EFX Allocations: Simplifications and Improvements

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Abstract

The existence of EFX allocations is a fundamental open problem in discrete fair division. Given a set of agents and indivisible goods, the goal is to determine the existence of an allocation where no agent envies another following the removal of any single good from the other agent’s bundle. Since the general problem has been illusive, progress is made on two fronts: (i) proving existence when the number of agents is small, (ii) proving existence of relaxations of EFX. In this paper, we improve results on both fronts (and simplify in one of the cases).

\cite{CGM20} showed the existence of EFX allocations when there are three agents with additive valuation functions. The proof in \cite{CGM20} is long, requires careful and complex case analysis, and does not extend even when one of the agents has a general monotone valuation function. We prove the existence of EFX allocations with three agents, restricting only one agent to have an additive valuation function (the other agents may have any monotone valuation functions). Our proof technique is significantly simpler and shorter than the proof in \cite{CGM20} and therefore more accessible. In particular, it does not use the concepts of champions, champion-graphs, half-bundles (in contrast to the algorithms in \cite{CKMS21, CGM20, CGM+21}) and envy-graph (in contrast to most algorithms that prove existence of relaxations of envy-freeness, including weaker relaxations like EF\textsubscript{1}). Our technique also extends to settings when two agents have any monotone valuation function and one agent has an MMS-feasible valuation function (a strict generalization of nice-cancelable valuation functions \cite{BCFF21} which subsumes additive, budget-additive and unit demand valuation functions). This takes us a step closer to resolving the existence of EFX allocations when all three agents have general monotone valuations.

Secondly, we consider relaxations of EFX allocations, namely, approximate-EFX allocations and EFX allocations with few unallocated goods (charity). \cite{CGM+21} showed the existence of \((1-\varepsilon)\)-EFX allocation with \(O((n/\varepsilon)^{4/5})\) charity by establishing a connection to a problem in extremal combinatorics. We improve the result in \cite{CGM+21} and prove the existence of \((1-\varepsilon)\)-EFX allocations with \(\tilde{O}((n/\varepsilon)^{1/2})\) charity. In fact, some of our techniques can be used to prove improved upper-bounds on a problem in zero-sum combinatorics introduced by Alon and Krivelevich \cite{AK21, MS21}.

1 Introduction

Fair division has been a fundamental branch of mathematical economics over the last seven decades (since the seminal work of Hugo Steinhaus in the 1940s \cite{Ste48}). In a classical fair division problem, the goal is to “fairly” allocate a set of items among a set of agents. Such problems find very
early mentions in history, for instance, in ancient Greek mythology and the Bible. Even more so today, many real-life scenarios are paradigmatic of the problems in this domain, e.g., division of family inheritance [PZ90], divorce settlements [BT96], spectrum allocation [EPT05], air traffic management [Vos02], course allocation [BBC10] and many more. For the past two decades, the computer science community has developed concrete formulations and tractable solutions to fair division problems and thus contributing substantially to the development in the field. With the advent of the Internet and the rise of centralized electronic platforms that intend to impose fairness constraints on their decisions (e.g., Airbnb would like to fairly match hosts and guests, and Uber would like to fairly match drivers and riders etc.), there has been an increasing demand for computationally tractable protocols to solve fair division problems.

In this paper, we focus on one of the important open problems in discrete fair division. In a classical setting of discrete fair division, we have a set \([n]\) of \(n\) agents and a set \(M\) of \(m\) indivisible goods. Each agent \(i\) is equipped with a valuation function \(v_i: 2^M \rightarrow \mathbb{R}_{\geq 0}\) which captures the utility agent \(i\) derives from any bundle that can be allocated to her. One of the most well studied classes of valuations are additive valuations, i.e., \(v_i(S) = \sum_{g \in S} v_i\{g\}\) for all \(S \subseteq M\). The goal is to determine a partition \(X = \langle X_1, X_2, \ldots, X_n \rangle\) of \(M\) such that \(X_i\) is allocated to agent \(i\) which is fair. Depending on the notion of fairness used, there are several different problems in this setting.

**Envy-freeness up to any good (EFX)**  The quintessential notion of fairness is that of envy-freeness. An allocation \(X = \langle X_1, X_2, \ldots, X_n \rangle\) is envy-free if every agent prefers her bundle as much as she prefers the bundle of any other agent, i.e., \(v_i(X_i) \geq v_i(X_{i'})\) for all \(i, i' \in [n]\). However, an envy-free allocation does not always exist, e.g., consider dividing a single valuable good among two agents. In any feasible allocation, the agent with no good will envy the agent that has been allocated one good. This necessitates the study of relaxed notions of envy-freeness. In this paper, we consider the relaxation known as envy-freeness up to any good (EFX). An allocation \(X = \langle X_1, X_2, \ldots, X_n \rangle\) is EFX if and only if for all pairs of agents \(i\) and \(i'\), we have \(v_i(X_i) \geq v_i(X_{i'} \setminus \{g\})\) for all \(g \in X_{i'}\), i.e., the envy should disappear following the removal of any single good from \(i\)'s bundle. EFX is in fact considered to be the “closest analogue of envy-freeness” in discrete fair division [CGH19]. Unfortunately, the existence of EFX allocations is still unsettled despite significant effort by several researchers [Mou19, CKM16] and is considered one of the most important open problems in fair division [Pro20]. There have been studies on

- the existence of EFX allocations in restricted settings. In particular, EFX existence has been studied when there are small number of agents [PR20, CGM20], and when agents have specific valuation functions [HPPS20].

- The existence of relaxations of EFX allocations has also been investigated, e.g., approximate EFX allocations [PR20, AMN20], EFX with bounded charity [CKMS21, BCFF21], approximate EFX with bounded charity [CGM21].

