

Lecture # 2

Topics to be covered:

- 1) Graph/Network Theory
(Linear Algebra, Graph Laplacian & Ranking)
- 2) Data Science
(Ranks, Clusters: Cliques, Clans, Clubs)
- 3) Game Theory
(Signaling Games, Privacy, Security & Ethics)
- 4) Data Sciences
(Big Data, Statistical Inference)
- 5) Distributed Computing
(Infrastructure, Implementation)
- 6) Internet Economics
(Auction, Pricing, Payment System)

Graph Theory:

- Combinatorial Structure
- Algebraic Structure ~ Spectral Properties
- Probabilistic Structure ~

Random Graphs & Their Evolution.

Social Interactions (Pair-wise)

- ◇ Graph Theory (Interaction Choices)
- ◇ Game Theory (Strategic Choices)

We wish to model Strategic Interactions among Rational Agents.

Ingredients:

$V \equiv$ Set of Actors

$E \subseteq V \times V \equiv$ Set of Links

$S_v \equiv$ Strategy space $v \in V$

$u_v: \prod_{v \in V} S_v \rightarrow \mathbb{R}_+ \equiv$ Pay-off functions of $v \in V$

$(V, E, S_v|_{v \in V}, u_v|_{v \in V})$
determine

A Social Network and how its agents behave.

Defn GRAPHS (Networks) (8)

A graph $G = (V, E)$ consists of a set of vertices V together with a set of edges $E \subseteq V \times V$.

⇒ A mathematical object describing an irreflexive, symmetric binary relation on a discrete set, which need not be finite.

Example: Friendship.

IRREFLEXIVE: One is not his own friend.

$$\langle v, v \rangle \notin E \quad (\text{no self-loop})$$

SYMMETRIC: One is a friend to a friend.

$$\langle v, w \rangle \in E \Leftrightarrow \langle w, v \rangle \in E$$

NON TRANSITIVE: One is not necessarily a friend to a friend's friend.

$$\langle u, v \rangle \in E \wedge \langle v, w \rangle \in E \not\Rightarrow \langle u, w \rangle \in E.$$

Friendship relation in a Social Network can be described by an undirected graph.

◇ An edge $e = (u, v) \in E$ (where $E \subseteq V \times V$) is described by the unordered pair of vertices (players), which serve as edge's end-points.

Two vertices u and v are adjacent if $\exists_e e=(u,v)$ connecting u and v .

Notation: $|V| = n = \# \text{ vertices}$
 $|E| = m = \# \text{ edges}$.

$$m \leq \binom{n}{2} = \frac{n(n-1)}{2} \begin{cases} n = \# \text{ ways to choose } u \\ n-1 = \# \text{ ways to choose } v \\ \text{identifying edge} \\ (u,v) \equiv (v,u) \text{ [Symm]} \end{cases}$$

STRICT GRAPH:

No self-loop $(u,u) \notin E \quad \forall u$

No multi-edge $e_1=(u_1, v_1) \neq e_2=(u_2, v_2)$

$$\Rightarrow (u_1 = u_2) \Rightarrow (v_1 \neq v_2)$$

$$\wedge (u_1 = v_2) \Rightarrow (v_1 \neq u_2)$$

$$\forall e_1, e_2$$

Two vertices u , and v are adjacent

$$\exists_e e=(u,v)$$

Two edges e and f are incident

$$\exists_u e=(u,v) \wedge f=(u,w)$$

$$d(v) = |\{u \mid (u, v) \in E\}| = \text{Degree.}$$

The number of vertices adjacent to a given vertex v is called the degree of the vertex.

$$\sum_{v \in V} d(v) = 2|E| = 2m$$

Average degree of the graph

$$\bar{d} = \frac{\sum_{v \in V} d(v)}{V} = \frac{2m}{n}$$

Density = Ratio of the number of edges to the number of possible total

$$= \frac{|E|}{\binom{n}{2}} = \frac{2m}{n(n-1)} = \frac{\sum d(v)}{n(n-1)} = \frac{\bar{d}}{n-1}$$

① Density = 1 \Rightarrow Graph is complete.

$$\bar{d} = (n-1) \quad \forall v \quad d(v) \leq n-1$$

$$\Rightarrow \forall v \quad d(v) = n-1$$

A graph is complete if all of its vertices are adjacent to all others.

