrange the remainder of \( T \)'s goods amongst \( S \) so that one player gets utility \( 5/4 \) and the other gets utility \( 1 \). Since \(|S|/|T| = 1\), this violates GF1B. However, if we were allowed to remove both stars, the remaining goods could not be rearranged amongst \( S \) in a way that Pareto-improved the utility of \( S \). It can be verified that no other sets \( S, T \) would be witness to a violation of the weaker definition either.