Improving the understanding in both the above settings is a systematic direction towards the big problem. We first mention the existing results in the above two settings and mention some of their pitfalls. Thereafter, we highlight main results of this paper and show how they address the said pitfalls. In particular, we focus on the existence of EFX allocations with small number of agents and the existence of approximate EFX allocations with bounded charity.

\[1\] Check [spi] and [fai] for more detailed explanation of fair division protocols used in day to day problems.
Existence of EFX Allocations with Small Number of Agents. Plaut and Roughgarden [PR20] first showed the existence of EFX allocations when there are two agents using the cut and choose protocol. The existence of EFX allocations with three agents was shown by Chaudhury et al [CGM20]. The proof of existence in [CGM20] involves several new concepts like champions, champion-graphs and half-bundles, spans over 15 pages, and requires a lot of careful and detailed case analysis. Furthermore, the proof technique does not extend to the setting with four or more agents [CGM+21]. We articulate the primary bottleneck here: At a high-level, the algorithm in [CGM20] moves in the space of partial EFX allocations\(^2\) iteratively improving the vector \(\langle v_1(X_1), v_2(X_2), v_3(X_3) \rangle\) lexicographically, where \(v_i(\cdot)\) is the valuation function of agent \(i\). However, [CGM+21] exhibit an instance with four agents, nine goods and a partial EFX allocation \(X\) such that in any complete EFX allocation \(X'\), \(v_1(X'_1) < v_1(X_1)\), i.e., agent 1 (which is the highest priority agent) is better off in \(X\) than in any complete EFX allocation. All of this necessitates the study of a different approach for the existence of EFX allocations. As the first main contribution of this paper, we present a new proof for the existence of EFX allocations for three agents, which is significantly shorter and simpler (we do not use the notions of champions, champion-graphs and half-bundles) than the proof in [CGM20]. Our approach is algorithmic, but in contrast to the approach in [CGM20], our algorithm moves in the space of complete allocations (instead of partial allocations) iteratively improving a certain potential as long as the current allocation is not EFX. Furthermore, the algorithm also allows us to prove the existence of EFX beyond additivity, i.e., even when only one of the agents has an additive valuation function and the other agents have general monotone valuation functions, our algorithm can determine an EFX allocation. We note that the proof in [CGM20] crucially needs all the valuation functions to be additive.

**Theorem 1.** EFX allocations exist with three agents as long as there is at least one agent with an additive valuation function.

Berger et al. [BCFF21] show the existence of EFX allocations for three agents when agents have more general valuation functions, called nice-cancelable valuation functions (defined formally in Section 2). Nice-cancelable valuation functions generalize many well known valuation functions like additive, budget-additive, unit-demand and more. We introduce a class of valuation functions called MMS-feasible valuation functions (defined formally in Section 2) that are very natural in the fair division setting and they strictly generalize nice-cancelable valuations. Our proof of existence also holds when two agents have general valuation functions and one of the agents has an MMS-feasible valuation function. Thus, we also prove,

**Theorem 2.** EFX allocations exist with three agents as long as there is at least one agent with an MMS-feasible valuation function.

Existence of Approximate EFX with Bounded Charity. Caragiannis et al. [CGH19] introduced the notion of EFX with charity. The goal here is to find “good” partial EFX allocations, i.e., partial EFX allocations where the set of unallocated goods are not very valuable. In particular, they show that there exists always a partial EFX allocation \(X\) such that for each agent \(i\), we have \(v_i(X_i) \geq 1/2 \cdot v_i(X^*_i)\), where \(X^* = (X^*_1, X^*_2, \ldots, X^*_n)\) is the allocation with maximum Nash welfare\(^3\). Following the same line of work, Chaudhury et al. [CKMS21] showed the existence of a partial EFX allocation \(X\) such that no agent envies the set of unallocated goods and the total

\(^2\)EFX allocations where not all goods are allocated.

\(^3\)The Nash welfare of any allocation \(Y\) is the geometric mean of the valuations of the agents, \((\prod_{i \in [n]} v_i(Y_i))^{1/n}\). It is often considered a direct measure of the fairness and efficiency of an allocation.
number of unallocated goods is at most \( n - 1 \ll m \). Quite recently, Chaudhury et al. [CGM+21] showed the existence of a \((1 - \varepsilon)\)-EFX allocation with \( O((n/\varepsilon)^{4/5})\) charity, where an allocation \( X \) is said to be \((1 - \varepsilon)\)-EFX if and only if \( v_i(X_i) \geq (1 - \varepsilon) \cdot v_i(X_i \setminus \{ g \}) \) for all \( g \in X_i \). While the last result is not a strict improvement of the result in [CKMS21] (since it ensures \((1 - \varepsilon)\)-EFX instead of exact EFX), it is the best relaxation of EFX that we can compute in polynomial time, as the algorithm in [CKMS21] can only be modified to give \((1 - \varepsilon)\)-EFX with \( n - 1 \) charity in polynomial time. Another key aspect of the technique in [CGM+21] is the reduction of the problem of improving the bounds on charity to a purely graph theoretic problem. In particular [CGM+21] define the notion of a rainbow cycle number: Given an integer \( d > 0 \), the rainbow cycle number \( R(d) \) is the largest \( k \) such that there exists a \( k \)-partite graph \( G = (V_1 \cup V_2 \cup \cdots \cup V_k, E) \) such that

- each part has at most \( d \) vertices, i.e., \( |V_i| \leq d \), and
- every vertex in \( G \) has exactly one incoming edge from every part in \( G \) except the part containing it, and
- there exists no cycle \( C \) in \( G \) that visits each part at most once.

