

Problems on Social Media Networks [Solutions]

Problem 1: Sheep or Narcissist?

Consider the network manipulation model of Mostagir, Ozdaglar, and Siderius (2022). In this exercise, we look at how a DeGroot learner might calibrate the weight to assign to her own news as opposed to the news and opinions of those in her social media network.

Suppose there is a single knowledgeable agent (node 1) and two DeGroot agents (nodes 2 and 3). Recall that the knowledgeable agent has belief $\pi_{1,t} = 0$ for all t of the incorrect state, whereas the two DeGroot agents update their beliefs $\pi_{i,t+1}$ of the correct state according to:

$$\begin{cases} \pi_{2,t+1} = \theta_2\gamma_2 + (1 - \theta_2)\pi_{3,t}/2 \\ \pi_{3,t+1} = \theta_3\gamma_3 + (1 - \theta_3)\pi_{2,t}/2 \end{cases} \quad (1)$$

where $\gamma_i = 1$ if the principal spams agent i with disinformation and $\gamma_i = 0$ if not. These network learning dynamics correspond to a complete network of three nodes where all other agents' beliefs are weighted equally. Recall that social learning accounts for $1 - \theta_i$ proportion of the learning whereas learning from one's own news accounts for θ_i proportion.

We consider an extension of this model where DeGroot agents are still boundedly rational and must comply with Equation (1), but can strategically choose θ_i to try and avoid manipulation. Formally, consider the following game:

1. At $\tau = 1$, DeGroot agents strategically choose θ_2 and θ_3 simultaneously;
 2. At $\tau = 2$, the principal elects to target agent 2 and/or agent 3 (i.e., γ_2 and γ_3), for which the principal pays $\varepsilon(\gamma_2 + \gamma_3)$ (i.e., the principal pays ε for each agent he targets);
 3. At $\tau = 3$, belief updating occurs over an infinite horizon as in the baseline model;
 4. At $\tau = 4$, DeGroot agent i is manipulated if $\lim_{t \rightarrow \infty} \pi_{i,t} > 0.1$, in which case the agent receives utility 0 and the principal receives utility 1. If $\lim_{t \rightarrow \infty} \pi_{i,t} < 0.1$, the agent receives utility 1 and the principal receives utility 0.
- a. Taking $\boldsymbol{\theta} \equiv (\theta_2, \theta_3)$ and $\boldsymbol{\gamma} \equiv (\gamma_2, \gamma_3)$ as given, solve for $\lim_{t \rightarrow \infty} \pi_{2,t}$ and $\lim_{t \rightarrow \infty} \pi_{3,t}$.

For $i \in \{2, 3\}$:

$$\lim_{t \rightarrow \infty} \pi_{i,t} = \frac{4\theta_i\gamma_i + 2(1 - \theta_i)\theta_j\gamma_j}{\theta_i + \theta_j - \theta_i\theta_j + 3}$$

where $j = 3$ when $i = 2$ and $j = 2$ when $i = 3$.

- b. Show that $\boldsymbol{\theta} = \mathbf{0}$ is a pure-strategy Nash equilibrium where no agent is manipulated.

Plugging in $\boldsymbol{\theta} = \mathbf{0}$, one observes that $\pi_{2,\infty} = \pi_{3,\infty} = 0$. Both agents 2 and 3 are guaranteed to avoid manipulation regardless of $\boldsymbol{\gamma}$, so this is an equilibrium.

- c. Suppose $1 < \varepsilon < 2$. Show that $\boldsymbol{\theta} = \mathbf{1}$ is also a pure-strategy equilibrium where no agents are manipulated, but that $\boldsymbol{\theta} = (1, 0)$ and $\boldsymbol{\theta} = (0, 1)$ are not equilibria. Conclude that neither $\theta_i = 0$ nor $\theta_i = 1$ are (weakly) dominant strategies.

