Selfish Distributed Compression over Networks: Correlation Induces Anarchy

Aditya Ramamoorthy∗ Vwani Roychowdhury† Sudhir Kumar Singh‡

March 1, 2009

Abstract

We consider the min-cost multicast problem (under network coding) with multiple correlated sources where each terminal wants to losslessly reconstruct all the sources. This can be considered as the network generalization of the classical distributed source coding (Slepian-Wolf) problem. We study the inefficiency brought forth by the selfish behavior of the terminals in this scenario by modeling it as a noncooperative game among the terminals. The solution concept that we adopt for this game is the popular local Nash equilibrium (Wardrop equilibrium) adapted for the scenario with multiple sources. The degradation in performance due to the lack of regulation is measured by the Price of Anarchy (POA), which is defined as the ratio between the cost of the worst possible Wardrop equilibrium and the socially optimum cost. Our main result is that in contrast with the case of independent sources, the presence of source correlations can significantly increase the price of anarchy. Towards establishing this result we make several contributions. We characterize the socially optimal flow and rate allocation in terms of four intuitive conditions. This result is a key technical contribution of this paper and is of independent interest as well. Next, we show that the Wardrop equilibrium is a socially optimal solution for a different set of (related) cost functions. Using this, we construct explicit examples that demonstrate that the POA > 1 and determine near-tight upper bounds on the POA as well. The main techniques in our analysis are Lagrangian duality theory and the usage of the supermodularity of conditional entropy. Finally, all the techniques and results in this paper will naturally extend to a large class of network information flow problems where the Slepian-Wolf polytope is replaced by any contra-polymatroid (or more generally polymatroid-like set), leading to a nice class of succinct multi-player games and allow the investigation of other practical and meaningful scenarios beyond network coding as well.

1 Introduction

In large scale networks such as the Internet, the agents involved in producing and transmitting information often exhibit selfish behavior e.g. if a packet needs to traverse the network of various ISP’s, each ISP will behave in a greedy manner and ensure that the packet spends the minimum time on its network. While this minimizes the ISP’s cost it may not be the best strategy from an overall network cost perspective. Selfish routing, that deals with the question of network performance under a lack of regulation has been studied extensively (see \cite{20, 25}) and has developed as an area of intense research activity. However, by and large most of these studies have considered the network traffic injected into the network at various sources to be independent.

∗Department of Electrical and Computer Engineering, Iowa State University, Ames, Iowa 50011. Email: adityar@iastate.edu
†Department of Electrical Engineering, University of California, Los Angeles, CA 90095. & NetSeer Inc., Santa Clara, CA 95054. Email:vwani@ee.ucla.edu
‡NetSeer Inc., Santa Clara, CA 95054. Email:suds@ee.ucla.edu
From an information theoretic perspective there is no need to consider the sources involved in the transmission to be independent. In this work we initiate the study of network optimization issues related to the transmission of correlated sources over a network when the agents involved are selfish. In particular, we concentrate on the problem of multicasting correlated sources over a network to different terminals, where each terminal is interested in losslessly reconstructing all the sources. We assume that the network is capable of network coding. Under this scenario, a generalization of the classical Slepian-Wolf theorem of distributed source coding [14] holds for arbitrary networks. In particular, when the network performs random linear network coding each terminal can recover the sources under appropriate conditions on the Slepian-Wolf region and the capacity region of the terminals with respect to the sources, thereby allowing distributed source coding over networks. The selfish agents in our set-up are the terminals who pay for the resources. Each terminal aims to minimize her own cost while ensuring that she can satisfy her demands. It is important to note that this is a generalization of the problem of minimum cost selfish multicast of independent sources considered by Bhadra et al. [5].

1.1 Our Results

In this work, we model the scenario as a noncooperative game amongst the selfish terminals who request rates from sources and flows over network paths such that their individual cost is minimized (i.e. with no regard for social welfare) while allowing for reconstruction of all the sources. We investigate properties of the socially optimal solution and define appropriate solution concepts (Nash equilibrium and Wardrop equilibrium) for this game and investigate properties of the flow-rates at equilibrium. We briefly describe our contributions below.

i) Characterization of social-optimality conditions. The problem of computing the socially optimal cost is a convex program. We present a precise characterization of the optimality conditions of this convex program in terms of four intuitive conditions, using Lagrangian duality theory and by judiciously exploiting the super-modularity of conditional entropy. This result is a key technical contribution of this paper and is of independent interest as well.

ii) Demonstrating the equivalence of flow-rates at equilibrium with social-optimal solutions for alternative instances. We consider certain meaningful market models that split resource costs amongst the different terminals and show that the flows and rates under the game-theoretic equilibriums are in fact socially optimal solutions for a different set of cost functions. This characterization allows us to quantify the degradation caused by the lack of regulation. The measure of performance degradation due to such loss in regulation that we adopt is the Price of Anarchy (POA), which is defined as the ratio between the cost of the worst possible equilibrium and the socially optimum cost [15, 22, 26, 25].

iii) Showing that source correlation induces anarchy. The main result of this work is that the presence of source correlations can significantly increase the POA under reasonable cost-splitting mechanisms. This is in stark contrast to the case of multicast with independent sources, where for a large class of cost functions, cost-splitting mechanisms can be designed that ensure that the price of anarchy is one. We construct explicit examples where the POA is greater than one and also obtain an upper bound on the POA which is near tight.

Finally, we expect that the techniques developed in the present work will be applicable to a large class of network information flow problems with correlated sources where the Slepian-Wolf polytope is replaced.
Consider a directed graph $G = (S \cup T \cup V, E)$. There is a set of source nodes $S$ that may be correlated and a set of sinks $T$ that are the terminals (i.e. receivers). Each source node observes a discrete memoryless source $X_i$. The Slepian-Wolf region of the sources is assumed to be known and is denoted $\mathcal{R}_{SW}$. For notational simplicity, let $N_S = |S|$, $N_T = |T|$, $S = \{1, 2, \ldots, N_S\}$, and $T = \{t_1, t_2, \ldots, t_{N_T}\}$. The set of paths from source $s$ to terminal $t$ is denoted by $\mathcal{P}_{s,t}$. Further, define $\mathcal{P}_t = \cup_{s \in S} \mathcal{P}_{s,t}$, i.e. the set of all possible paths going to terminal $t$, and $\mathcal{P} = \cup_{t \in T} \mathcal{P}_t$, the set of all possible paths. A flow is an assignment of non-negative reals to each path $P \in \mathcal{P}$. The flow on $P$ is denoted $f_P$. A rate is a function $R : S \times T \rightarrow \mathbb{R}^+$, i.e. the rate requested by the terminal $t$ from the source $s$ is $R_{s,t}$. We will refer to a flow and rate pair $(f, R)$ as flow-rate. Also, let us denote the rate vector for terminal $t$ by $R_t$ and the vector of requested rates at source $s$ by $\rho_s$, i.e. $R_t = (R_{1,t}, R_{2,t}, \ldots, R_{N_S,t})$ and $\rho_s = (R_{s,t_1}, R_{s,t_2}, \ldots, R_{s,t_{N_T}})$.

Associated with each edge $e \in E$ is a cost $c_e$, which takes as argument a scalar variable $z_e$ that depends on the flows to various terminals passing through $e$. Similarly, let $d_s$ be the cost function corresponding to the source $s$, which takes as argument a scalar variable $y_s$ that depends on the rates that various terminals request from $s$. These functions $c_e$’s and $d_s$’s are assumed to be convex, positive, differentiable and monotonically increasing. Further, the functions $\int \frac{c(x)}{x} \, dx$ are also convex, positive, differentiable and monotonically increasing.
increasing. In particular, these conditions are satisfied by functions like $x^a, a > 1$ and $xe^{bx}, b > 0$ among others.

The network connection we are interested in supporting is one where each terminal can reconstruct all the sources, i.e. we need to jointly allocate rates and flows for each terminal so that it can reconstruct the sources. We now present a formal description of the optimization problem under consideration.

### 2.1 Min-Cost Multicast with Multiple Sources

Let us call the quadruple $(G, c, d, R_{SW})$ an instance. The problem of minimizing the total cost for the instance $(G, c, d, R_{SW})$ can be formulated as

\[
\text{minimize} \quad C(f, R) = \sum_{e \in E} c_e(z_e) + \sum_{s \in S} d_s(y_s)
\]

subject to

\[
\begin{align*}
(NIF - CP) \sum_{P \in P_{s,t}} f_P & \geq R_{s,t} \forall s \in S, \forall t \in T \\
R_t & \in R_{SW} \forall t \in T
\end{align*}
\]

where $z_e, \forall e \in E$ is a function of $x_{e,t_1}, x_{e,t_2}, \ldots, x_{e,t_N}$, that we denote $z_e(x_{e,t_1}, x_{e,t_2}, \ldots, x_{e,t_N})$ with $x_{e,t} = \sum_{P \in P_{s,t}} f_P \forall e \in E, \forall t \in T$, and $y_s, \forall s \in S$ is a function of $\rho_s$ that we will denote $y_s(\rho_s)$.

The formulation above is similar to the one presented in [5]. However since we consider source correlations as well, their formulation is a specific case of our formulation. Since network coding allows the sharing of edges, the penalty at an edge is only the maximum and not the sum i.e. $z_e$ is the maximum flow (among the different terminals) across the edge $e$. Similarly, the penalty at the sources for higher resolution quantization is also driven by the maximum level requested by each terminal i.e. $y_s$ is also maximum. In this work, for differentiability requirements the maximum function will be approximated as $L_p$ norm with a large $p$. Nevertheless, most of our analysis is done where $z_e$ and $y_s$ are non-decreasing functions partially differentiable with respect to their arguments, such that $c_e(z_e)$ and $d_s(y_s)$ are convex, positive, differentiable and monotonically increasing. Note that in the formulation above, the objective function is convex and all constraints are linear which implies that this is a convex optimization problem.

The constraint (1) above models the fact that the total flow from the source $s$ to a terminal $t$ needs to be at least $R_{s,t}$. Finally, the rate point of each terminal $R_t$ needs to be within the Slepian-Wolf polytope. A flow-rate $(f, R)$ satisfying all the conditions in the above optimization problem (i.e. $(NIF-CP)$) will be called a feasible flow-rate for the instance $(G, c, d, R_{SW})$ and the cost $C(f, R)$ will be referred to as the social cost corresponding to this flow-rate. Also, we will call a solution $(f^*, R^*)$ of the above problem as an OPT flow-rate for the instance $(G, c, d, R_{SW})$.

Consider a feasible flow-rate $(f, R)$ for the above optimization problem. It can be seen that the value of the flow from $A \subseteq S$ to a terminal $t \in T$ is $\sum_{P \in P_{s,t}} f_P \geq \sum_{s \in A} R_{s,t}$. Since $R_t \in R_{SW}$ the result of [14] shows that random linear network coding followed by appropriate decoding at the terminals can recover the sources with high probability. Conversely the result of [12][2] shows the necessity of the existence of such a flow.

### 2.2 Terminals’ Incentives and the Distributed Compression Game

The above formulation for social cost minimization for the instance $(G, c, d, R_{SW})$ disregards the fact that the agents who pay for the costs incurred at the edges and the sources may not be cooperative and may have incentives for strategic manipulation. In this work we consider the scenario where the terminals pay for the network resources they are being provided. The terminals are noncooperative and will behave selfishly
trying to minimize their own respective costs without regard to the social cost, while ensuring that they can
reconstruct all the sources. We have the following assumptions.

(i) Let \((f, R)\) denote a feasible flow rate for the instance \((G, c, d, R_{SW})\). The network operates via
random linear network coding (or some practical linear network coding scheme) over the subgraph of
\(G\) induced by the corresponding \(\{z_e\}\) for \(e \in E\). The terminals are capable of performing appropriate
decoding to recover the sources.

(ii) Each terminal \(t \in T\) can request for any specific set of flows on the paths \(P \in \mathcal{P}_t\) and rates \(R_t\) as
long as such a request allows reconstruction of the sources at \(t\). There is a mechanism in the network
by means of which this request is accommodated i.e. the subgraph over which random linear network
coding is performed is adjusted appropriately.

In this work we wish to characterize flow-rates that represent an equilibrium among selfish terminals
who act strategically to minimize their own costs. Furthermore, we shall systematically study the loss that
occurs due to the mismatch between the social goals and terminal’s selfish goals.

Towards this end, we now formally model the game originating from the selfish behavior of the ter-
minals. We model this game as a normal formal game or strategic game \cite{22}, which we refer to as the
Distributed Compression Game (DCG).

A normal form game, denoted \((N, \{A_i\}_{i \in N}, \{\succeq_i\}_{i \in N})\), consists of the set of players \(N\), the tuple of set
of strategies \(A_i\) for each player \(i \in N\), and the tuple of preference relations \(\succeq_i\) for each player \(i \in N\) on the
set \(A = \times_{i \in N} A_i\). For \(a, b \in A\), \(a \succeq_i b\) means that the player \(i\) prefers the tuple of strategies \(a\) to the tuple
of strategies \(b\). In the context of Distributed Compression Game, given an instance \((G, c, d, R_{SW})\), these
parameters are defined as follows.