Let \( h^{-1}(d) \) denote the smallest integer \( \ell \) such that \( h(\ell) = \ell \cdot R(\ell) \geq d \). Then there always exist an \((1 - \varepsilon)\)-EFX allocation with \( O(\frac{n}{\varepsilon h^{-1}(n/\varepsilon)})=O(\frac{n}{\varepsilon h^{-1}(n/\varepsilon)}) \). So smaller the upper bound on \( h(\ell) \), lower is the number of unallocated goods. [CGM+21] show that \( R(d) \in O(d^2) \) and thus establish the existence of \((1 - \varepsilon)\)-EFX allocation with \( O((n/\varepsilon)^{4/5}) \) charity. An upper bound of \( O(d^2 2^{(\log \log d)^2}) \) was obtained by [BBK22], thereby showing the existence of EFX allocations with \( O((n/\varepsilon)^{0.67}) \) charity. In this paper, we close this line of improvements by proving an almost tight upper bound on \( d \) (matching the lower bound up to a log factor).

**Theorem 3.** Given any integer \( d > 0 \), the rainbow cycle number \( R(d) \in O(d \log d) \).

As a consequence of the improved bound we obtain:

**Theorem 4.** There exists a polynomial time algorithm that determines a partial \((1 - \varepsilon)\)-EFX allocation \( X \) such that no agent envies the set of unallocated goods and the total number of unallocated goods is \( \tilde{O}((n/\varepsilon)^{1/2}) \). Furthermore, \( NW(X) \geq 1/2e^{1/\varepsilon} \cdot NW(X^\ast) \) where \( X^\ast \) is the allocation with maximum Nash welfare.

**Rainbow Cycle and Zero-sum Combinatorics.** We believe that investigating tighter bounds on \( R(d) \) is interesting in its own right. Quite recently, Berendsohn, Boyadzhiyska, and Kozma [BBK22] showed intriguing connections between rainbow cycle number and zero sum problems in extremal combinatorics. Zero sum problems in graphs ask questions of the following flavor: Given an edge/vertex weighted graph, whether there exists a certain substructure (for example cliques, cycles, paths etc.) with a zero sum (modulo some integer). In particular, [BBK22] show that the rainbow cycle number is a natural generalization of the zero sum problems studied in Alon and Krivelevich [AK21], and Mészáros and Steiner [MS21]. Both papers [AK21, MS21] aim to upper bound the maximum number of vertices of a complete bidirected graph with integer edge labels avoiding a zero sum cycle (modulo \( d \)). [BBK22] show through a simple argument that this is upper bounded by the permutation rainbow cycle number \( R_p(d) \), which is defined by introducing an additional constraint in the definition of \( R(d) \) that for all \( i, j \), each vertex in \( V_i \) has exactly one outgoing edge to some vertex in \( V_j \) (in addition to exactly one incoming edge from some vertex in \( V_j \)). In Section 5.2, we show through a simple argument that \( R_p(d) \leq 2d - 2 \), thereby also improving the upper bounds of \( O(d \log(d)) \) in [AK21] and \( 8d - 1 \) in [MS21].
Lemma 1. We have $R_p(d) \leq 2d - 2$. Therefore, by the Observation made by [BBK22], the maximum number of vertices of a complete bidirected graph with integer edge labels avoiding a zero sum cycle (modulo $d$) is at most $2d - 2$.

1.1 Further Related Work

Fair division has received significant attention since the seminal work of Steinhaus [Ste48] in the 1940s. Other than envy-freeness, another fundamental fairness notion is that of proportionality. Recall that, in an envy-free allocation, every agent values her own bundle at least as much as she values the bundle of any other agent. However, in a proportional allocation, each agent gets a bundle that she values $1/n$ times her valuation on the entire set of goods. Since envy-freeness and proportionality cannot always be guaranteed while dividing indivisible goods, various relaxations of the same have been studied. Alongside EFX, another popular relaxation of envy-freeness is envy-freeness up to one good (EF1) where no agent envies another agent following the removal of some good from the other agent’s bundle. While the existence of EFX allocations is open, EF1 allocations are known to exist for any number of agents, even when agents have general monotone valuation functions [LMM04]. While EF1 and EFX are fairness notions that relax envy-freeness, the most popular notions of fairness that relax proportionality for indivisible goods are maximin share (MMS), proportionality up to one good (PROP1), proportionality up to any good (PROPx), and proportionality up to the maximin good (PROPm). The MMS was introduced by Budish [Bud11]. While MMS allocations do not always exist [KPW18], there has been extensive work to come up with approximate MMS allocations [Bud11, BL16, AMNS17, BK17, KPW18, GHS18, GMT19, GT20]. On the other hand, PROPx is stronger than PROPm, which is stronger than PROP1. While PROPx allocations do not always exist [Mou19], PROPm allocations are guaranteed to exist [BGGS21]. Some works assume ordinal ranking over the goods, as opposed to cardinal values, e.g., [AGMW15, BKK17].

Alongside fairness, the efficiency of an allocation is also a desirable property. Two common measures of efficiency is that of Pareto-optimality and Nash welfare. Caragiannis et al. [CKM16] showed that any allocation that has the maximum Nash welfare is guaranteed to be Pareto-optimal (efficient) and EF1 (fair). Barman et al. [BKV18] give a pseudo-polynomial algorithm to find an allocation that is both EF1 and Pareto-optimal. Other works explore relaxations of EFX with high Nash welfare [CGH19, CKMS21].