Using part (a), we note that $\pi_{i,\infty} = \gamma_i$ when $\theta = \mathbf{1}$. If the principal targets both agents, he receives payoff $2(1 - \varepsilon) < 0$ and if the principal targets only one agent, he receives $1 - \varepsilon < 0$. Therefore, the principal plays $\gamma = \mathbf{0}$ and neither agent is manipulated. This is a PNE.

Next, consider $\theta_2 = 1$ and $\theta_3 = 0$. Then $\pi_{2,\infty} = \gamma_2$ and $\pi_{3,\infty} = \gamma_2/2$. If the principal sets $\gamma_2 = 1$ and $\gamma_3 = 0$, then she manipulates both agents and receives a payoff of $2 - \varepsilon > 0$. If agent 2 deviated to $\theta_2 = 0$, however, agent 2 could avoid manipulation. Similarly, if agent 3 deviated to $\theta_3 = 1$, agent 3 could avoid manipulation. Therefore, this is not a PNE.

Finally, note that both agents 2 and 3 have an incentive to deviate whenever $(\theta_2, \theta_3) = (1, 0)$ or $(\theta_2, \theta_3) = (0, 1)$ so i mismatching j is never a best response.

- d. Under the same conditions of (c), show that other pure-strategy Nash equilibria exist for intermediate values of $\theta^* \in (0, 1)$ where $\theta = (\theta^*, \theta^*)$, but where both agents are manipulated.

Take $\theta^* = 1/2$. Then using part (a), notice that:

$$\pi_{i,\infty} = \frac{8\gamma_i + 2\gamma_j}{15}$$

Setting $\gamma_2 = 1$ and $\gamma_3 = 0$ yields $\pi_{2,\infty} = 8/15$ and $\pi_{3,\infty} = 2/15 > .1$. The principal makes profit $2 - \varepsilon > 0$ and both agents are manipulated under this profile. Consider a deviation on the part of agent 2 to some other $\theta'_2 \neq \theta^*$. Then:

$$\pi_{2,\infty} = \frac{8\theta'_2\gamma_2 + 2(1 - \theta'_2)\gamma_3}{7 + \theta'_2}$$

$$\pi_{3,\infty} = \frac{4\gamma_3 + 2\theta'_2\gamma_2}{7 + \theta'_2}$$

If $\theta'_2 < 1/2$, then suppose the principal chooses $\gamma_3 = 1$ and $\gamma_2 = 0$. Then $\pi_{2,\infty} \geq 2/15$ and $\pi_{3,\infty} \geq 8/15$ for all $\theta'_2 < 1/2$, and both agents are manipulated (and is profitable for the principal). Likewise, if $\theta'_2 > 1/2$, then suppose the principal chooses $\gamma_2 = 1$ and $\gamma_3 = 0$. Then $\pi_{2,\infty} \geq 8/15$ and $\pi_{3,\infty} \geq 2/15$ for all $\theta'_2 > 1/2$, and both agents are manipulated. Therefore, no deviation $\theta'_2 \neq 1/2$ is profitable and this is a PNE.

- e. Interpret the results of (b), (c), and (d) in terms of how DeGroots should weight their own news feeds as opposed to the opinions of their peers on social media. Are all such equilibria equally resistant to manipulation?

Loosely, the game of choosing weights θ_i resembles a coordination game where agents in the network want to mimic the weights of others. When agents in society coordinate on whether to listen to the crowd (sheep) or form their own opinions from news (narcissists), they are resistant to manipulation. However, a mix of sheepish and narcissistic behavior is also an equilibrium that provides the perfect breeding ground for the principal to spread disinformation.

Problem 2: Censorship Policy Backfire

Consider the online misinformation model of Acemoglu, Ozdaglar, and Siderius (2022). In this exercise, we formally show that a regulator who censors only a fraction of misinformation may make the overall spread of misinformation worse.