2.2.1 The Distributed Compression Game

- **Players**: \(N = T\), i.e. the terminals are the players. This is because, as mentioned above, the terminals
  are the users and they are the ones who pay for the network resources they are being provided.

- **Strategies**: The strategy set of a player \(t \in T\) consists of tuples \((f_t, R_t)\) where
  - \(f_t\) is the vector of flows on paths going to \(t\), i.e. the vector of values \(f_P\) for all \(P \in \mathcal{P}_t\), and recall
    that \(R_t\) denotes the rate vector for terminal \(t\);
  - \(f_P \geq 0 \ \forall P \in \mathcal{P}_t, \sum_{P \in \mathcal{P}_{s,t}} f_P \geq R_{s,t} \ \forall s \in S\) and \(R_t \in R_{SW}\).

Therefore,

\[
A_t = \left\{ (f_t, R_t) : \begin{array}{l}
  f_P \geq 0 \ \forall P \in \mathcal{P}_t, \\
  \sum_{P \in \mathcal{P}_{s,t}} f_P \geq R_{s,t} \ \forall s \in S, \\
  R_t \in R_{SW}
\end{array} \right\}.
\] (2)

Note that a feasible flow-rate \((f, R)\) for the instance \((G, c, d, R_{SW})\) is an element of the set \(A = \times_{t \in T} A_t\) defined for the same instance.

- **Preference Relations**: To specify the preference relation of terminal \(t \in T\), we need to know how
  much does she pay given a feasible flow-rate \((f, R)\) i.e. what fractions of the costs at various edges
  and sources are being paid by \(t\)? To this end, we need market models, i.e. mechanisms for splitting
  the costs among various terminals.
- **Edge Costs:** At a flow \( f \), the cost of an edge \( e \in E \) is \( c_e(z_e) \). It is split among the terminals \( t \in T \), each paying a fraction of this cost. Let us say that the fraction paid by the player \( t \) is \( \Psi_{e,t}(x_e) \) i.e. the player \( t \) pays \( c_e(z_e)\Psi_{e,t}(x_e) \) for the edge \( e \) where \( x_e \) denotes the vector \((x_{e, t_1}, x_{e, t_2}, \ldots, x_{e, t_n})\). Of course, \( \sum_{t \in T} \Psi_{e,t}(x_e) = 1 \) to ensure that the total cost is borne by someone or the other. The total cost borne by \( t \) across all the edges is \( \sum_{e \in E} c_e(z_e)\Psi_{e,t}(x_e) \), denoted \( C_E^{(t)}(f) \).

- **Source Costs:** At a rate \( R \), the cost for the source \( s \) is \( d_s(y_s) \), which is split among the terminals \( t \in T \), such that \( t \) pays a fraction \( \Phi_{s,t}(\rho_s) \) i.e. the player \( t \) pays \( d_s(y_s)\Phi_{s,t}(\rho_s) \) for the source \( s \). Of course, \( \sum_{t \in T} \Phi_{s,t}(\rho_s) = 1 \). Therefore, the total cost borne by \( t \) for all sources, denoted \( C_S^{(t)}(R) \), is \( \sum_{s \in S} d_s(y_s)\Phi_{s,t}(\rho_s) \).

Thus, with the **edge-cost-splitting mechanism** \( \Psi \) and the **source-cost-splitting mechanism** \( \Phi \), the total cost incurred by the player \( t \in T \) at flow-rate \( (f, R) \) denoted \( C^{(t)}(f, R) \) is

\[
C^{(t)}(f, R) = C_E^{(t)}(f) + C_S^{(t)}(R) = \sum_{e \in E} c_e(z_e)\Psi_{e,t}(x_e) + \sum_{s \in S} d_s(y_s)\Phi_{s,t}(\rho_s).
\]

Now, each terminal \( t \) would like to minimize its own cost i.e. the function \( C^{(t)}(f, R) \) and therefore the preference relations \( \{\succeq_t\} \) are as follows. For two flow-rates \((f, R) \in A \) and \((\tilde{f}, \tilde{R}) \in A \), \((f, R) \succeq_t (\tilde{f}, \tilde{R}) \) if and only if \( C^{(t)}(f, R) \leq C^{(t)}(\tilde{f}, \tilde{R}) \). Also, \((f, R) \succ_t (\tilde{f}, \tilde{R}) \) iff \( C^{(t)}(f, R) < C^{(t)}(\tilde{f}, \tilde{R}) \).

Note that for specifying a Distributed Compression Game, in addition to the parameters \( G, c, d \) and \( \mathcal{R}_{SW} \) we also need the cost-splitting mechanisms \( \Psi \) and \( \Phi \). We will call \((G, c, d, \mathcal{R}_{SW}, \Psi, \Phi) \) as an instance of the Distributed Compression Game.

### 2.2.2 Solution Concepts for the Distributed Compression Game

We now outline the possible solution concepts in our scenario. These are essentially dictated by the level of sophistication of the terminals. Sophistication refers to the amount of information and computational resources available to a terminal. In this work we shall work with two different solution concepts that we now discuss.

a) **Nash Equilibrium.** The solution concept of Nash equilibrium requires the complete information setting and requires each terminal to compute her best response to any given tuple of strategies of the other players. For notational simplicity, let \( f_{-t} \) be the vector of flows on paths not going to terminal \( t \) i.e. the vector of values \( f_P \) for all \( P \in \mathcal{P} \setminus \mathcal{P}_t \), therefore \( f = (f_{-t}, f_t) \). Similarly, \( R_{-t} \) is the vector of rates corresponding to all players other than \( t \), therefore \( R = (R_{-t}, R_t) \). In our setting, the best response problem of a terminal \( t \) is to minimize her cost function \( C^{(t)}(f_{-t}, f_t, R_{-t}, R_t) \) over \( (f_t, R_t) \in A_t \) given any \( (f_{-t}, R_{-t}) \).

**Definition 1** (Nash flow-rate) A flow-rate \((f, R)\) feasible for the instance \((G, c, d, \mathcal{R}_{SW})\) is at Nash equilibrium, or is a Nash flow-rate for instance \((G, c, d, \mathcal{R}_{SW}, \Psi, \Phi)\), if \( \forall t \in T \),

\[
C^{(t)}(f, R) \leq C^{(t)}(f_{-t}, \tilde{f}_t, R_{-t}, \tilde{R}_t) \ \forall (\tilde{f}_t, \tilde{R}_t) \in A_t.
\]

We note that computing the best response will in general require a given terminal to know flow assignments on all possible paths and rate vectors for all the terminals. Moreover, convexity of the objective function in \( NIF - CP \) (i.e. social cost \( C(f, R) \)) does not imply convexity of \( C^{(t)}(f_{-t}, f_t, R_{-t}, R_t) \) in the variables \((f_t, R_t) \in A_t \) in general. Therefore the computational requirements at the terminals may be large.
Consequently Nash equilibrium does not seem to be an appropriate solution concept for the Distributed Compression Game when viewed through the algorithmic lens.

b) Wardrop Equilibrium. From a practical standpoint, a terminal may only have partial knowledge of the system and may be computationally constrained. A solution concept more appropriate under such situations is that of local Nash equilibrium or Wardrop equilibrium that is widely adopted in selfish routing and transportation literature [25, 3, 9]. We note that this solution concept has also been utilized in [5] and is further justified in [11]. We first present the precise definition of the Wardrop equilibrium in our case and then provide an intuitive justification. Towards this end, we need to define the marginal cost of a path.

**Definition 2 (Marginal Cost of a Path)** For a \( P \in \mathcal{P}_t \) its marginal cost is

\[
C_P(f) = \sum_{e \in P} c_e(z_e)\Psi_{e,t}(x_e)
\]

Therefore, for the terminal \( t \), the total cost for the edges, \( C(t) \), can be equivalently written as

\[
C(t)(f) = \sum_{P \in \mathcal{P}_t} C_P(f) f_P.
\]

**Definition 3 (Wardrop flow-rate)** A flow-rate \((f, R)\) feasible for the instance \((G, c, d, R_{SW})\) is at local Nash equilibrium, or is a Wardrop flow-rate for instance \((G, c, d, R_{SW}, \Psi, \Phi)\), if it satisfies the following conditions.

1. \( \forall t \in T, \forall s \in S \), we have

\[
\sum_{P \in \mathcal{P}_{s,t}} f_P = R_{s,t}.
\]

2. \( \forall t \in T \), we have

\[
\sum_{s \in S} R_{s,t} = H(X_S).
\]

3. \( \forall t \in T, \forall s \in S, P, Q \in \mathcal{P}_{s,t} \) with \( f_P > 0 \),

\[
C_P(f) \leq C_Q(f).
\]

4. For \( t \in T \), let \( j \in S \) participates in all tight rate inequalities involving \( i \in S \) (i.e. if \( A \subseteq S \), such that \( i \in A \) and \( \sum_{l \in A} R_{l,t} = H(X_A|X_{\bar{A}}) \) then \( j \in A \)) and let \( P \in \mathcal{P}_{i,t}, Q \in \mathcal{P}_{j,t} \) with \( f_P > 0 \) then we have

\[
C_P(f) + \frac{\partial C_s^{(t)}(R)}{\partial R_{i,t}} \leq C_Q(f) + \frac{\partial C_s^{(t)}(R)}{\partial R_{j,t}}.
\]

Intuitively, conditions (1) and (2) require that each terminal requests as little rate and flow as possible. Condition (3) ensures that an infinitesimally small change in flow allocations from path \( P \) (where \( f_P > 0 \)) to path \( Q \) where \( P, Q \in \mathcal{P}_{s,t} \), will increase the sum cost along paths in \( \mathcal{P}_t \). Now, consider an infinitesimally small change in flow allocation from \( P \in \mathcal{P}_{i,t} \) (where \( f_P > 0 \)) to \( Q \in \mathcal{P}_{j,t} \). This also requires a corresponding change in the rates requested from sources \( i \) and \( j \) by terminal \( t \). Under certain constraints on the source \( j \), Condition (4) ensures that the overall effect of this change will serve to increase terminal \( t \)'s cost. The

\[1\] We use \( H(X_A|X_{\bar{A}}) \) and \( H(X_A|X_{A'}) \) interchangeably in the text to denote the joint entropy of the sources in set \( A \) given the remaining sources.
conditions on the source $j$ are well-motivated in light of the characterization of Nash flow-rate in section 5 in the case when the best response problem of every terminal is convex.

We remark that a Nash flow-rate may not always be a Wardrop flow-rate and vice versa. When sources are independent, condition (2) implies that $R_{s,t} = H(X_s)$ for all $s \in S, t \in T$ and it is not required to check the condition (4). Also we can recover condition (3) by setting $i = j$ in condition (4). They are stated separately for the sake of clarity.

As we discussed earlier, the solution concept based on Wardrop equilibrium seems more suitable to our scenario and consequently we define the price of anarchy [15,22,25] in terms of Wardrop flow-rate instead of Nash flow-rate.

**Definition 4 Price of Anarchy (POA):** Let $\mathcal{E}$ be a class of edge cost functions, $\mathcal{D}$ be a class of source cost functions, $\mathcal{G}$ be a class of networks/graphs, $\Psi$ be an edge cost splitting mechanism, $\Phi$ be a source cost splitting mechanism, and $\mathcal{M}$ be a set of Slepian-Wolf polytopes. We will refer to $(\mathcal{G}, \mathcal{E}, \mathcal{D}, \Psi, \Phi, \mathcal{M})$ as a scenario. The price of anarchy for the scenario $(\mathcal{G}, \mathcal{E}, \mathcal{D}, \Psi, \Phi, \mathcal{M})$, denoted $\rho(\mathcal{G}, \mathcal{E}, \mathcal{D}, \Psi, \Phi, \mathcal{M})$, is defined as maximum over all instances $(G, c, d, \mathcal{R}_{SW})$ with $G \in \mathcal{G}, c \in \mathcal{E}, d \in \mathcal{D}, \mathcal{R}_{SW} \in \mathcal{M}$, of the ratio between the cost of worst possible Wardrop flow-rate for the instance $(G, c, d, \mathcal{R}_{SW}, \Psi, \Phi)$ and the cost of $OPT$ flow-rate (i.e. the socially optimal cost) for the instance $(G, c, d, \mathcal{R}_{SW})$.

That is,

$$\rho(\mathcal{G}, \mathcal{E}, \mathcal{D}, \Psi, \Phi, \mathcal{M}) = \max_{G \in \mathcal{G}, c \in \mathcal{E}, d \in \mathcal{D}, \mathcal{R}_{SW} \in \mathcal{M}} \left( \frac{\max(f, R)}{C_{OPT}(G, c, d, \mathcal{R}_{SW})} \right),$$

where $C_{OPT}(G, c, d, \mathcal{R}_{SW})$ refers to the optimal cost of NIF – $CP$ for the instance $(G, c, d, \mathcal{R}_{SW})$.