Independent Work. Independently and concurrently to our work, [BBK22] also investigate upper bounds on rainbow cycle number. They obtain the same upper bound of $2d - 2$ for $R_p(d)$.

2 Preliminaries

An instance of discrete fair division is given by the tuple $[[n], M, V]$, where $[n]$ is the set of agents, $M$ is the set of indivisible goods and $V = (v_1(\cdot), v_2(\cdot), \ldots, v_n(\cdot))$ where each $v_i : 2^M \to \mathbb{R}_{\geq 0}$ denotes the valuation of agent $i$. Typically, the valuation functions are assumed to be monotone, i.e., for each agent $i$, $v_i(S \cup \{g\}) \geq v_i(S)$ for all $S \subseteq M$ and $g \notin S$. A valuation $v_i(\cdot)$ is said to be additive if $v_i(S) = \sum_{g \in S} v_i(\{g\})$ for all $S \subseteq M$. For ease of notation, we use $g$ instead of $\{g\}$. We also use $S \oplus_i T$ for $v_i(S) \oplus v_i(T)$ with $\oplus \in \{\leq, \geq, <, >\}$.

Given an allocation $X = (X_1, X_2, \ldots, X_n)$, we say that an agent $i$ strongly envies an agent $i'$ if and only if $v_i(X_i) < v_i(X_{i'} \setminus \{g\})$ for some $g \in X_{i'}$. Thus, an allocation is an EFX allocation if there is no strong envy between any pair of agents. We now introduce certain definitions and recall certain concepts that will be useful in the upcoming sections.
Definition 1 (EFX feasibility). Given a partition \( X = (X_1, X_2, \ldots, X_n) \) of \( M \), a bundle \( X_k \) is EFX-feasible to agent \( i \) if and only if \( X_k \geq_i \max_{j \in [n]} \max_{g \in X_j \setminus g} \). Therefore an allocation \( X = (X_1, X_2, \ldots, X_n) \) is EFX if for each agent \( i \), \( X_i \) is EFX-feasible.

Chaudhury et al. [CGM20] introduced the notion of non-degenerate instances where no agent values two distinct bundles the same. They showed that to prove the existence of EFX allocations in the additive setting, it suffices to show the existence of EFX allocations for all non-degenerate instances. We adapt their approach and show that the same claim holds, even when agents have general monotone valuations.

Non-Degenerate Instances [CGM20] We call an instance \( I = ([n], M, V) \) non-degenerate if and only if no agent values two different sets equally, i.e., \( \forall i \in [n] \) we have \( v_i(S) \neq v_i(T) \) for all \( S \neq T \). We extend the technique in [CGM20] and show that it suffices to deal with non-degenerate instances when there are \( n \) agents with general valuation functions, i.e., if there exists an EFX allocation in all non-degenerate instances, then there exists an EFX allocation in all instances. We defer the reader to the appendix for the detailed proof.

Henceforth, we assume that the given instance is non-degenerate, implying that all goods are positively valued by all agents.

MMS-feasible valuations. In this paper, we introduce a new class of valuation functions called MMS-feasible valuations which are natural extensions of additive valuations in a fair division setting.

Definition 2. A valuation function \( v : 2^M \to \mathbb{R}_{\geq 0} \) is MMS-feasible if for every subset of goods \( S \subseteq M \) and every partitions \( A = (A_1, A_2) \) and \( B = (B_1, B_2) \) of \( S \), we have

\[
\max(v(B_1), v(B_2)) \geq \min(v(A_1), v(A_2)).
\]

Informally, these are the valuations under which, an agent always has a bundle in any 2-partition that she values more than her MMS value, i.e., given an agent \( i \) with an MMS-feasible valuation \( v(\cdot) \), in any 2-partition of \( S \subseteq M \), say \( B = (B_1, B_2) \), we have \( \max(v(B_1), v(B_2)) \geq \text{MMS}_i(2, S) \), where \( \text{MMS}_i(2, S) \) is the MMS value of agent \( i \) on the set \( S \) when there are 2 agents. Also, note that if there are two agents and one of the agents has an MMS-feasible valuation function, then irrespective of the valuation function of the other agent, MMS allocations always exist: Consider an instance where agent 1 has an MMS-feasible valuation function and agent 2 has a general monotone valuation function. Consider agent 2’s MMS optimal partition of the good set \( A = (A_1, A_2) \). Let agent 1 pick her favorite bundle from \( A \). Then, agent 1 has a bundle that she values at least as much as her MMS value (as she has an MMS-feasible valuation function), and agent 2 has a bundle that she values at least as much as her MMS value as \( A \) is an MMS optimal partition according to agent 2.

MMS-feasible valuations strictly generalize the nice-cancelable valuation functions introduced in [BCFF21]. A valuation function \( v : 2^M \to \mathbb{R}_{\geq 0} \) is nice-cancelable if for every \( S, T \subseteq M \) and \( g \in M \setminus (S \cup T) \), we have \( v(S \cup \{g\}) > v(T \cup \{g\}) \Rightarrow v(S) > v(T) \). Nice-cancelable valuations include budget-additive \( (v(S) = \min(\sum_{s \in S} v(s), c)) \), unit demand \( (v(S) = \max_{j \in S} v(s)) \), and multiplicative \( (v(S) = \prod_{s \in S} v(s)) \) valuations [BCFF21].

Lemma 2. Every nice-cancelable function is MMS-feasible.

Proof. We first make an observation about a nice-cancelable valuation function.