Let us consider two islands of equal size $N/2$: a left-wing island where all agents have prior belief $b_i = 1/3$ (that $\theta = R$) and a right-wing island where all agents have prior belief $b_i = 2/3$ (that $\theta = R$). There is an article of reliability score r with likelihood of being truthful $\phi(r)$ and likelihood of being misinformation $1 - \phi(r)$. Recall that an article that is truthful produces a message $m = \theta$ with probability $p > 1/2$ and an article that contains misinformation produces a message $m = \theta$ with probability $q \leq 1/2$. Let π_i be the posterior belief of agent i that the article is truthful (does not contain misinformation) given reliability score r and right-wing message $m = R$.

- a. Write the expression for π_i .

$$\pi_i = \frac{(pb_i + (1-p)(1-b_i))\phi(r)}{(qb_i + (1-q)(1-b_i))(1-\phi(r)) + (pb_i + (1-p)(1-b_i))\phi(r)}$$

Suppose each agent i decides between taking the action $a_i = \mathcal{S}$ (“share”) and $a_i = \mathcal{D}$ (“dislike”). Take the payoff from sharing to be $U_i = (2\pi_i - 1) + (S_i - D_i)/(2N)$, where S_i is the number of re-shares after agent i ’s share and D_i is the number of dislikes after agent i ’s share. Take the payoff from disliking to be $1 - \pi_i$.¹ Moreover, assume all articles are equally likely to be truthful or contain misinformation ex-ante (i.e., $\phi(r) = 1 - \phi(r) = 1/2$) and that $p = 1$ and $q = 0$.

- b. Argue that the optimal platform algorithm (to maximize total shares) is a two-island homophily model with $p_s = 1$ and $p_d = 0$ and where the article is initially recommended to a (seed) agent on the right-wing island.

The expression for π_i in part (a) now simplifies to $\pi_i = b_i$. The difference in payoffs between sharing and disliking is:

$$U_i(\mathcal{S}) - U_i(\mathcal{D}) = (3\pi_i - 2) + (S_i - D_i)/(2N) \leq 3\pi_i - \frac{3}{2} = 3b_i - \frac{3}{2}$$

which is negative for $b_i = 1/3$, so left-wing agents always dislike.

On the other hand, the two-island homophily model leads to $N/2$ total shares in the maximal sharing equilibrium because

$$U_i(\mathcal{S}) - U_i(\mathcal{D}) = (3\pi_i - 2) + (S_i - D_i)/(2N) = 3\pi_i - \frac{7}{4}$$

which is positive for $b_i = 2/3$, so right-wing agents will share in an island of all right-wing agents.

- c. Now, suppose the regulator removes δ fraction of the misinformation in circulation (in other words, if an article contains misinformation it is removed with probability δ and remains with probability $1 - \delta$). Write the expression for π_i as in (a), assuming this censorship policy is common knowledge.

It is the same as part (a), except with $\phi(r)$ replaced by $\tilde{\phi}(r) = \phi(r) + \delta(1 - \phi(r))$.

- d. Show that if $1/3 < \delta < 1/2$, the optimal platform algorithm is the complete network (in other words, a single-island model where all links exist).

Note that for $\delta > 1/3$, we have that $\pi_i > \frac{2b_i}{1+3b_i}$. This implies for $b_i = 1/3$ that $\pi_i > 1/2$ (and obviously the same for $b_i = 2/3$). In a complete network, the difference in payoffs between sharing and disliking is:

$$U_i(\mathcal{S}) - U_i(\mathcal{D}) = (3\pi_i - 2) + (S_i - D_i)/(2N) = 3\pi_i - \frac{3}{2} > 0$$

so indeed the most-sharing equilibrium leads to all agents sharing in a complete network.

- e. Conclude that misinformation spreads more (on average) under a censorship policy with $1/3 < \delta < 1/2$ than under no censorship policy ($\delta = 0$).

A misinformation article generates N shares under (d) but only $N/2$ shares under (b). The total amount of misinformation shares under (d) are $(1 - \delta)N > N/2$ under (b).

¹Observe that under this formulation, “ignore” is always dominated by “dislike” so indeed the agent only decides between “share” and “dislike”.

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