Let us denote the set of Slepian-Wolf polytopes corresponding to the case where there are no source correlations (i.e. $H(X_A|X_{\_A}) = H(X_A)$ for all $A \subseteq S$) by $\mathcal{M}_{ind}$ (subscript $ind$ denotes - independent) and the set of Slepian-Wolf polytopes corresponding to the case where sources are correlated (i.e. there exists $A \subseteq S$ with $H(X_A|X_{\_A}) < H(X_A)$) by $\mathcal{M}_{c}$. Also, we use $\mathcal{G}_{all}$ to denote the class of all graphs where every $t \in T$ is connected to every $s \in S$, and $\mathcal{G}_{dsw}$ (subscript dsw denotes - direct Slepian-Wolf) to denote the class of complete bipartite graphs between the set of sources and the set of terminals. Note that $\mathcal{G}_{dsw}$ corresponds to the case where every terminals is directly connected to every source by an edge and no network coding is required. A question we will be most concerned with in this work is whether $\rho(\mathcal{G}, \mathcal{E}, \mathcal{D}, \Psi, \Phi, \mathcal{M}_{c}) > \rho(\mathcal{G}, \mathcal{E}, \mathcal{D}, \Psi, \Phi, \mathcal{M}_{ind})$, and in particular whether $\rho(\mathcal{G}, \mathcal{E}, \mathcal{D}, \Psi, \Phi, \mathcal{M}_{c}) > 1$ but $\rho(\mathcal{G}, \mathcal{E}, \mathcal{D}, \Psi, \Phi, \mathcal{M}_{ind}) = 1$ for meaningful classes of cost functions $\mathcal{E}, \mathcal{D}$ and reasonable splitting mechanisms $\Psi$ and $\Phi$ i.e. does correlation induce anarchy?

3 Some Properties of Slepian-Wolf Polytope

In this section, we establish two properties of Slepian-Wolf polytope that will be useful in the latter sections.

**Lemma 5** Let $R_t \in \mathcal{R}_{SW}$ i.e. $\sum_{t \in A} R_{t,t} \geq H(X_A|X_{\_A})$ for all $A \subseteq S$. If $S_1, S_2 \subseteq S$ satisfy

$$\sum_{t \in S_1} R_{t,t} = H(X_{S_1}|X_{\_S_1})$$

and

$$\sum_{t \in S_2} R_{t,t} = H(X_{S_2}|X_{\_S_2})$$

\[ \sum_{t \in S_1} R_{t,t} = H(X_{S_1}|X_{\_S_1}) \]
then we have
\[ \sum_{l \in S_1 \cap S_2} R_{l,t} = H(X_{S_1 \cap S_2} | X_{-(S_1 \cap S_2)}) \]
and
\[ \sum_{l \in S_1 \cup S_2} R_{l,t} = H(X_{S_1 \cup S_2} | X_{-(S_1 \cup S_2)}). \]

Proof: We have,
\[
\sum_{l \in S_1 \cap S_2} R_{l,t} + \sum_{l \in S_1 \cup S_2} R_{l,t} = \sum_{l \in S_1} R_{l,t} + \sum_{l \in S_2} R_{l,t}
\]
\[
= H(X_{S_1} | X_{-S_1}) + H(X_{S_2} | X_{-S_2})
\]
\[
\leq H(X_{S_1 \cap S_2} | X_{-(S_1 \cap S_2)}) + H(X_{S_1 \cup S_2} | X_{-(S_1 \cup S_2)})
\]
where in the second step we have used the supermodularity property of conditional entropy. Now we are also given that
\[ \sum_{l \in S_1 \cap S_2} R_{l,t} \geq H(X_{S_1 \cap S_2} | X_{-(S_1 \cap S_2)}) \]
and
\[ \sum_{l \in S_1 \cup S_2} R_{l,t} \geq H(X_{S_1 \cup S_2} | X_{-(S_1 \cup S_2)}). \]
Therefore we can conclude that
\[ \sum_{l \in S_1 \cup S_2} R_{l,t} = H(X_{S_1 \cup S_2} | X_{-(S_1 \cup S_2)}) \]
and
\[ \sum_{l \in S_1 \cap S_2} R_{l,t} = H(X_{S_1 \cap S_2} | X_{-(S_1 \cap S_2)}). \]

Theorem 6 Consider a vector \((R_1, R_2, \ldots, R_n)\) such that
\[ \sum_{i \in A} R_i \geq H(X_A | X_{A^c}), \text{ for all } A \subset \{1, 2, \ldots, n\}, \text{ and} \]
\[ \sum_{i=1}^{n} R_i > H(X_1, X_2, \ldots, X_n). \]
Then there exists another vector \((R_1', R_2', \ldots, R_n')\) such that \(R_i' \leq R_i\) for all \(i = 1, 2, \ldots, n\) and
\[ \sum_{i \in A} R_i' \geq H(X_A | X_{A^c}), \text{ for all } A \subset \{1, 2, \ldots, n\}, \text{ and} \]
\[ \sum_{i=1}^{n} R_i' = H(X_1, X_2, \ldots, X_n). \]

Proof: We claim that there exists a \(R_{j^*} \in \{R_1, R_2, \ldots, R_n\}\) such that all inequalities in which \(R_{j^*}\) participates are loose. The proof of this claim follows.
Suppose that the above claim is not true. Then for all $R_i$ where $i \in \{1, 2, \ldots, n\}$, there exists at least one subset $S_i \subset \{1, 2, \ldots, n\}$ such that,

$$\sum_{k \in S_i} R_k = H(X_{S_i} | X_{S_i^c}).$$

i.e. each $R_i$ participates in at least one inequality that is tight.

Now by applying Lemma 5 on the sets $S_1, S_2, \ldots, S_n$, since $S_1 \cup S_2 \cdots \cup S_n = \{1, 2, \ldots, n\}$, we get

$$\sum_{i=1}^n R_i = \sum_{i \in S_1 \cup S_2 \cdots \cup S_n} R_i = H(X_{S_1 \cup S_2 \cdots \cup S_n} | X_{-(S_1 \cup S_2 \cdots \cup S_n)}) = H(X_1, X_2, \ldots, X_n),$$

which is a contradiction.

The above argument shows that there exists some $j^*$ such that all inequalities in which $R_{j^*}$ participates are loose. Therefore we can reduce $R_{j^*}$ to a new value $R_{j^*}^{red}$ until one of the inequalities in which it participates is tight. If the sum-rate constraint is met with equality then we can set $R_{j^*} = R_{j^*}^{red}$ otherwise we can recursively apply the above procedure to arrive at a new vector that is component-wise smaller that the original vector $(R_1, R_2, \ldots, R_n)$.

### 4 Characterizing the Optimal Flows and Rates

In this section, we investigate the properties of an OPT flow-rate via Lagrangian duality theory [6]. Since the optimization problem (NIF-CP) is convex and the constraints are such that the strong duality holds, the Karush-Kuhn-Tucker (KKT) conditions exactly characterize optimality [6]. Therefore, we start out by writing the Lagrangian dual of NIF-CP,

$$L = \sum_{e \in E} c_e(z_e) + \sum_{s \in S} d_s(y_s) - \sum_{P \in \mathcal{P}} \mu_P f_P + \sum_{s \in S} \sum_{t \in T} \lambda_{s,t}(R_{s,t} - \sum_{P \in \mathcal{P}_{s,t}} f_P)$$

$$+ \sum_{t \in T} \left[ \sum_{A \subseteq S} \nu_{A,t} \left( H(X_A | X_{A^c}) - \sum_{i \in A} R_{i,t} \right) \right]$$

where $\mu_P \geq 0, \lambda_{s,t} \geq 0$ and $\nu_{A,t} \geq 0$ are the dual variables (i.e. Lagrange multipliers). For notational simplicity, let us denote the partial derivative of $z_e$ with respect to $x_{e,t}$ by $z_{e,t}$. Note that the partial derivative of $x_{e,t}$ w.r.t. to $f_P$ is 1 for a $P \in \mathcal{P}_t$. Similarly, we denote the partial derivative of $y_s$ with respect to $R_{s,t}$ by $y_{s,t}$. The KKT conditions are then given by the following equations that hold \(\forall s \in S, t \in T\),

$$\frac{\partial L}{\partial f_P} = \sum_{e \in P} c'_e(z_e)z_{e,t}(x_e) - \mu_P - \lambda_{s,t} = 0, \forall P \in \mathcal{P}_{s,t}, \text{ and}$$

$$\frac{\partial L}{\partial R_{s,t}} = d'_s(y_s)y_{s,t}(\epsilon_s) + \lambda_{s,t} - \sum_{A \subseteq S : s \in A} \nu_{A,t} = 0$$

along with the feasibility of the flow-rate $(f, R)$ and the complementary slackness conditions, $\mu_P f_P = 0$ for all $P \in \mathcal{P}$, $\lambda_{s,t}(R_{s,t} - \sum_{P \in \mathcal{P}_{s,t}} f_P) = 0$ for all $s \in S, t \in T$, and $\nu_{A,t} (H(X_A | X_{A^c}) - \sum_{i \in A} R_{i,t}) = 0$ for all $A \subseteq S, t \in T$.

Let us now interpret the KKT conditions at the OPT flow-rate $(f^*, R^*)$. Suppose that $f^*_P > 0$ for $P \in \mathcal{P}_{s,t}$. Then due to complementary slackness, we have $\mu^*_P = 0$ and consequently from equation (3) we get

$$\sum_{e \in P} c'_e(z_e^*)z'_{e,t}(x_e^*) = \lambda_{s,t}^* \text{ i.e. if there exists another path } Q \in \mathcal{P}_{s,t} \text{ such that } f^*_Q > 0 \text{ then }$$

$$\sum_{e \in P} c'_e(z_e^*)z'_{e,t}(x_e^*) = \sum_{e \in Q} c'_e(z_e^*)z'_{e,t}(x_e^*).$$
Now if we interpret the quantity $\sum_{e \in P} c'_e(z_e)z'_{e,t}(x_e)$ as the differential cost of the path $P$ associated with the flow-rate $(f,R)$ then this condition implies that the differential cost of all the paths going from the same source to the same terminal with positive flows at OPT is the same. It is quite intuitive for if it were not true the objective function could be further decreased by moving some flow from a higher differential cost path to a lower differential cost one without violating feasibility conditions, and of course this should not be possible at the optimum. Similarly, the differential cost along a path with zero flow at OPT must have higher differential cost and indeed this can be obtained as above by further noting that the dual variables $\mu_P$’s are non-negative. We note this property of the OPT flow-rate in the following lemma.

**Lemma 7** Let $(f^*, R^*)$ be an OPT flow-rate for the instance $(G, c, d, R_{SW})$. Then, $\forall t \in T$, $\forall s \in S$, $P, Q \in \mathcal{P}_{s,t}$ with $f_P > 0$ we have

$$\sum_{e \in P} c'_e(z_e)z'_{e,t}(x_e) \leq \sum_{e \in Q} c'_e(z_e)z'_{e,t}(x_e).$$

The above lemma provides a simple and intuitive characterization of how the flow allocations on various paths of same type (that is originating at same source and ending at the same terminal) behave at the optimum solution. Although such a simple and intuitive characterization of the behavior of joint flow and rate allocations at optimum is not immediately clear, we can indeed obtain three other simple and intuitive conditions that together with Lemma 7 are equivalent to the KKT conditions. We establish this important characterization in the Theorem 11. First, we will show in the next three lemmas that these conditions are necessary for optimality.