Observation 5. If \( v \) is a nice-cancelable valuation, then for every \( S, T \subseteq M \) and \( Z \subseteq M \setminus (S \cup T) \), we have \( v(S \cup Z) > v(T \cup Z) \Rightarrow v(S) > v(T) \).
Let \( v \) be a nice-cancelable function. For a subset of goods \( S \subseteq M \), consider any two partitions \( A = (A_1, A_2) \) and \( B = (B_1, B_2) \) of \( S \). Without loss of generality assume \( v(A_1 \cap B_1) < v(A_2 \cap B_2) \). Since \( (A_1 \cap B_2) \) is disjoint from \( (A_1 \cap B_1) \cup (A_2 \cap B_2) \), by the contrapositive of Observation 5 applied to nice-cancelable valuation \( v \), we have,

\[
 v((A_1 \cap B_1) \cup (A_1 \cap B_2)) < v((A_2 \cap B_2) \cup (A_1 \cap B_2)).
\]

Therefore,

\[
\min(v(A_1), v(A_2)) \leq v(A_1) = v((A_1 \cap B_1) \cup (A_1 \cap B_2)) = \min(v(A_1), v(A_2)) \leq v(B_2) = \max(v(B_1), v(B_2)).
\]

In order to prove that MMS-feasible functions strictly generalize nice-cancelable functions, we present an example of a valuation function which is MMS-feasible but not nice-cancelable.

**Example 1.** Let \( M = \{g_1, g_2, g_3\} \). The value of \( v(S) \) is given in Table 1 for all \( S \subseteq M \). First note that \( v(g_1 \cup g_2) > v(g_3 \cup g_2) \) but \( v(g_1) < v(g_3) \). Therefore, \( v \) is not nice-cancelable. Now we prove that \( v \) is MMS-feasible. Let \( S \subseteq M \) and \( A = (A_1, A_2) \), \( B = (B_1, B_2) \) be two partitions of \( M \). Without loss of generality, assume \( |A_1| \leq |A_2| \). If \( A_1 = \emptyset \), \( \min(v(A_1), v(A_2)) = 0 \leq \max(v(B_1), v(B_2)) \). Hence, we assume \( |A_1| \geq 1 \) and therefore, we have \( |S| \geq 2 \). Moreover, if \( A = B \), then \( \max(v(B_1), v(B_2)) = \max(v(A_1), v(A_2)) \geq \min(v(A_1), v(A_2)) \). Thus, we also assume \( A \neq B \). If \( S = \{g, g'\} \), the only two different possible partitioning of \( S \) is \( A = (\{g\}, \{g'\}) \) and \( B = (\emptyset, \{g, g'\}) \). For all \( g, g' \in M \), \( v(\{g, g'\}) > \max(v(g), v(g')) \). Therefore, \( \max(v(B_1), v(B_2)) \leq \max_{g \in M} (v(g)) = 3 \). Without loss of generality, let \( g_3 \in B_1 \). For all \( T \subseteq M \) such that \( g_3 \in T \), we have \( v(T) \geq 3 \). Thus, \( \max(v(B_1), v(B_2)) \geq v(B_1) \geq 3 \geq \min(v(A_1), v(A_2)) \).

Lemma 3 follows from Lemma 2 and Example 1.

**Lemma 3.** The class of MMS-feasible valuation functions is a strict superclass of nice-cancelable valuation functions.

**Preliminaries on Rainbow Cycle Number.** [CGM+21] reduce the problem of finding approximate EFX allocations with sublinear charity to a problem in extremal graph theory. In particular, they introduce the notion of a rainbow cycle number.

**Definition 3.** Given an integer \( d > 0 \), the rainbow cycle number \( R(d) \) is the largest \( k \) such that there exists a \( k \)-partite graph \( G = (V_1 \cup V_2 \cup \cdots \cup V_k, E) \) such that

- each part has at most \( d \) vertices, i.e., \( |V_i| \leq d \), and

| \( S \) | \( \{g_1\} \) | \( \{g_2\} \) | \( \{g_3\} \) | \( \{g_1, g_2\} \) | \( \{g_1, g_3\} \) | \( \{g_2, g_3\} \) | \( \{g_1, g_2, g_3\} \) |
|---|---|---|---|---|---|---|---|
| \( v \) | 1 | 2 | 3 | 10 | 4 | 5 | 13 |

Table 1: valuation function \( v \) is MMS-feasible but not nice-cancelable.
• every vertex has exactly one incoming edge from every part other than the one containing it\(^4\), and

• there exists no cycle \(C\) in \(G\) that visits each part at most once.

We also refer to cycles that visit each part at most once as “rainbow” cycles.

They show that any finite upper bound on \(R(d)\) implies the existence of approximate EFX allocations with sublinear charity. Better upper bounds on \(R(d)\) would give us better bounds on the charity. In particular, they prove the following theorem.

**Theorem 6.** \([CGM\text{+}21]\) Let \(G = (V_1 \cup V_2 \cup \ldots \cup V_k, E)\) be a \(k\)-partite digraph such that (i) each part has at most \(d\) vertices and (ii) each vertex in \(G\) has an incoming edge from every part other than the one containing it. Furthermore, let \(k > T(d) \geq R(d)\). If there exists a polynomial time algorithm that can find a cycle visiting each part at most once in \(G\), then there exists a polynomial time algorithm that determines a partial EFX allocation \(X\) such that

- the total number of unallocated goods is in \(\mathcal{O}(n/\varepsilon h^{-1}(n/\varepsilon))\) where \(h^{-1}(d)\) is the smallest integer \(\ell\) such that \(h(\ell) = \ell \cdot T(\ell) \geq d\).

- \(NW(X) \geq 1/(2e^{1/\varepsilon}) \cdot NW(X^\ast)\), where \(X^\ast\) is the allocation with maximum Nash welfare.

