Artificial Prediction Markets Present a Novel Opportunity for Human-AI Collaboration

Extended Abstract

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ABSTRACT

Despite high-profile successes in the field of Artificial Intelligence, machine-driven technologies still suffer important limitations, particularly for complex tasks where creativity, planning, common sense, intuition, or learning from limited data is required. These limitations motivate effective methods for human-machine collaboration. Our work makes two primary contributions. We thoroughly experiment with an artificial prediction market model to understand the effects of market parameters on model performance for benchmark classification tasks. We then demonstrate, through simulation, the impact of exogenous agents in the market, where these exogenous agents represent primitive human behaviors.

KEYWORDS

prediction markets; machine learning; human-AI collaboration

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1 INTRODUCTION

A body of work on artificial prediction markets is emerging. These are numerically simulated markets, populated by artificial agents for the purpose of supervised learning of probability estimators [4]. While nascent, this literature has demonstrated the plausibility of using a trained market as a supervised learning algorithm, achieving comparable performance to standard approaches on simple classification tasks [3, 4, 12, 14].

Like other machine learning algorithms, functioning of an artificial prediction market depends on several researcher-determined parameters: number of agents; liquidity; initial cash; alongside parameters related to training processes. Scenarios in which performance is robust or brittle to these settings are yet unclear. Prior work has observed that artificial markets may suffer from a lack of participation [16]. That is, like their human counterparts in traditional prediction markets, agents may not invest in the market if they do not have sufficient information [2, 17, 18].

We suggest that a promising opportunity afforded by artificial prediction markets is eventual human-AI collaboration – a market framework should support human traders participating alongside agents to evaluate outcomes. That this approach may be particularly valuable in contexts where machine learning falls short (e.g., lack of training data, complex tasks) and the potential for human-only approaches is either undesirable or infeasible.

Our work is framed by two primary research questions.

RQ1: How does the performance of a simple artificial prediction market depend on hyper-parameter selection?

RQ2: What impact does the inclusion of exogenous agents represent simple, human-like behaviors have on market performance?

2 DATA

We consider three classification tasks. The first two are benchmark ML tasks [8, 13] used broadly to compare the performance of machine learning algorithms. The third is the task of classifying scientific research outcomes as replicable or not replicable – a challenging, complex task on which both machine learning algorithms [1, 15, 19, 20] and human assessment [5–7, 9–11] have achieved respectable but not excellent performance. Specifically, we use the dataset and extracted features considered by [16] for ease of comparison. The dataset contains 192 findings in the social...
and behavioral sciences, each labeled either Replicable or Not Replicable, and a set of 41 features extracted from each associated paper representing bibliometric, venue-related, author-related, statistical, and semantic information.

3 EXPERIMENTAL DESIGN

RQ1. We use as a base model the artificial binary prediction market described in [14] to study the effects of inter-arrival rate $\lambda$, agent initial bank value $B_i(0)$ (or, "cash"), and market liquidity factor $1/\beta$ on market learning performance. Number of generations is fixed at five during training; while, market duration is fixed at 20. These parameters were fixed (vs. manipulated) to avoid combinatorial complexity during this initial study; however, they should be studied in future work.

RQ2. We introduce three classes of exogenous agents representing primitive behaviors that operate fully separate from the agent logic and feature-based training protocol used for the other agents in the market. The first, ground truth agents $GT$ have perfect knowledge of the outcome and always buy contracts corresponding to the correct outcome whenever they have the opportunity to participate (moderated by arrival rate, $\lambda$). The second is ground truth inverse agents $GT_{inv}$. These agents always buy contracts corresponding to the incorrect outcome whenever they have an opportunity to participate. The third class is random agents rand which purchase contracts corresponding to one or the other outcome randomly.

4 RESULTS

RQ1. Task 1: Best F1 of 0.91 is achieved for the first benchmark ML task, Iris image classification [8], for {liquidity factor = 300, $\lambda = 1.0$, initial cash = 1}. In this setting, accuracy is 0.94 and 100% of the data is scored. Generally, better performance is attained when initial cash ranges between 1 and 4 and when liquidity is greater than 100. Choice of $\lambda$ does not appear to significantly impact performance.

Task 2: Performance is generally poorer on the benchmark heart disease classification task [13] than for the Iris image classification task, and there is less clear region of best performance in hyper-parameter space. Highest F1 of 0.71 is achieved for {liquidity factor $= 50$, $\lambda = 0.05$, initial cash = 20}. In this setting, accuracy is 0.66 and 99.67% of the data is scored.

Task 3: In the context of replication outcomes prediction, best F1 of 0.84 is achieved for {liquidity factor $= 5$, $\lambda = 0.05$, initial cash = 1}. Accuracy is 0.79 and 36% of the test data is scored. The market algorithm struggles with agent participation on this task; all but two hyper-parameter combinations leave at least 40% of the test data unscored. Performance increases with liquidity and decreases with initial cash, while the effect of $\lambda$ reveals no clear pattern.

RQ2. Task 1: We introduce GT, GT_{inv} and rand agents into the market. These agents operate outside of the training process and, as such, represent primitives that may underlie simple human participant inputs. Exogenous agents are introduced into the general agent pool and are subject to the same arrival rate, $\lambda$, as trained agents. We find that the inclusion of even a very small population of GT agents improves market performance substantially. The impact of random agents is relatively lesser (Table 1).

5 CONCLUSIONS

The comprehensive study of a simple artificial prediction market we undertake here highlights a promising new machine learning algorithm, which achieves respectable performance on benchmark machine learning tasks but which, we argue, affords unique opportunities for human-AI collaboration.

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Table 1: Average F1 on 10 best and worst-scoring replication markets, for different exogenous agent populations.

| Baseline | GT  | GT  | GT_{inv} | GT_{inv} |
|----------|-----|-----|----------|----------|
| F1       | 0.84| 0.93| 0.54     | 0.09     |
|          | 0.84| 0.91| 0.34     | 0.28     |
|          | 0.83| 0.94| 0.32     | 0.06     |
|          | 0.83| 0.90| 0.33     | 0.24     |
|          | 0.83| 0.88| 0.33     | 0.29     |
|          | 0.69| 0.89| 0.34     | 0.28     |
|          | 0.69| 0.91| 0.34     | 0.29     |
|          | 0.68| 0.95| 0.33     | 0.29     |
|          | 0.66| 0.89| 0.34     | 0.29     |
|          | 0.65| 0.90| 0.34     | 0.30     |

Figure 1: Average F1 score on the replication prediction task, plotted in hyper-parameter space.
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