**Lemma 8** Let $(f, R)$ be an OPT flow-rate for the instance $(G, c, d, R_{SW})$. For $t \in T$, suppose that there exist $i, j \in S$ that satisfy the following property. If $A \subseteq S$, such that $i \in A$ and $\sum_{t \in A} R_{t,t} = H(X_A|X_{-A})$, then $j \in A$. For such $i$ and $j$ let $P \in \mathcal{P}_{i,t}, Q \in \mathcal{P}_{j,t}$ with $f_P > 0$. Then

$$\sum_{e \in P} c'_e(z_e)z'_{e,t}(x_e) + d_i'(y_i)y_{i,t}(\rho_i) \leq \sum_{e \in Q} c'_e(z_e)z'_{e,t}(x_e) + d_j'(y_j)y'_{j,t}(\rho_j).$$

**Proof:** Since $(f, R)$ is an OPT flow-rate, it satisfies the KKT conditions for some suitable choice of dual variables $\lambda_{i,t} \geq 0, \mu_P \geq 0, \nu_{A,t} \geq 0$. Now, we are given that $j \in A$ for all $A \subseteq S$ such that $i \in A$ and $\sum_{t \in A} R_{t,t} = H(X_A|X_{-A})$, so if there is an $A \subseteq S$ such that $i \in A$ but $j \notin A$ then $\sum_{t \in A} R_{t,t} > H(X_A|X_{-A})$ and therefore by complementary slackness we get $\nu_{A,t} = 0$. Further, from Equation 4 we have

$$d_i'(y_i)y_{i,t}(\rho_i) + \lambda_{i,t} = \sum_{A \subseteq S : i \in A} \nu_{A,t}$$

and

$$d_j'(y_j)y'_{j,t}(\rho_j) + \lambda_{j,t} = \sum_{A \subseteq S : j \notin A} \nu_{A,t}.$$
Therefore we get,
\[ d_i(y_i) y_{i,t}(\rho_i) + \lambda_{i,t} \leq d_j(y_j) y_{j,t}(\rho_j) + \lambda_{j,t}. \]

Furthermore, we are given that \( f_P > 0 \) which, using Equation 3 and complementary slackness condition \( f_P \mu_P = 0 \), implies that \( \lambda_{i,t} = \sum_{e \in P} c_e'(z_e) z_{e,t}(x_e) \) and since \( \mu_Q \geq 0 \) we have \( \sum_{e \in Q} c_e'(z_e) z_{e,t}(x_e) \geq \lambda_{j,t} \). Therefore,
\[ d_i(y_i) y_{i,t}(\rho_i) + \sum_{e \in P} c_e'(z_e) z_{e,t}(x_e) \leq d_j(y_j) y_{j,t}(\rho_j) + \sum_{e \in Q} c_e'(z_e) z_{e,t}(x_e). \]

This concludes the proof.

**Lemma 9** Let \((f, R)\) be an OPT flow-rate for the instance \((G, c, d, R_{SW})\) wherein the functions \(c_e\)'s and \(d_s\)'s are all strictly convex, then \( \forall t \in T, \forall s \in S \), we have \( \sum_{P \in P_{s,t}} f_P = R_{s,t} \).

**Proof:** Let \( \sum_{P \in P_{s,t}} f_P > R_{s,t} \) then there is a \( P \in P_{s,t} \) with \( f_P > 0 \). Define a new feasible flow \( \tilde{f} \) such that \( \tilde{f}_Q = f_Q \) if \( Q \neq P \) and \( \tilde{f}_P = f_P - \delta \) for some \( 0 < \delta < \min\{f_P, \sum_{P \in P_{s,t}} f_P - R_{s,t} \} \). Then,
\[ \sum_{e \in E} c_e(\tilde{z}_e) = \sum_{e \in P} c_e(\tilde{z}_e) + \sum_{e \notin P} c_e(z_e) = \sum_{e \in E} c_e(z_e) + \sum_{e \notin E} (c_e(\tilde{z}_e) - c_e(z_e)) \]

Now, since the functions \( c_e \) is non-decreasing as well as \( z_e \) is non-decreasing in each co-ordinate, we get \( c_e(\tilde{z}_e) - c_e(z_e) \leq 0 \) for all \( e \in P \). Therefore,
\[ \sum_{e \in E} c_e(\tilde{z}_e) \leq \sum_{e \in E} c_e(z_e) \implies C(\tilde{f}, R) = \sum_{e \in E} c_e(\tilde{z}_e) + \sum_{s \in S} d_s(y_s) \leq \sum_{e \in E} c_e(z_e) + \sum_{s \in S} d_s(y_s) = C(f, R) \]

which is a contradiction because \((f, R)\), due to strict convexity of the function \( C \), is the unique OPT flow-rate.

**Lemma 10** Let \((f, R)\) be an OPT flow-rate for the instance \((G, c, d, R_{SW})\) wherein the functions \(c_e\)'s and \(d_s\)'s are all strictly convex, then \( \forall t \in T \), we have \( \sum_{s \in S} R_{s,t} = H(X_S) \).

**Proof:** As \( R \) is feasible, \( \forall t \in T \), \( R_t \in R_{SW} \) and therefore, \( \sum_{s \in S} R_{s,t} \geq H(X_S) \). Suppose \( \sum_{s \in S} R_{s,t} > H(X_S) \) for some \( t \in T \), then from Theorem [6] there exist an \( s \in S \), such that all (Slepian-Wolf) inequalities in which \( R_{s,t} \) participates are loose. Therefore, we can decrease this rate \( R_{s,t} \) by a positive amount \( r \) i.e. to \( \tilde{R}_{s,t} = R_{s,t} - r \), without violating feasibility. This means that we can define a feasible rate \( \tilde{R} \) such that \( \tilde{R}_{i,t} = R_{i,t} \) if \( i \neq s \) and \( \tilde{R}_{s,t} = R_{s,t} - r \) for some \( r > 0 \). Now,
\[ \sum_{i \in S} d_i(y_i) = \sum_{i \in S} d_i(y_i) + (d_s(y_s) - d_s(y_s)) \]
Now, since \( d_s \) is non-decreasing as well as \( y_s \) is non-decreasing in each co-ordinate, we get \( d_s(\tilde{y}_s) \leq d_s(y_s) \). Therefore,

\[
\sum_{i \in S} d_i(\tilde{y}_i) \leq \sum_{i \in S} d_i(y_i) \implies C(f, \tilde{R}) = \sum_{e \in E} c_e(z_e) + \sum_{s \in S} d_s(\tilde{y}_s) \\
\leq \sum_{e \in E} c_e(z_e) + \sum_{s \in S} d_s(y_s) = C(f, R)
\]

which is a contradiction because \((f, R)\), due to strict convexity of the function \( C \), is the unique OPT flow-rate.

**Theorem 11** A feasible flow-rate \((f, R)\) for the instance \((G, c, d, R_{SW})\), which satisfies the following four conditions is an OPT flow-rate for the instance \((G, c, d, R_{SW})\). Also, there is always an OPT flow-rate that satisfies these four conditions. Further, when the edge cost functions \( c_e \) for all \( e \in E \) and the source cost functions \( d_s \) for all \( s \in S \) are strictly convex, that is when the optimization problem (NIF-CP) is strictly convex, these conditions are also necessary for optimality.

1. \( \forall t \in T, \forall s \in S \), we have

\[
\sum_{P \in \mathcal{P}_{s,t}} f_P = R_{s,t}.
\]

2. \( \forall t \in T \), we have

\[
\sum_{s \in S} R_{s,t} = H(X_S).
\]

3. \( \forall t \in T, \forall s, t \in S, P, Q \in \mathcal{P}_{s,t} \) with \( f_P > 0 \),

\[
\sum_{e \in P} c'_e(z_e) z'_{e,t}(x_e) \leq \sum_{e \in Q} c'_e(z_e) z'_{e,t}(x_e).
\]

4. For \( t \in T \), suppose that there exist \( i, j \in S \) that satisfy the following property. If \( A \subseteq S \), such that \( i \in A \) and \( \sum_{t \in A} R_{t,t} = H(X_A|X_{\neg A}) \), then \( j \in A \). For such \( i \) and \( j \) let \( P \in \mathcal{P}_{i,t}, Q \in \mathcal{P}_{j,t} \) with \( f_P > 0 \). Then

\[
\sum_{e \in P} c'_e(z_e) z'_{e,t}(x_e) + \tilde{d}_i(y_i) y'_{i,t}(\rho_i) \leq \sum_{e \in Q} c'_e(z_e) z'_{e,t}(x_e) + \tilde{d}_j(y_j) y'_{j,t}(\rho_j).
\]

**Proof:** We prove that the above four conditions imply optimality of \((f, R)\). Our assumptions guarantee that the optimization problem (NIF-CP) for the instance \((G, c, d, R_{SW})\) is convex and since all the feasibility constraints are linear, strong duality holds [6]. This implies that the KKT conditions are necessary and sufficient for optimality. We show that a feasible flow-rate \((f, R)\) with the above four properties satisfies the KKT conditions for the instance \((G, c, d, R_{SW})\) for a suitable choice of the dual variables given below.

**Choosing \( \lambda_{i,t} \):**

\[
\lambda_{i,t} := \min_{P \in \mathcal{P}_{i,t}} \sum_{e \in P} c'_e(z_e) z'_{e,t}(x_e).
\]
Note that, using **Condition 3**, for \( i \in S \), if there exist a \( P_i \in P_i,t \) such that \( f_{P_i} > 0 \) then we have

\[
\lambda_{i,t} = \sum_{e \in P_i} c_e'(z_e) z_{e,t}(x_e).
\]

**Choosing \( \mu_P \)'s:** For \( P \in P_i,t \) take

\[
\mu_P := \sum_{e \in P} c_e'(z_e) z_{e,t}(x_e) - \lambda_{i,t}.
\]

**Choosing \( \nu_{A,t} \)'s:** Let

\[
h_{i,t} := d_i'(y_{i,t}(\rho_i)) + \lambda_{i,t}.
\]

Let \( \pi \) denote a permutation such that \( 0 \leq h_{\pi(1),t} \leq h_{\pi(2),t} \leq \ldots h_{\pi(N_S),t} \). Now take

\[
\nu_{A,t} = \begin{cases} 
  h_{\pi(1),t} & \text{if } A = \{\pi(1), \pi(2), \ldots, \pi(N_S)\} \\
  h_{\pi(i),t} - h_{\pi(i-1),t} & \text{if } A = \{\pi(i), \ldots, \pi(N_S)\} \\
  0 & \text{otherwise.}
\end{cases}
\]

Now, with the above choice of dual variables we will check all the KKT conditions one by one.

**Dual Feasibility:**
- \( \lambda_{i,t} \geq 0 \) as \( c_e \) and \( z_e \) are non-decreasing functions i.e. \( c_e'(z_e) \geq 0 \) and \( z_{e,t}(x_e) \geq 0 \).
- \( \mu_P \geq 0 \) by the definition because \( \lambda_{i,t} \leq \sum_{e \in P} c_e'(z_e) z_{e,t}(x_e) \forall P \in P_i,t \).
- \( \nu_{A,t} \geq 0 \) by definition.

**KKT Conditions as per equation 3:**

\[
\frac{\partial L}{\partial f_P} = \sum_{e \in P} c_e'(z_e) z_{e,t}(x_e) - \lambda_{i,t} - \mu_P
\]

\[
= \sum_{e \in P} c_e'(z_e) z_{e,t}(x_e) - \lambda_{i,t} - \left( \sum_{e \in P} c_e'(z_e) z_{e,t}(x_e) - \lambda_{i,t} \right)
\]

\[
= 0.
\]

**KKT Conditions as per equation 4:**

\[
\frac{\partial L}{\partial R_{\pi(i),t}} = d_{\pi(i)}'(y_{\pi(i)}) y_{\pi(i),t}'(\rho_{\pi(i)}) + \lambda_{\pi(i),t} - \sum_{A \subseteq S: \pi(i) \in A} \nu_{A,t}
\]

\[
= h_{\pi(i),t} - \sum_{A \subseteq S: \pi(i) \in A} \nu_{A,t}
\]

\[
= h_{\pi(i),t} - \sum_{j \in \{1,2,\ldots,i\}} \nu_{\{\pi(j), \pi(j+1), \ldots, \pi(N_S)\},t}
\]

\[
= h_{\pi(i),t} - \left[ h_{\pi(1),t} + (h_{\pi(2),t} - h_{\pi(1),t}) + (h_{\pi(3),t} - h_{\pi(2),t}) + \cdots + (h_{\pi(i),t} - h_{\pi(i-1),t}) \right]
\]

\[
= h_{\pi(i),t} - h_{\pi(i),t} = 0.
\]

**Complementary Slackness Conditions:**
• $\mu_P f_P = 0$ for all $P \in \mathcal{P}$.

Let $P \in \mathcal{P}_{i,t}$ and $f_P > 0$ then using Condition 3 and definition of $\lambda_{i,t}$ we get

$$\sum_{e \in P} c'_e(z_e)z_{e,t}(x_e) = \lambda_{i,t}$$

and therefore,

$$\mu_P = \sum_{e \in P} c'_e(z_e)z_{e,t}(x_e) - \lambda_{i,t} = 0.$$

$$\lambda_{s,t}(R_{s,t} - \sum_{P \in \mathcal{P}_{s,t}} f_P) = 0$$ for all $s \in S, t \in T$.

This follows from the Condition 1.

• $\nu_{A,t}(H(X_A | X_{A^c}) - \sum_{l \in A} R_{l,t}) = 0$ for all $A \subseteq S, t \in T$.

Note that $\nu_{A,t} = 0$ except for $A = \{\pi(i), \pi(i+1), \ldots, \pi(N_S)\}$, for $i = 1, 2, \ldots, N_S$. Therefore the only condition that needs to be checked is that if

$$\sum_{j=1}^{N_S} R_{\pi(j),t} > H(X_{\pi(i)}, X_{\pi(i+1)}, \ldots, X_{\pi(N_S)} | X_{\pi(i-1)}, \ldots, X_{\pi(1)}),$$

then $h_{\pi(i),t} - h_{\pi(i-1),t} = 0$.