### 3 Technical Overview

In this section, we briefly highlight the main technical ideas used to show our results.

#### 3.1 EFX existence beyond additivity.

We present an algorithmic proof for the existence of EFX allocations when agents have valuations more general than additive valuations. The main takeaway of our algorithm is that it does not require the sophisticated concepts introduced by the techniques in [CKMS21, CGM20] that rely on improving a potential function while moving in the space of partial EFX allocations. In fact, our algorithm does not even require the concept of an envy-graph which is a very fundamental concept used by the algorithms in [CKMS21, CGM20] and also by [PR20, LMMS04] to prove the existence of weaker relaxations of envy-freeness (like EF1 and 1/2-EFX).

The crucial idea in our technique is to move in the space of partitions (of the good set), improving a certain potential as long as we cannot find an EFX allocation from the current partition, i.e., we cannot find a complete allocation of the bundles in the partition such that the EFX property is satisfied. In particular, we always maintain a partition \(X = (X_1, X_2, X_3)\) such that (i) agent 1 finds \(X_1\) and \(X_2\) EFX-feasible and (ii) at least one of agent 2 and agent 3 finds \(X_3\) EFX-feasible. Note that such allocations always exist: Agent 1 can determine a partition such that all bundles are EFX-feasible for her (such a partition is possible as agent 1 can run the algorithm in [PR20] to find an EFX allocation assuming all three agents have agent 1’s valuation function, thereby making all bundles EFX-feasible for her) and we call agent 2’s favorite bundle in the partition \(X_3\) (which is obviously EFX-feasible for her) and the remaining bundles \(X_1\) and \(X_2\) arbitrarily. Then, we have a partition that satisfies the invariant.

Note that if any one agent 2 or 3 finds one of \(X_1\) or \(X_2\) EFX-feasible, then we easily get an EFX allocation. Indeed, assume w.l.o.g. that agent 2 finds \(X_3\) EFX-feasible. Now, if

\(^4\)In the original definition of the rainbow cycle number \(R(d)\) in [CGM\text{+}21], every vertex can have more than one incoming edge from a part. However, by reducing the number of edges, we can only increase the upper-bound on \(R(d)\).
• agent 3 finds $X_2$ EFX-feasible, then we have an EFX allocation: agent 1 $\leftarrow X_1$, agent 2 $\leftarrow X_3$, and agent 3 $\leftarrow X_2$. We can give a symmetric argument when agent 3 finds $X_1$ EFX-feasible.

• Similarly, if agent 2 finds $X_2$ EFX-feasible, then we can let agent 3 pick her favourite bundle in the partition (which is obviously EFX-feasible for her) and still give agents 1 and 2 an EFX-feasible bundle. We can give a symmetric argument when agent 2 finds $X_1$ EFX-feasible.

Therefore, we only need to consider the scenario where only $X_3$ is EFX-feasible for agents 2 and 3. Essentially, in this scenario, $X_3$ is “too valuable” to agents 2 and 3, as they do not find any of the remaining bundles EFX-feasible. A natural attempt would be to remove some good(s) from $X_3$ and allocate it to $X_1$ or $X_2$, i.e., we can increase the valuation of agent 1 for her EFX-feasible bundle(s) by removing the excess goods allocated to the only EFX-feasible bundle of agents 2 and 3. This brings us to our potential function: $\phi(X) = \min(v_1(X_1), v_1(X_2))$. Now, the non-triviality lies in determining the set of goods to be removed from $X_3$, and then allocating them to $X_1$ and $X_2$ such that we maintain our invariants. Although non-trivial, this turns out to be significantly simpler than the procedure used in [CGM20] and also holds when agents 1 and 2 have general monotone valuation functions and agent 3 has an MMS-feasible valuation function. The entire procedure is elaborated in Section 4.

3.2 Improved Bounds on Rainbow Cycle Number.

Our technique to achieve the improved bound involves the probabilistic method. It is significantly simpler and yields better guarantees. We briefly sketch our algorithmic proof. Let there be $k$ parts in $G = (V_1 \cup V_2 \cup \ldots V_k, E)$. Note that each part has at most $d$ vertices and each vertex has at least one incoming edge from each part. We pick one vertex $v_i$ from each part $V_i$ independently and uniformly at random. Now, it suffices to show that with non-zero probability, the induced graph on the vertices $v_1, v_2, \ldots, v_k$ is cyclic for some $k \in \mathcal{O}(d \log d)$. Note that if every vertex in $G[v_1, \ldots, v_k]$ has an incoming edge, then $G[v_1, \ldots, v_k]$ is cyclic. So we need to show a non-zero lower bound on the probability of the each vertex having at least one incoming edge or equivalently show an upper bound on the probability that each vertex has no incoming edge in $G[v_1, \ldots, v_k]$. To this end, let $E_{v_i}$ denote the event that vertex $v_i$ has no incoming edge in $G[v_1, \ldots, v_k]$. Note that $\mathbb{P}[E_{v_i}] \leq (1 - 1/d)^{k-1}$, $v_i$ has at least one incoming edge from each part and therefore the probability that there is no incoming edge from $v_j$ to $v_i$ is at most $(1 - 1/d)$ for all $j$. Since all $v_j$’s are independently chosen, the probability that $v_i$ has no incoming edge from any part is at most $(1 - 1/d)^{(k-1)}$. Then, by union bound, $\mathbb{P}[\cup_{i \in [n]} E_{v_i}] \leq \sum_{i \in [n]} \mathbb{P}[E_{v_i}] \leq k(1 - 1/d)^{(k-1)}$. Therefore, the probability that $G[v_1, \ldots, v_k]$ is cyclic is at least $1 - k(1 - 1/d)^{(k-1)}$ which is strictly positive for $k \in \mathcal{O}(d \log d)$.