◊ If a social network has many "well-connected individuals" then the network is "dense," since

$$\text{density} = \bar{d}/n-1$$

⇒ Finding and connecting to "well-connected" subnetworks is beneficial.

CLIQUE CLUB

CLAN.

Distance between two individuals:

Path: A sequence of adjacent ^{distinct} vertices

$$v_0, v_1, \dots, v_n$$

$$\forall_i (v_i, v_{i+1}) \in E, \quad 0 \leq i < n$$

$$\forall_{i,j} v_i \neq v_j \quad 0 \leq i \neq j \leq n$$

in which no vertex occurs more than once.

Path \subseteq Trail \subseteq Walk

Vertices are distinct

Edges are distinct

Neither.

◊ The (geodesic) - distance between two vertices is the length of the shortest path connecting them.

$$d(u, v) = \text{Geodesic distance between } u \text{ and } v.$$

◇ The maximal geodesic-distance in a graph is its diameter, $\mathcal{D}(G)$

$$\forall u, v \quad d(u, v) \leq \mathcal{D}(G).$$

$G_1(V_1, E_1) \subseteq G(V, E)$ (subgraph)

iff $V_1 \subseteq V \wedge E_1 \subseteq E$.

◇ A subgraph of a graph G is a graph whose vertices and edges are contained in G .

$$G_1 \subseteq G, \quad |V_1| = k, \quad |E_1| = \binom{k}{2}$$

◇ A clique is a maximal complete subgraph.

◇ The subgraph $G(S)$ of a graph G induced by the set of nodes S is defined as the maximal subgraph of G that has vertex set S .

COHESIVE SUBNETWORKS

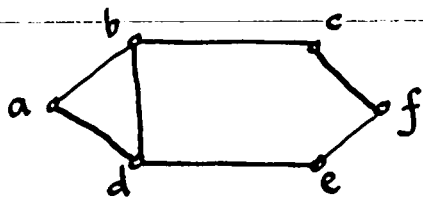
K-clique: A k -clique S of a graph is a maximal set of nodes in which
 $\forall u, v \in S \quad d(u, v) \leq k.$

1. Clique = Clique.

K-Club: A k -club is a subset S of nodes such that in the subgraph $G(S)$ induced by S , the diameter is k or less.
 $D(G(S)) = k$

K-Clan \equiv k -Clique \cap k -club.

A k -clan is a k -clique in which all pairs of vertices are at distances less than or equal to k ,
even when the geodesics/paths are restricted to involve only members of S .



$\{a, b, d\} = 1\text{-clique}$

$\{a, b, c, d, e\} = 2\text{-clique}$.

Note $d(c, e) = 2$
(through f)

$\{b, c, d, e, f\} = 2\text{-clique}$.

$\{a, b, c, d\} \neq 2\text{-clique}$
(not maximal)

$\{b, c, d, e, f\} = 2\text{-clan}$

$\{a, b, c, d, e\} \neq 2\text{-clan}$

$\Rightarrow k\text{-clique} \neq k\text{-clan}$.

$\{a, b, c, d\} = 2\text{-club}$

$\{a, b, c, d, e\} \neq 2\text{-club}$

$\Rightarrow k\text{-clique} \neq k\text{-club}$



LS-Sets:

Let H be a set of nodes in $G=(V,E)$
and let K be a proper subset of H .

Let $\alpha(K)$ denote the number of edges
linking members of
 K to $V \setminus K$.

H = An LS-set of G if

$$\forall K \subsetneq H \quad \alpha(K) > \alpha(H)$$

\Rightarrow Members of H have more ties with
the "insiders" (other members of H) than
"outsiders" (members of $V \setminus H$).

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