Towards this end let $j \in \{\pi(i), \pi(i+1), \ldots, \pi(N_S)\}$, and let $A_j$ be the minimum cardinality set such that $j \in A_j$ and $\sum_{l \in A_j} R_{l,t} = H(X_{A_j} | X_{A_j^c})$ i.e.

$$A_j = \arg\min_{A \subseteq S : j \in A} \sum_{l \in A} R_{l,t} = H(X_{A} | X_{A^c})$$

Such a set $A_j$ always exists because from Condition 2 we have $\sum_{l=1}^{N_S} R_{l,t} = H(X_1, \ldots, X_{N_S})$ and therefore the set $\{A \subseteq S : j \in A, \sum_{l \in A} R_{l,t} = H(X_A | X_{A^c})\}$ is not empty.

We claim that there exists a $j^* \in \{\pi(i), \pi(i+1), \ldots, \pi(N_S)\}$ such that $A_{j^*} \cap \{\pi(1), \pi(2), \ldots, \pi(i-1)\}$ is not empty. If this is not true then clearly we have $\bigcup_{j=\pi(i)}^{\pi(N_S)} A_j = \{\pi(i), \pi(i+1), \ldots, \pi(N_S)\}$ and using the supermodularity property of conditional entropy (ref: Lemma[5]), we obtain

$$\sum_{j=\pi(i)}^{\pi(N_S)} R_{j,t} = H(X_{\pi(i)}, X_{\pi(i+1)}, \ldots, X_{\pi(N_S)} | X_{\pi(i-1)}, \ldots, X_{\pi(1)}),$$

which is a contradiction, therefore we must have such a $j^* \in \{\pi(i), \pi(i+1), \ldots, \pi(N_S)\}$ such that $A_{j^*} \cap \{\pi(1), \pi(2), \ldots, \pi(i-1)\}$ is not empty.

Next, we show that there exists a source $k \in \{\pi(1), \pi(2), \ldots, \pi(i-1)\}$ such that $j^* \in A$ and $\sum_{l \in A} R_{l,t} = H(X_A | X_{A^c})$, then $k \in A$. Towards this end suppose that there exist subsets $S_1$ and $S_2$ of $S$ such that $j^* \in S_1 \cap S_2$ and $\sum_{l \in S_1} R_{l,t} = H(X_{S_1} | X_{S_1})$ and $\sum_{l \in S_2} R_{l,t} = H(X_{S_2} | X_{S_2})$, then using the supermodularity property of conditional entropy we can show that rate inequality involving $S_1 \cap S_2$ is also tight (Lemma[5]) i.e. $\sum_{l \in S_1 \cap S_2} R_{l,t} = H(X_{S_1 \cap S_2} | X_{S_1 \cap S_2})$. This implies that $A_{j^*}$, being of minimum cardinality, is the intersection of all sets that have $j^*$ as a member on which the rate inequality is tight i.e.

$$A_{j^*} = \bigcap_{A \subseteq S} \{A : j^* \in A, \sum_{l \in A} R_{l,t} = H(X_A | X_{A^c})\}.$$
\[ \lambda_{j^*,t} \text{ and therefore we get } \sum_{e \in \mathcal{P}} c'_e(z_e)z'_{e,t}(x_e) = \lambda_{j^*,t}. \] Also, by the definition of \( \lambda_{k,t} \) there is a \( Q \in \mathcal{P}_{k,t} \) such that \( \sum_{e \in Q} c'_e(z_e)z'_{e,t}(x_e) = \lambda_{k,t} \).

Now using **Condition 4**, we get

\[
\sum_{e \in \mathcal{P}} c'_e(z_e)z'_{e,t}(x_e) + d'_j(y_{j^*})y'_{j^*,t}(\rho_{j^*}) \leq \sum_{e \in \mathcal{Q}} c'_e(z_e)z'_{e,t}(x_e) + d'_k(y_{k^*})y'_{k^*,t}(\rho_{k^*}) \forall Q \in \mathcal{P}_{k,t}
\]

which implies that

\[
\lambda_{j^*,t} + d'_j(y_{j^*})y'_{j^*,t}(\rho_{j^*}) \leq \lambda_{k,t} + d'_k(y_{k^*})y'_{k^*,t}(\rho_{k^*})
\]

and therefore we get \( h_{j^*,t} \leq h_{k,t} \). Now note that \( k \in \{\pi(1), \pi(2), \ldots, \pi(i-1)\} \) while \( j^* \in \{\pi(i), \ldots, \pi(N_S)\} \).

This implies in turn that \( h_{\pi(i),t} \leq h_{j^*,t} \leq h_{k,t} \). But, we know that \( h_{k,t} \leq h_{\pi(i-1),t} \) i.e. \( h_{\pi(i),t} - h_{\pi(i-1),t} = 0 \) but we already have \( h_{\pi(i),t} - h_{\pi(i-1),t} = 0 \) and hence \( h_{\pi(i),t} = h_{\pi(i-1),t} = 0 \).

This establishes that the four conditions are sufficient for optimality. Further, as per Lemmas 7, 8, 9, 10 under strict convexity conditions, these conditions are necessary too.

**Corollary 12** If the sources are independent (i.e. \( \mathcal{R}_{SW} \in \mathcal{M}_{ind} \)), there is a feasible flow-rate for instance \((G, c, d, \mathcal{R}_{SW})\) that is an OPT flow-rate for both the instances \((G, c, d, \mathcal{R}_{SW})\) and \((G, \hat{c}, \hat{d}, \mathcal{R}_{SW})\), where \( \hat{c}(x) = \alpha c(x) \) for constant \( \alpha > 0 \), and \( \hat{d} \) is any convex, differentiable, positive and non-decreasing function. Further, this OPT flow-rate satisfies the four conditions in Theorem 11 for both the instances \((G, c, d, \mathcal{R}_{SW})\) and \((G, \hat{c}, \hat{d}, \mathcal{R}_{SW})\).

**Proof:** The idea is that when the sources are independent, Condition 2 in Theorem 11 implies that \( R_{s,t} = H(X_s) \) for all \( s \in S, t \in T \), and therefore, there is no pair \((i, j)\) such that \( j \) participates in all tight rate inequalities involving \( i \) and consequently it is not required to check Condition 4. For the sake of completeness the proof follows.

Let \((f, R)\) be an OPT flow-rate for \((G, c, d, \mathcal{R}_{SW})\) satisfying the four conditions in Theorem 11. Note that such an OPT flow-rate always exists as per Theorem 11. Since the sources are independent the rate inequalities constraints becomes

\[
\sum_{i \in A} R_{i,t} \geq H(X_A) \text{ for all } A \subseteq S, t \in T.
\]

Therefore, using Condition 2 in Theorem 11 we obtain

\[
R_{s,t} = H(X_s) \text{ for all } s \in S, t \in T.
\]

Now we will show that \((f, R)\) is also an OPT flow-rate for the instance \((G, \hat{c}, \hat{d}, \mathcal{R}_{SW})\) by showing that it satisfies the four conditions in Theorem 11 for instance \((G, \hat{c}, \hat{d}, \mathcal{R}_{SW})\). Note that Conditions 1 and 2 are easily satisfied by \((f, R)\) as they do not depend on particular cost functions. Further,

\[
\sum_{e \in \mathcal{P}} \hat{c}_e'(z_e)z'_{e,t}(x_e) = \alpha \sum_{e \in \mathcal{P}} c'_e(z_e)z'_{e,t}(x_e),
\]

therefore condition

\[
\sum_{e \in \mathcal{P}} \hat{c}_e'(z_e)z'_{e,t}(x_e) \leq \sum_{e \in \mathcal{Q}} \hat{c}_e'(z_e)z'_{e,t}(x_e)
\]

is equivalent to

\[
\sum_{e \in \mathcal{P}} c'_e(z_e)z'_{e,t}(x_e) \leq \sum_{e \in \mathcal{Q}} c'_e(z_e)z'_{e,t}(x_e).
\]
therefore condition (3) is also satisfied. For the condition (4), let us first note that as discussed above
$R_{s,t} = H(X_s)$ for all $s \in S$, $t \in T$. This implies that there is no pair $(i, j) \in S \times S$ satisfying the promise in
condition (4) i.e. there is no pair $(i, j)$ such that $j$ participates in all tight rate inequalities involving $i$ (simply
because $j$ does not participate in the tight rate inequality $R_{i,t} = H(X_i)$). Thus, $(f, R)$ satisfies all the 4
conditions in Theorem 11 for the instance $(G, \tilde{c}, \tilde{d}, R_{SW})$ and hence is an OPT flow-rate for $(G, \tilde{c}, \tilde{d}, R_{SW})$.

5 The Flows and Rates at Nash Equilibrium

In this section, we study the properties of a Nash flow-rate whenever the individual optimization problem
(i.e. the best response problem) of each terminal is convex, that is whenever Nash equilibrium can be
considered as an appropriate solution concept for the Distributed Compression Game when viewed through
the algorithmic lens. Therefore, throughout this section, we assume that the edge cost splitting mechanism
$\Psi$, as well as, the source cost splitting mechanism $\Phi$ are such that the functions $C^{(t)}$, for all $t \in T$, are
convex. By considering the best response problem of each terminal, and an approach essentially the same as
in the Section 4 for characterizing OPT flow-rate, we can obtain the following Theorem 13 for characterizing
Nash flow-rate.

Theorem 13 Consider an instance $(G, c, d, R_{SW}, \Psi, \Phi)$ where $C^{(t)}$ is convex for all $t \in T$. A feasible
flow-rate $(f, R)$ for the instance $(G, c, d, R_{SW})$, which satisfies the following four conditions is a Nash flow-
rate for $(G, c, d, R_{SW}, \Psi, \Phi)$. Further, when $C^{(t)}$ is strictly convex for all $t \in T$, these conditions are also
necessary.

(1) $\forall t \in T$, $\forall s \in S$, we have

$$\sum_{P \in P_{s,t}} f_P = R_{s,t}. $$

(2) $\forall t \in T$, we have

$$\sum_{s \in S} R_{s,t} = H(X_S). $$

(3) $\forall t \in T$, $\forall s \in S$, $P, Q \in P_{s,t}$ with $f_P > 0$,

$$\frac{\partial C^{(t)}_E(f)}{\partial f_P} \leq \frac{\partial C^{(t)}_E(f)}{\partial f_Q}. $$

(4) For $t \in T$, let $j \in S$ participates in all tight rate inequalities involving $i \in S$ (i.e. if $A \subseteq S$, such that
$i \in A$ and $\sum_{l \in A} R_{l,t} = H(X_A|X_{-A})$, then $j \in A$) and let $P \in P_{i,t}, Q \in P_{j,t}$ with $f_P > 0$ then we
have

$$\frac{\partial C^{(t)}_E(f)}{\partial f_P} + \frac{\partial C^{(t)}_S(R)}{\partial R_{i,t}} \leq \frac{\partial C^{(t)}_E(f)}{\partial f_Q} + \frac{\partial C^{(t)}_S(R)}{\partial R_{j,t}}. $$

Further, under similar convexity conditions, we can also show that a Nash flow-rate always exists for
the Distributed Compression Game. This is done via first compactifying the strategy sets $A_t$’s to obtain a
restricted game where existence of a Nash equilibrium follows from the standard fixed point theorems [21].
Then, by utilizing the monotonically non-decreasing properties of various cost functions, it is argued that
a Nash equilibrium of the restricted game is also a Nash flow-rate for our Distributed Compression Game
thereby proving the existence of a Nash flow-rate for Distributed Compression Game.

The Theorem 14 in the following is a very standard and popular result on the existence of Nash equilib-
rium and we adopt it from the book by Osborne and Rubinstein [21].
**Theorem 14** The strategic game \((N, (A_i), (\succeq_i))\) has a Nash equilibrium if for all \(i \in N\), the following conditions hold.

a) The set \(A_i\) of actions of player \(i\) is a nonempty compact convex subset of a Euclidean space.

b) The preference relation \(\succeq_i\) is continuous and quasi-concave on \(A_i\). A preference relation \(\succeq_i\) on \(A\) is said to be quasi-concave on \(A_i\) if for every \(a \in A\) the set \(\{\tilde{a}_i \in A_i : (a_{-i}, \tilde{a}_i) \succeq_i a\}\) is convex. A preference relation \(\succeq_i\) on \(A\) is said to be continuous if \(a \succeq_i b\) whenever there are sequences \(\{a^k\}\) and \(\{b^k\}\) with \(a^k, b^k \in A\) and \(a^k \succeq_i b^k\) for all \(k\) such that \(\{a^k\}\) and \(\{b^k\}\) converge to \(a\) and \(b\) respectively.

Now, let us consider an instance \((G, c, d, R_{SW}, \Psi, \Phi)\) of the Distributed Compression Game, where \(C^{(t)}\) is convex for all \(t \in T\).