4 EFX Existence beyond Additivity

Before we give the new algorithm, we first give the reader a quick recap of the Plant and Roughgarden algorithm [PR20] (PR algorithm) that determines an EFX allocation when all agents have the same valuation function, $v(\cdot)$ (the only assumption on $v(\cdot)$ is that it is monotone). The algorithm starts with any arbitrary allocation $X$ (which may not be EFX), and makes minor reallocations to improve the valuation of the agent who has the lowest value, i.e., it modifies $X$ to $X'$ such that $\min_{i \in [n]} v(X'_i) > \min_{i \in [n]} v(X_i)$. We now elaborate on the reallocation procedure: Let $\ell$ be the agent with the lowest valuation in $X$. If $X$ is not EFX, then there exists agents $i$ and $j$ such that
v(X_i) < v(X_j \setminus \{g\}) for some g \in X_j. Since v(X_\ell) < v(X_i), we also have v(X_\ell) < v(X_j \setminus \{g\}). The algorithm removes the good g from j’s bundle and allocates it to \ell. Observe that v(X_\ell) > v(X_\ell) for all k \neq \ell as we assume non-degeneracy. Also, we have v(X_\ell \cup \{g\}) and v(X_j \setminus \{g\}) greater than v(X_\ell). Therefore, the valuation of every new bundle is strictly larger than the valuation of X_\ell. Therefore, the valuation of the agent with the lowest valuation improves. This implies that the reallocation procedure will never revisit a particular allocation and as a result this process will eventually converge to an EFX allocation Y with v(Y_i) > v(X_\ell) for all i \in [n]. Formally,

**Lemma 4** ([PR20]). Let X = (X_1, X_2, X_3) be an arbitrary 3-partition. Running the PR algorithm with any monotone valuation v results in an EFX-partition X’ = (X_1’, X_2’, X_3’) with min(v(X_1), v(X_2), v(X_3)) ≤ min(v(X_1’), v(X_2’), v(X_3’)). We have equality only if the input is already EFX with respect to v.

In contrast to the algorithms in [CGM20, CKMS21, BCFF21, PR20], our algorithm moves in the space of complete EFX allocations iteratively maintaining some invariants. As long as our allocation is not EFX, we make some reallocations to the existing allocation and improve a certain potential. We give the proof here assuming only monotonicity for the valuation functions of agents 1 and 2 and assuming MMS-feasibility for the valuation of agent 3, i.e., v_1(\cdot) and v_2(\cdot) are general monotone valuation functions and v_3(\cdot) is MMS-feasible. We now elaborate our algorithm. We maintain a partition (X_1, X_2, X_3) of the good set such that

- X_1 and X_2 are EFX-feasible for agent 1.
- X_3 is EFX-feasible for at least one of agents 2 and 3.

One can show the existence of allocations satisfying the above invariants by running the PR algorithm and initializing: Agent 1 runs the PR algorithm with v = v_1 to determine a partition (X_1, X_2, X_3) such that all the three bundles are EFX-feasible for her. Then, agent 2 picks her favorite bundle out of the three, say X_3. Clearly, X_3 is EFX-feasible for agent 2, and X_1 and X_2 are EFX-feasible for agent 1. Thus X satisfies the invariants.

We define our potential function as \phi(X) = \min(v_1(X_1), v_1(X_2)). We now elaborate how to modify X and improve the potential when we cannot determine an EFX allocation from the partition X, i.e., we cannot determine an allocation of the bundles in X to the agents that satisfies the EFX property.

### 4.1 Reallocation when we cannot get an EFX allocation from X

Let X = (X_1, X_2, X_3) be a partition satisfying the invariants. Without loss of generality, let us assume that agent 2 finds X_3 EFX-feasible. Observe that if any one of agents 2 or 3 finds bundles X_1 or X_2 EFX-feasible, then we are done: If agent 3 finds one of X_1 or X_2 EFX-feasible, then we can allocate agent 3’s EFX-feasible bundle to her, X_3 to agent 2 and the remaining bundle of X_1 and X_2 to agent 1 and get an EFX allocation. Similarly, if agent 2 finds X_1 or X_2 EFX-feasible, we ask agent 3 to pick her favourite bundle out of X_1, X_2 and X_3. Now, note that no matter which bundle agent 3 picks, there is always a way to allocate agents 1 and 2 their EFX-feasible bundles as agent 1 finds X_1 and X_2 EFX-feasible and agent 2 finds X_3 and at least one of X_1 or X_2 EFX-feasible\(^5\). Therefore, from here on we assume that neither agent 2 nor agent 3 finds X_1 or X_2 EFX-feasible. Let g_i be the good in X_3 such that X_3 \setminus g_i \geq_i X_3 \setminus h for all h \in X_3, i.e., X_3 \setminus g_i is the most valued proper subset of X_3 for agent i.

\(^5\)If agent 3 picks X_1, allocate X_2 to agent 1 and X_3 to agent 2. If agent 3 picks X_2, then allocate X_1 to agent 1 and X_3 to agent 2. Finally, if she picks X_3, then allocate the bundle among X_1 and X_2 that is EFX-feasible for agent 2 to agent 2 and the remaining bundle to agent 1.
Observation 7. For \( i \in \{2, 3\} \), we have \( X_3 \setminus g_i >_{i} \max_i(X_1, X_2) \).