The action set of the terminal \(t \in T\) is

\[
A_t = \left\{ (f_t, R_t) : \begin{array}{l}
  f_P \geq 0 \ \forall P \in P_t, \\
  \sum_{P \in P_{s,t}} f_P \geq R_{s,t} \ \forall s \in S,
\end{array} \quad \begin{array}{l}
  R_t \in R_{SW}
\end{array} \right\} .
\]  

(5)

Clearly this is a nonempty convex subset of an Euclidean Space, but it is not compact.

Let us consider a game with a restricted set of strategies denoted \(\hat{A}_t\)’s as follows and let us call this new game as the **restricted game** for the instance \((G, c, d, R_{SW}, \Psi, \Phi)\).

\[
\hat{A}_t = \left\{ (f_t, R_t) : \begin{array}{l}
  f_P \geq 0 \ \forall P \in P_t, \\
  \sum_{P \in P_{s,t}} f_P \geq R_{s,t} \ \forall s \in S, \\
  f_P \leq H(X_S) \ \forall P \in P_t, \\
  R_{s,t} \leq H(X_S) \ \forall s \in S
\end{array} \quad \begin{array}{l}
  R_t \in R_{SW},
\end{array} \right\} .
\]  

(6)

Now the set \(\hat{A}_t\) becomes compact as it is a closed and bounded subset of an Euclidean space, and therefore \(\hat{A}_t\) satisfies the requirement \((a)\) of the Theorem [14].

Since players’ cost functions \(C^{(t)}\) are convex and continuous for all \(t \in T\), the condition \((b)\) in the Theorem [14] is also satisfied and we obtain the following result.

**Lemma 15** The restricted game for the instance \((G, c, d, R_{SW}, \Psi, \Phi)\), where \(C^{(t)}\) is convex for all \(t \in T\), admits a Nash equilibrium.

Now we claim that every Nash equilibrium of the restricted game is also a Nash equilibrium for the original game and that will imply the existence of a Nash flow-rate for the original game.

**Lemma 16** Every Nash equilibrium of the restricted game for the instance \((G, c, d, R_{SW}, \Psi, \Phi)\), where \(C^{(t)}\) is convex for all \(t \in T\), is also a Nash flow-rate for the instance \((G, c, d, R_{SW}, \Psi, \Phi)\).

**Proof**: Let \((f, R)\) be a Nash equilibrium of the restricted game for the instance \((G, c, d, R_{SW}, \Psi, \Phi)\). Then, for all \(t\) we have

\[
C^{(t)}(f, R) \leq C^{(t)}(f_{-t}, R_{-t}, \hat{f}_t, \hat{R}_t)
\]

for all \(\hat{f}_t, \hat{R}_t\) feasible for the restricted game i.e. coming from the restricted strategy set \(\hat{A}_t\).
Now let \((\tilde{f}_t, \tilde{R}_t) \in A_t \setminus \tilde{A}_t\) i.e. \(\tilde{f}_t, \tilde{R}_t\) is feasible for the original game but not feasible for the restricted game. For ease of notation, let us define the following quantities.

\[
S_{1,t} = \left\{ s \in S : \tilde{R}_{s,t} > H(X_S) \right\}, \quad S_{2,t} = S \setminus S_{1,t}
\]

\[
\tilde{R}_t = \left\{ \tilde{R}_{s,t} := H(X_S) | s \in S_{1,t} \right\}
\]

\[
\mathcal{P}_t^1 = \left\{ P \in \mathcal{P}_t : \tilde{f}_P > H(X_S) \right\}, \quad \mathcal{P}_t^2 = \mathcal{P}_t \setminus \mathcal{P}_t^1
\]

\[
f_t' = \left\{ f_P' := H(X_S) | P \in \mathcal{P}_t^1 \right\}
\]

Note that in defining \(\tilde{R}_t\) and \(f_t'\) we have projected all the flows and rates violating the feasibility for the restricted game to their boundary values and therefore the strategy \((f_t', \{f_P : P \in \mathcal{P}_t^2\}, R_t', \{\tilde{R}_{s,t} : s \in S_{2,t}\})\) is feasible for the restricted game.

Now,

\[
C(t)(f_{-t}, R_{-t}, \tilde{f}_t, \tilde{R}_t) \geq C(t)(f_{-t}, R_{-t}, \tilde{f}_t, R_t', \{\tilde{R}_{s,t} : s \in S_{2,t}\})
\]

\[
\geq C(t)(f_{-t}, R_{-t}, f_t', \{f_P : P \in \mathcal{P}_t^2\}, R_t', \{\tilde{R}_{s,t} : s \in S_{2,t}\})
\]

and since \((f, R)\) is a Nash equilibrium for the restricted game and \((f_t', \{f_P : P \in \mathcal{P}_t^2\}, R_t', \{\tilde{R}_{s,t} : s \in S_{2,t}\})\) is feasible for the restricted game we have

\[
C(t)(f, R) \leq C(t)(f_{-t}, R_{-t}, f_t', \{f_P : P \in \mathcal{P}_t^2\}, R_t', \{\tilde{R}_{s,t} : s \in S_{2,t}\})
\]

and therefore \(C(t)(f, R) \leq C(t)(f_{-t}, R_{-t}, \tilde{f}_t, \tilde{R}_t)\) for all \((\tilde{f}_t, \tilde{R}_t) \in A_t\) implying that \((f, R)\) is a Nash equilibrium of the original game meaning \((f, R)\) is a Nash flow-rate for the instance \((G, c, d, \mathcal{R}_{SW}, \Psi, \Phi)\).

Combining the Lemmas\ref{lem:worst-case} and \ref{lem:best-case} we obtain the following theorem.

**Theorem 17** An instance \((G, c, d, \mathcal{R}_{SW}, \Psi, \Phi)\), where \(C(t)\) is convex for all \(t \in T\), admits a Nash flow-rate.

## 6 Wardrop Flow-Rate and the Price of Anarchy

In this section, we investigate the inefficiency brought forth by the selfish behavior of terminals. First, we will show that the Wardrop equilibrium is a socially optimal solution for a different set of (related) cost functions. Using this, we will construct explicit examples that demonstrate that the POA > 1 and determine near-tight upper bounds on the POA as well. We start out with the characterization of Wardrop flow-rate.

**Theorem 18** Let \(z_e(x_e) = \left(\sum_{t \in T} x_{e,t}^n\right)^{1/\alpha} \), \(\Psi_{e,t}(x_e) = \frac{z_{e,t}^n}{\sum_{e \in T} z_{e,t}^n}\) and \(\Phi_{s,t}(\rho_s) = \frac{1}{N_T}. \) A Wardrop flow-rate for \((G, c, d, \mathcal{R}_{SW}, \Psi, \Phi)\) is an OPT flow-rate for \((G, \hat{c}, d, \mathcal{R}_{SW})\), where \(\hat{c}_e(x) = N_T \int \frac{c_e(s)}{x} dx. \) Further, when the edge cost functions \(c_e\) for all \(e \in E\) and the source cost functions \(d_s\) for all \(s \in S\) are strictly convex, an OPT flow-rate for \((G, c, d, \mathcal{R}_{SW})\) is also a Wardrop flow-rate for \((G, \hat{c}, d, \mathcal{R}_{SW}, \Psi, \Phi)\), where \(\hat{c}_e(x) = \frac{1}{N_T} x^\alpha\).

**Proof:** We will show that the definition of a Wardrop flow-rate for instance \((G, c, d, \mathcal{R}_{SW}, \Psi, \Phi)\) exactly corresponds to the four conditions for the instance \((G, \hat{c}, d, \mathcal{R}_{SW})\) in Theorem\ref{thm:wardrop-equilibrium}.
We have,
\[ z'_{e,t}(x_e) = \frac{1}{n} \left( \sum_{j \in T} x_{e,j}^n \right)^{\frac{1}{n} - 1} \left( \frac{z_{e,t} x_{e,t}^{n-1}}{\sum_j x_{e,j}^n} \right) = \]
Therefore,
\[ C_P(f) = \sum_{e \in P} c_e(z_e) \left( \frac{x_{e,t}^{n-1}}{\sum_j x_{e,j}^n} \right) = \sum_{e \in P} c_e(z_e) \cdot \frac{z'_{e,t}(x_e)}{z_e} = \frac{1}{N_T} \sum_{e \in P} \tilde{c}_e(z_e) z'_{e,t}(x_e) \]
where the last equality follows from the fact that
\[ \tilde{c}_e(x) = N_T \int \frac{c_e(x)}{x} \, dx \implies \tilde{c}_e'(x) = N_T \frac{c_e(x)}{x}. \]
Also,
\[ C^{(t)}_S(R) = \frac{1}{N_T} \sum_{i \in S} d_i(y_i), \implies \]
\[ \frac{\partial C^{(t)}_S(R)}{\partial R_{i,t}} = \frac{1}{N_T} d_i'(y_i) y'_{i,t}(\rho_i). \]
Therefore,
\[ C_P(f) + \frac{\partial C^{(t)}_S(R)}{\partial R_{i,t}} = \frac{1}{N_T} \left[ \sum_{e \in P} \tilde{c}_e(z_e) z'_{e,t}(x_e) + d_i'(y_i) y'_{i,t}(\rho_i) \right]. \]
The result follows from the equivalence of conditions coming from Definition 3 and Theorem 11.

In contrast with the result of [5] that holds for a single source with the edge cost splitting mechanism used above, from Theorem 18, we can note that for most reasonable cost splitting mechanisms, the POA will not equal one for all monomial edge cost functions. We construct explicit examples for POA > 1 in the Figures 1 and 2. The example in Figure 1 is near tight as will be evident from an upper bound on POA derived in Theorem 20.

It is interesting to note that in the case when sources are independent, in the Wardrop or OPT solutions, the rates requested at various sources will equal their respective lower bounds (i.e. their entropies). Therefore, the cost term corresponding to the sources will be fixed, and one only needs to find flows that minimize the edge costs. In this situation, it is not hard to see that the POA will again equal one for all monomial edge cost functions. i.e. it is the correlation among the sources that is responsible for bringing more anarchy. We formalize this below.

Let \( C_k = \{ c : c_e(x) = a_e x^k, \ a_e > 0, \forall e \in E \} \) be the set of edge cost functions where all edge cost functions are monomial of the same degree \( k \) possibly with different coefficients, and \( C_{\text{mon}} = \bigcup_{k \geq 1} C_k \). Similarly, \( D_k = \{ d : d_i(y) = b_i y^k, \ b_i > 0, \forall s \in S \} \). Also, let \( D_{\text{convex}} = \{ d : d_i \text{ is convex} \ \forall i \in S \} \).
Corollary 19 Correlation Induces Anarchy: Let $z_e(x_e) = \left(\sum_{t\in T} x_{e,t}^n\right)^{\frac{1}{n}}$, $\Psi_{e,t}(x_e) = \frac{x_{e,t}^n}{\left(\sum_{j\in T} x_{e,j}^n\right)}$, $y_s(\rho_s) = \left(\sum_{t\in T} \rho_{s,t}^m\right)^{\frac{1}{m}}$, and $\Phi_{s,t}(\rho_s) = \frac{1}{N_T}$, then we have

1. $\rho(S_{\text{all}}, c_{\text{mon}}, D_{\text{convex}}, \Psi, \Phi, M_{\text{ind}}) = 1$.
2. $\rho(S_{\text{all}}, c_{\text{1}}, D_{\text{convex}}, \Psi, \Phi, M_c) = 1$.
3. $\rho(S_{\text{all}}, c_{\text{mon}}, D_{\text{convex}}, \Phi, M_c) > 1$ for large values of $m$ and $n$.
4. $\rho(S_{\text{dsw}}, c_{\text{mon}}, D_{\text{convex}}, \Psi, \Phi, M_c) > 1$ for large values of $m$ and $n$.

Proof: Let $e \in c_{\text{mon}}$ i.e. $c_e(x) = a_e x^k$ for $a_e > 0$ for all $e \in E$, therefore, $\int \frac{c_e(x)}{x} \, dx = \int a_e x^{k-1} \, dx = a_e \frac{1}{k} x^k = \frac{1}{k} c_e(x)$. Also, $d \in D_{\text{convex}}$. Now, since the sources are independent (i.e. $R_{\text{SW}} \in M_{\text{ind}}$), from Theorem 18 and Corollary 12 it follows that a Wardrop flow-rate for instance $(G, c, d, R_{\text{SW}}, \Psi, \Phi)$ is also an OPT flow-rate for the instance $(G, c, d, R_{\text{SW}})$ which implies that $\rho(S_{\text{all}}, c_{\text{mon}}, D_{\text{convex}}, \Psi, \Phi, M_{\text{ind}}) = 1$.

Even if the sources are correlated, when we have $k = N_T$, we have $N_T \int \frac{c_e(x)}{x} \, dx = c_e(x)$ and using Theorem 18 a Wardrop flow-rate for instance $(G, c, d, R_{\text{SW}}, \Psi, \Phi)$ is also an OPT flow-rate for the instance $(G, c, d, R_{\text{SW}})$ which implies that

$$\rho(S_{\text{all}}, c_{\text{1}}, D_{\text{convex}}, \Psi, \Phi, M_c) = 1.$$ 

We prove $\rho(S_{\text{all}}, c_{\text{1}}, D_{\text{2}}, \Psi, \Phi, M_c) > \frac{1 + N}{N}$ and consequently

$$\rho(S_{\text{all}}, c_{\text{mon}}, D_{\text{convex}}, \Psi, \Phi, M_c) > 1,$$

by explicitly constructing an example as provided in Figure 1. All sources are identical with entropy $h$, therefore, $R_{\text{SW}} \in M_c$. Let $d_s(y) = C_1 y^2$ for all $s \in S$, therefore, $d \in D_2$, and the edge cost functions, $c_e(x) = x$ except for the edge $(u, v)$ for which $c_e(x) = C_2 x$. Therefore, $c \in C_1$. Let us consider the following flow-rate $(f, R)$

$$R_{1,t} = h \quad \forall t \in T$$
$$R_{s,t} = 0 \quad \forall s \in S - \{1\}, t \in T$$
$$f(1,t) = h \quad \forall t \in T \text{ over dotted edges in Figure 1}$$
$$f_P = 0 \quad \forall P \in P_t - \{(1, t)\}, t \in T.$$ 

Clearly, $(f, R)$ is feasible for the instance $(G, c, d, R_{\text{SW}})$. We claim that $(f, R)$ is a Wardrop flow-rate for the instance $(G, c, d, R_{\text{SW}}, \Psi, \Phi)$ when $\frac{2C_1 h}{N_T} \leq 1 + C_2$. To see this, first note that $(f, R)$ satisfies the Conditions (1) and (2) in the definition of Wardrop flow-rate (Definition 3) for the instance $(G, c, d, R_{\text{SW}}, \Psi, \Phi)$. We will now check the conditions (3) and (4) in Definition 3. Note that $\Psi_{e,t}(x_e) = \frac{1}{N_T}$ whenever $x_{e,t} = x$ for
all \( t \in T \) for some \( x > 0 \) and by continuity this is true even if \( x = 0 \). Therefore,
\[
C_{(1,t)}(f) = \sum_{e \in \{(1,t)\}} \frac{c_e(z_e)\Psi_{e,t}(x_e)}{x_e,t} = \frac{h \cdot 1}{h} = 1,
\]
\[
C_{(1,u,v,t)}(f) = \sum_{e \in \{(1,u),(u,v),(v,t)\}} \frac{c_e(z_e)\Psi_{e,t}(x_e)}{x_e,t}
\]
\[
= \lim_{x \to 0} \left[ \frac{x \cdot (1/N_T)}{x} + \frac{C_2x \cdot (1/N_T)}{x} + \frac{x \cdot 1}{x} \right]
\]
\[
= 1 + \frac{1 + C_2}{N_T}, \text{ and similarly}
\]
\[
C_{(s,u,v,t)}(f) = 1 + \frac{1 + C_2}{N_T}, s \in S - \{1\}.
\]
Clearly, the condition (3) is satisfied as \( C_{(1,t)}(f) < C_{(1,u,v,t)}(f) \). Also,
\[
\frac{\partial C^{(t)}_S(R)}{\partial R_{1,t}} = \frac{1}{N_T}d_i(y_i)\gamma_{1,t}(\rho_i)
\]
\[
= \frac{1}{N_T} 2C_1 y_i \gamma'_{1,t}(\rho_i)
\]
\[
= \frac{2C_1}{N_T} y_i \frac{R_{i,t}^{m-1}}{\sum_{j \in T} R_{i,j}^m}
\]
\[
= \frac{2C_1}{N_T} \left( \sum_{j \in T} R_{i,j}^m \right)^{2/m} \frac{R_{i,t}^{m-1}}{\sum_{j \in T} R_{i,j}^m}.
\]
\[
\therefore \frac{\partial C^{(t)}_S(R)}{\partial R_{1,t}} = \frac{2C_1}{N_T} (N_T h^m)^{2/m} \frac{h^{m-1}}{N_T h^m}
\]
\[
= \frac{2C_1 h}{N_T^2} \text{ as } m \to \infty \text{ and}
\]
\[
\frac{\partial C^{(t)}_S(R)}{\partial R_{s,t}} \geq 0, \forall s \in S - \{1\}.
\]

Therefore, when \( \frac{2C_1 h}{N_T} \leq 1 + C_2 \), we get
\[
C_{(1,t)}(f) + \frac{\partial C^{(t)}_S(R)}{\partial R_{1,t}} \leq C_{(s,u,v,t)}(f) + \frac{\partial C^{(t)}_S(R)}{\partial R_{s,t}}
\]
\[
\forall s \in S - \{1\}
\]

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which implies that the condition (4) is also satisfied. Thus, \((f, R)\) is indeed a Wardrop flow-rate for the instance \((G, c, d, R_SW, \Psi, \Phi)\). Further,

\[
C(f, R) = \sum_{e \in \cup_{t \in T}\{1, t\}} c_e(z_e) + \sum_{e \in \cup_{s \in S}\{s, u\}} c_e(z_e) + c_{(u, v)}(z_{(u, v)}) + \sum_{e \in \cup_{t \in T}\{v, t\}} c_e(z_e) + \sum_{s \in S} d_s(y_s) \\
= NT_h + 0 + 0 + 0 + C_1 (NT^{h m})^{2/m} \\
= NT_h + C_1 h^2 \text{ as } m \to \infty.
\]

Now let us consider another flow-rate \((f^*, R^*)\)

\[
R^*_{s, t} = \frac{h}{NS} \quad \forall s \in S, t \in T \\
f^*_{(1, t)} = 0 \forall t \in T, \text{ and} \\
f^*_{(s, u, v, t)} = \frac{h}{NS} \quad \forall s \in S, t \in T.
\]

Clearly, \((f^*, R^*)\) is feasible for the instance \((G, c, d, R_SW)\). Further,

\[
C(f^*, R^*) = \sum_{e \in \cup_{t \in T}\{1, t\}} c_e(z^* e) + \sum_{e \in \cup_{s \in S}\{s, u\}} c_e(z^* e) + c_{(u, v)}(z^*_{(u, v)}) + \sum_{e \in \cup_{t \in T}\{v, t\}} c_e(z^* e) + \sum_{s \in S} d_s(y^*_s) \\
= 0 + NS \left(NT\left(\frac{h}{NS}\right)^n\right)^{1/n} + C_2 (NT^{h m})^{1/n} \\
+ NT_h + NC_1 \left(NT\left(\frac{h}{NS}\right)^m\right)^{2/m} \\
= h(1 + C_2 + NT) + \frac{C_1 h^2}{NS} \\
as m \to \infty, n \to \infty.
\]

Thus, when \(\frac{1 + C_2}{C_1} < h (1 - \frac{1}{NT})\), we have \(C(f^*, R^*) < C(f, R)\). As \(OPT(G, c, d, R_{SW}) \leq C(f^*, R^*)\), this implies that the POA is greater than one.

In particular,

\[
\rho(S_{alt}, c_1, D_2, \Psi, \Phi, M_c) > \frac{C_1 + \frac{Nh}{1 + C_2 + NT} + NC_1}{h}.
\]

Now, take \(h = 1, NS = NT > 4, 1 + C_2 = 3NT, C_1 = N^2_T\), and note that

\[
\frac{2C_1 h}{NT} = 2NT < 3NT = 1 + C_2,
\]

as well as,

\[
\frac{1 + C_2}{C_1} = \frac{3}{NT} < (1 - \frac{1}{NT}) = (1 - \frac{1}{NS}) \quad \text{as} \quad NT > 4.
\]
Figure 1: Example of a network where POA is linear in $N_T$.

Figure 2: Classical Slepian-Wolf network with appropriate costs also has POA $> 1$. 
Therefore, we get
\[
\rho(S_{all}, C_1, D_2, \Psi, \Phi, M_c) > \frac{1 + N_T}{5}.
\]
This is near tight as will be evident from Theorem 20.

To establish (4), we will prove a stronger result, \(\rho(S_{dsw}, C_3, D_3, \Psi, \Phi, M_c) > 1\), by constructing an example as described below. As shown in Figure 2 there are two sources and two terminals which are directly connected to each source. Both sources are identical with entropy 1, \(d_1(y) = C_1 y^3, d_2(y) = C_2 y^3\) with \(C_1, C_2 > 0, C_1 \neq C_2\) and \(c_e(x) = x^3\) for all edges. We now outline the argument that shows that the POA > 1.

First, observe that the instance is symmetric with respect to terminals and all cost functions are strictly convex. Therefore the OPT flow rate for the instance, denoted \((f^*, R^*)\) is such that \(R^*_{s,t_1} = R^*_{s,t_2}\) for \(s = 1, 2\). Next, by the characterization as per Theorem 18 the Wardrop flow-rate, denoted \((f, R)\) is an OPT flow-rate for \(\tilde{c}_e(x) = \frac{2}{3} x^3\) with the source cost functions remaining the same. This new instance with \(\tilde{c}_e(x) = \frac{2}{3} x^3\) is also symmetric with respect to the terminals and the cost functions remain strictly convex. Therefore we conclude that for the Wardrop flow-rate as well \(R_{s,t_1} = R_{s,t_2}\) for \(s = 1, 2\). Let \(R_{1,t_1} = R_{1,t_2} = h\) and \(R_{2,t_1} = R_{2,t_2} = h^*\). Using the properties of Wardrop flow-rate and OPT flow rate as per Condition (2) in Theorem 11 we have \(R_{2,t_1} = R_{2,t_2} = 1 - h\) and \(R^*_{2,t_1} = R^*_{2,t_2} = 1 - h^*\). We argue below that \(h \neq h^*\). Consequently, by uniqueness of the OPT flow-rate (due to strict convexity of the objective function) we will have \(C(f, R) > C(f^*, R^*)\) implying \(\rho(S_{dsw}, C_3, D_3, \Psi, \Phi, M_c) > 1\). We have, for \(t = t_1, t_2\),

\[
\frac{\partial C_{S(t)}(R)}{\partial R_{1,t}} = \frac{1}{N_T} d'_1(y_1) y_{1,t}(\rho_1) = 3 C_1 y_1^2 y_1 \sum_{j=1}^{m-1} R_{1,j}^{-m} = \frac{3}{4} C_1 h^2 \text{ as } m \to \infty.
\]

Similarly,

\[
\frac{\partial C_{S(t)}(R)}{\partial R_{2,t}} = \frac{3}{4} C_2 (1 - h)^2.
\]

By the definition of Wardrop flow-rate, we have

\[f_{(1,t)} = h, \quad f_{(2,t)} = (1 - h).\]

Thus,

\[C_{(1,t)}(f) = h^2, \quad C_{(2,t)}(f) = (1 - h)^2.\]

Further,

\[
\frac{\partial C_{S(t)}(R)}{\partial R_{1,t}} + C_{(1,t)}(f) = \frac{\partial C_{S(t)}(R)}{\partial R_{2,t}} + C_{(2,t)}(f)
\]

implies that

\[
\frac{3}{4} C_1 h^2 + h^2 = \frac{3}{4} C_2 (1 - h)^2 + (1 - h)^2.
\]

Therefore,

\[
\frac{h}{1 - h} = \sqrt{\frac{3}{4} C_2 + 1 \frac{3}{4} C_1 + 1}.
\]
Now, from Theorem 18 \((f^*, R^*)\) is a Wardrop flow-rate for the instance where everything remains the same except for the edge cost functions which are now \(\frac{3}{2}x^3\) instead of \(x^3\) and performing the similar calculations as above for \((f,R)\), we obtain
\[
\frac{h^*}{1-h^*} = \sqrt{\frac{3}{2}C_2 + \frac{1}{2}}.
\]
Clearly, since \(C_1 \neq C_2\), we get \(h^* \neq h^*\). In particular, take \(C_1 = 4, C_2 = 8\), then \(h = 0.5695\) and \(h^* = 0.5635\). Thus, \(C(f,R) = 1.9061, C(f^*, R^*) = 1.9052\) implying that \(POA \geq 1.004 > 1\), in this example.

Note that while constructing the above examples the source cost splitting function we have used is \(\Phi_{s,t}(\rho_s) = 1/N_T\). Further, for the same mechanism, Corollary [19] provides an example of edge cost functions that gives a POA of one, and possibly this is the only choice giving POA one. Before considering another reasonable splitting mechanism, we first establish an upper bound which is nearly attainable by instance given in Figure [1.

**Theorem 20** Let \(z_e(x_e) = \left(\sum_{t \in T} x_{e,t}^n\right)^{\frac{1}{n}}\), \(\Psi_{e,t}(x_e) = \frac{x_{e,t}^n}{\left(\sum_{j \in T} x_{e,j}^n\right)}\) and \(\Phi_{s,t}(\rho_s) = \frac{1}{N_T}\). Then,
\[
\rho(S_{alt}, c_k, D_{convex}, \Psi, \Phi, M_e) \leq \max\{\frac{N_T}{k}, \frac{k}{N_T}\}.
\]

**Proof:** As in the proof of Theorem 18 we have, \(C_P(f) = \frac{1}{N_T} \sum_{e \in P} \frac{\partial C_e(f)}{\partial R_{e,i}} = \frac{1}{N_T} \left[ \sum_{e \in P} \frac{\partial z_e(x_e)}{\partial R_{e,i}} \Psi_{e,t}(x_e) + d_i(y_i) \frac{\partial \Phi_{s,t}(\rho_s)}{\partial R_{e,i}} \right] \).

Let \((f,R)\) be a Wardrop flow-rate and \((f^*, R^*)\) be OPT for \((G, c, d, R_{SW})\) respectively. Further, let \(\tilde{c}_e(x) = N_T \int \frac{c_e(x)}{x} dx = N_T \int a_e x^{k-1} dx = \frac{N_T}{k} a_e x^k\). Now,
\[
C(f,R) = \sum_{e \in E} c_e(z_e) + \sum_{s \in S} d_s(y_s) = \sum_{e \in E} a_e z_e^k + \sum_{s \in S} d_s(y_s)
\]
and
\[
C(f^*, R^*) = \sum_{e \in E} c_e(z_e^*) + \sum_{s \in S} d_s(y_s^*)
\]
\[
= \sum_{e \in E} a_e (z_e^*)^k + \sum_{s \in S} d_s(y_s^*)
\]
Let us first consider the case where \(N_T \geq k\) i.e. \(1 \leq \frac{N_T}{k}\).
\[
C(f,R) = \sum_{e \in E} a_e z_e^k + \sum_{s \in S} d_s(y_s) \\ \leq \sum_{e \in E} \frac{N_T}{k} a_e z_e^k + \sum_{s \in S} d_s(y_s) \\ = \sum_{e \in E} \tilde{c}_e(z_e) + \sum_{s \in S} d_s(y_s).
\]
Now, from Theorem 18, \((f, R)\) is OPT for \((G, \tilde{c}, d, R_{SW})\) and because \((f^*, R^*)\) is feasible for \((G, \tilde{c}, d, R_{SW})\) we get

\[
\sum_{e \in E} \tilde{c}_e(z_e) + \sum_{s \in S} d_s(y_s) \leq \sum_{e \in E} \tilde{c}_e(z^*_e) + \sum_{s \in S} d_s(y^*_s) \\
= \sum_{e \in E} \frac{N_T}{k} a_e(z^*_e)^k + \sum_{s \in S} d_s(y^*_s) \\
\leq \frac{N_T}{k} \left[ \sum_{e \in E} a_e(z^*_e)^k + \sum_{s \in S} d_s(y^*_s) \right] \\
= \frac{N_T}{k} C(f^*, R^*).
\]

Therefore,

\[
\frac{C(f, R)}{C(f^*, R^*)} \leq \frac{N_T}{k}.
\]

Similarly, for the case when \(N_T \leq k\),

\[
C(f, R) = \sum_{e \in E} a_e z_e^k + \sum_{s \in S} d_s(y_s) \\
= \frac{k}{N_T} \left[ \sum_{e \in E} \frac{N_T}{k} a_e z_e^k + \sum_{s \in S} \frac{N_T}{k} d_s(y_s) \right] \\
\leq \frac{k}{N_T} \left[ \sum_{e \in E} \frac{N_T}{k} a_e z_e^k + \sum_{s \in S} d_s(y_s) \right] \\
= \frac{k}{N_T} \left[ \sum_{e \in E} \tilde{c}_e(z_e) + \sum_{s \in S} d_s(y_s) \right]
\]

Now, from Theorem 18, \((f, R)\) is OPT for \((G, \tilde{c}, d, R_{SW})\) and because \((f^*, R^*)\) is feasible for \((G, \tilde{c}, d, R_{SW})\) we get

\[
\sum_{e \in E} \tilde{c}_e(z_e) + \sum_{s \in S} d_s(y_s) \leq \sum_{e \in E} \tilde{c}_e(z^*_e) + \sum_{s \in S} d_s(y^*_s) \\
= \sum_{e \in E} \frac{N_T}{k} a_e(z^*_e)^k + \sum_{s \in S} d_s(y^*_s) \\
\leq \sum_{e \in E} a_e(z^*_e)^k + \sum_{s \in S} d_s(y^*_s) \\
= C(f^*, R^*)
\]

Therefore,

\[
\frac{C(f, R)}{C(f^*, R^*)} \leq \frac{k}{N_T}.
\]

Now we consider another splitting mechanism \(\Phi\) that looks more like the edge cost splitting mechanism \(\Psi\). Specifically, take \(y_s(\rho_s) = (\sum_{t \in T}(R_{s,t})^m)^\frac{1}{m}\) and \(\Phi_i,t(\rho_i) = \frac{(R_{i,t})^m}{\sum_{j \in T}(R_{i,j})^m}\). Let us first note the generalization of Corollary 19(1) for any source cost splitting mechanism \(\Phi\). Proof is essentially the same as before. The condition (2) in the definition of Wardrop flow-rate as well as OPT flow-rate renders all the rates to be equal to their corresponding entropies and consequently the condition (4) need not be checked.
Lemma 21 Let \( z_e(x_e) = \left( \sum_{t \in T} x_{e,t} \right)^{\frac{1}{n}}, y_s(\rho_s) = \left( \sum_{t \in T} (R_{s,t})^m \right)^{\frac{1}{m}}, \) and \( \Phi_{i,t}(\rho_i) \) be any source cost splitting function, then we have

\[ \rho(G_{all}, \mathcal{C}_{mon}, \mathcal{D}_{convex}, \Psi, \Phi, \mathcal{M}_{ind}) = 1. \]

Now, we will argue that with \( y_s(\rho_s) = \left( \sum_{t \in T} (R_{s,t})^m \right)^{\frac{1}{m}} \) and \( \Phi_{i,t}(\rho_i) = \frac{(R_{i,t})^m}{\sum_{j \in T} (R_{i,j})^m} \) we have \( \rho(G_{dsw}, \mathcal{C}_{mon}, \mathcal{D}_{convex}, \Psi, \Phi, \mathcal{M}_{c}) > 1 \) for large values of \( m \) and \( n \). Let us consider the same example as in Figure 2 but with the new source cost splitting mechanism. First, note that OPT flow-rate is independent of the choice of cost splitting functions and the previously calculated OPT flow-rate for this instance \( (f^*, R^*) \) is given by

\[ R_{1,t}^* = f_{1,t}^* = h^*, \quad \text{and} \quad R_{2,t}^* = f_{2,t}^* = 1 - h^*. \]

We will argue that this is not a Wardrop flow-rate and since the OPT flow-rate is unique (by strict convexity) we will obtain \( POA > 1 \). After some simple calculations we get

\[ \frac{\partial C_S^{(1)}(R)}{\partial R_{1,t}} = d_1(y_i) \frac{y_i}{R_{i,t}} \Phi_{i,t}^2(\rho_i) + m \frac{d_1(y_i)}{R_{i,t}} \Phi_{i,t}(\rho_i) (1 - \Phi_{i,t}(\rho_i)). \]

Therefore,

\[ \frac{\partial C_S^{(1)}(R^*)}{\partial R_{1,t}} = (m + 3)(N_T)^{3/m} \frac{C_1}{4} (h^*)^2 \quad \text{and} \quad \frac{\partial C_S^{(1)}(R^*)}{\partial R_{2,t}} = (m + 3)(N_T)^{3/m} \frac{C_2}{4} (1 - h^*)^2. \]

Also, \( C_{(1,t)}(f^*) = (h^*)^2 \) and \( C_{(2,t)}(f^*) = (1 - h^*)^2 \). Note that \( N_T = 2 \) in this example. Now, with \( C_1 = 4, C_2 = 8 \), we have \( h^* = 0.5635 \) and therefore

\[ \frac{C_{(1,t)}(f^*) + \frac{\partial C_S^{(1)}(R^*)}{\partial R_{1,t}}}{C_{(2,t)}(f^*) + \frac{\partial C_S^{(1)}(R^*)}{\partial R_{2,t}}} = \frac{(h^*)^2 + (m + 3)(N_T)^{3/m} \frac{C_1}{4} (h^*)^2}{(1 - h^*)^2 + (m + 3)(N_T)^{3/m} \frac{C_2}{4} (1 - h^*)^2} = \frac{(m + 3)(N_T)^{3/m} + 1}{2(m + 3)(N_T)^{3/m} + 1} \frac{0.5635^2}{(1 - 0.5635)^2} = \frac{1}{2(1 - 0.5635)^2} = 0.8333 \neq 1 \text{ as } m \to \infty. \]

Theorem 22 Let \( z_e(x_e) = \left( \sum_{t \in T} x_{e,t} \right)^{\frac{1}{n}}, y_s(\rho_s) = \left( \sum_{t \in T} (R_{s,t})^m \right)^{\frac{1}{m}}, \Psi_{e,t}(x_e) = \frac{x_{e,t}^\mathcal{S}}{\sum_{j \in T} x_{e,j}^\mathcal{S}}, \) and \( \Phi_{i,t}(\rho_i) = \frac{(R_{i,t})^m}{\sum_{j \in T} (R_{i,j})^m} \) for large values of \( m \) and \( n \), then we have

\[ \rho(G_{dsw}, \mathcal{C}_{mon}, \mathcal{D}_{convex}, \Psi, \Phi, \mathcal{M}_c) > 1. \]
7 Future Directions

In this work, we have initiated a study of the inefficiency brought forth by the lack of regulation in the multicast of multiple correlated sources. We have established the foundations of the framework by providing the first set of technical results that characterize the equilibrium among terminals, when they act selfishly trying to minimize their individual costs without any regard to social welfare, and its relation to the socially optimal solution. Our work leaves out several important open problems that deserve theoretical investigation and analysis. We discuss some of these interesting problems in the following.

Network Information Flow Games: From Slepian-Wolf to Polymatroids: It is interesting to note that all the results presented in this chapter naturally extend to a large class of network information flow problems where the entropy is replaced by any rank function (ref. Chapter 10 in [10]) and equivalently conditional entropy is replaced by any supermodular function. This is because the only special property of conditional entropy used in our analysis is its supermodularity. Polytropes described by such rank functions are called contra-polymatroids and the SW polytope is an example. Therefore, by abstracting the network coding scenario to this more general setting, we can obtain a nice class of multi-player games with compact representations, which we call Network Information Flow Games. It would be interesting to study these games further and investigate the emergence of practical and meaningful scenarios beyond network coding. Furthermore, the network coding scenario where the terminals do not necessarily want to reconstruct all the sources should also be interesting to analyze.

Dynamics of Wardrop Flow-Rate: Can we design a noncooperative decentralized algorithm that steers flows and rates in a way that converges to a Wardrop flow-rate? What about such an algorithm which runs in polynomial time? A first approach could be to consider an algorithm where each terminal greedily allocates rates and flows by calculating marginal costs at each step. The following theorem, which follows from an approach similar to that in the proof of Theorem 11, provides some intuition on why such a greedy approach might work, as per the relationship between Wardrop and OPT according to Theorem 18.

\textbf{Theorem 23} Let \( (f, R) \) be an OPT flow-rate for instance \( (G, c, d, R_{SW}) \) and define \( h_{s,t} := d'_{s}(y_{s})y_{s,t}(\rho_{s}) + \lambda_{s,t} \) for \( s \in S, t \in T \), where \( \lambda_{s,t} \)'s are dual variables satisfying KKT conditions. Further, let \( \sigma : T \times S \rightarrow S \) be defined such that \( 0 < h_{\sigma(t,1),t} < h_{\sigma(t,2),t} < \ldots < h_{\sigma(t,N_{s}),t} \). Then,

\[
\sum_{i=1}^{k} R_{\sigma(t,i),t} = H(X_{\sigma(t,1),t}, X_{\sigma(t,2),t}, \ldots, X_{\sigma(t,k)}) \text{ for } k = 1, \ldots, N_{s}.
\]

Better bounds on POA: Although we have provided explicit examples where correlation brings more anarchy, as well as, an upper bound on POA which is nearly achievable, we believe that more detailed analysis is necessary. An important approach in this direction would be to characterize exactly how the POA depends on structure of SW region i.e. to analyze the finer details on how correlation among sources changes POA, even in the case of two sources. Further, other interesting splitting mechanisms should also be studied.

Capacity Constraints and Approximate Wardrop Flow-Rates: One immediate direction of investigation could be to consider the scenario where there is a capacity constraint on each edge i.e. the maximum amount of flow that can be sent through that edge. Another interesting problem is to investigate the sensitivity of the implicit assumption in our analysis that terminals can evaluate various quantities, and in particular the marginal costs, with arbitrary precision. This can be achieved by formulating a notion of approximate Wardrop flow-rate, where terminals can distinguish quantities only when they differ significantly.
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