Proof. We prove for \( i = 2 \). The proof for \( i = 3 \) is identical. Let us assume otherwise and say w.l.o.g. \( X_1 >_{2} X_3 \setminus g_2 \). Then, the only reason why \( X_1 \) is not EFX-feasible for agent 2 is if \( X_1 <_{2} X_2 \setminus g \) for some \( g \in X_2 \). But, in that case, we have \( X_2 >_{2} X_1 >_{2} X_3 \setminus g_2 \). Therefore, we have \( X_2 >_{2} \max_{i \in [3]} \max_{g \in X_i} (X_i \setminus h) \), implying that \( X_2 \) is EFX-feasible, which is a contradiction. \( \square \)

W.l.o.g. assume that \( X_1 <_{1} X_2 \), implying that \( \phi(X) = v_1(X_1) \). We now distinguish two cases depending on how valuable the bundle \( X_1 \cup g_i \) is to agent \( i \) for \( i \in \{2, 3\} \) and give the appropriate reallocations in both cases. In particular, we first look into the case where \( X_3 \setminus g_i \) is still more valuable to agent \( i \) than \( X_1 \cup g_i \) for at least one \( i \in \{2, 3\} \).

Case: \( X_3 \setminus g_2 >_{2} X_1 \cup g_2 \) or \( X_3 \setminus g_3 >_{3} X_1 \cup g_3 \), i.e., \( X_3 \setminus g_i \) is the favorite bundle for agent \( i \) in the partition \( X_1 \cup g_i, X_2 \) and \( X_3 \setminus g_i \) for at least one \( i \in \{2, 3\} \). We provide the reallocation rules assuming that \( X_3 \setminus g_2 >_{2} X_1 \cup g_2 \). The rules for the case \( X_3 \setminus g_3 >_{3} X_1 \cup g_3 \) is symmetric. Now, consider the partition \( (X_1 \cup g_2, X_2, X_3 \setminus g_2) \).

By Observation 7, \( X_3 \setminus g_2 >_{2} X_2 \) and by our current case \( X_3 \setminus g_2 >_{2} X_1 \cup g_2 \), implying that \( X_3 \setminus g_2 \) is an EFX-feasible bundle for agent 2. Let \( X_1^1 \) be a minimal subset of \( X_1 \cup g_2 \) w.r.t. set inclusion that agent 1 values more than \( X_1 \), i.e., agent 1 values \( X_1^1 \) more than any proper subset of \( X_1^2 \) and \( X_1^1 >_{1} X_1 \). Let \( X_2 = X_2 \) and \( X_3 = (X_3 \setminus g_2) \cup ((X_1 \cup g_2) \setminus X_1^2) \). We define the partition \( X' = (X_1^1, X_2, X_3') \). Observe that \( \phi(X') > \phi(X) \) as \( X_2' = X_2 >_{2} X_1 \) (by assumption) and \( X_1^1 >_{1} X_1 \) (by definition). Also note that \( X_3' \) is EFX-feasible for agent 2 as it is the most valuable bundle in \( X' \) for agent 2. Now, if \( X_1^1 \) and \( X_2 \) are EFX-feasible for agent 1, then all the invariants are maintained and we are done. So now we look into the case when at least one of \( X_1^1 \) and \( X_2 \) is not EFX-feasible for agent 1 in \( X' \).

We first make an observation on agent 1’s valuation on the bundles \( X_1^1 \) and \( X_2 \).

Observation 8. We have \( X_1^1 >_{1} X_2 \setminus h \) for all \( g \in X_2 \) and \( X_2 >_{1} X_1^1 \) \( h \) for all \( h \in X_1^1 \).

Proof. Note that \( X_1^1 >_{1} X_1 \) by definition of \( X_1^1 \) and \( X_1 >_{1} X_2 \setminus g \) for all \( g \in X_2 \) as \( X_1 \) was EFX-feasible for agent 1 in \( X \). Since \( X_2 = X_2 \), we have \( X_1^1 >_{1} X_2 \setminus h \) for all \( h \in X_2 \).

Similarly, \( X_2 >_{1} X_1 \) by assumption. Furthermore \( X_1 >_{1} X_1^1 \setminus h \) for all \( h \in X_1^1 \) by the definition of \( X_1^1 \). Since \( X_2 = X_2 \), we have \( X_2 >_{1} X_1^1 \setminus h \) for all \( h \in X_1^1 \). \( \square \)

By Observation 8, if \( X_1^1 \) and \( X_2 \) are not EFX-feasible for agent 1 in \( X' \), then \( X_3' \setminus g >_{1} \min_1(X_1^1, X_2) \) for some \( g \in X_3' \). However, in that case, we run the PR algorithm on the partition \( X' \) with agent 1’s valuation. Let \( Y = (Y_1, Y_2, Y_3) \) be the final partition at the end of the PR algorithm. We have,

\[
\min(v_1(Y_1), v_1(Y_2), v_1(Y_3)) > \min(v_1(X_1^1), v_1(X_2), v_1(X_3)) \quad \text{(by Lemma 4)}
\]
\[
= \min(v_1(X_1^1), v_1(X_2)) \quad \text{(as } v_1(X_3) > \min(v_1(X_1^1), v_1(X_2)))
\]
\[
= \phi(X')
\]
\[
> \phi(X)
\]

We then let agent 2 pick her favorite bundle out of \( Y_1, Y_2 \) and \( Y_3 \). Let us assume w.l.o.g. that she chooses \( Y_3 \). Then, allocation \( Y \) satisfies the invariants and we have \( \phi(Y) = \min(v_1(Y_1), v_1(Y_2)) \geq \min(v_1(Y_1), v_1(Y_2), v_1(Y_3)) > \phi(X) \). Thus, we are done.
Remark: Note that we have not used the MMS-feasibility of \( v_3(\cdot) \) yet. All the arguments in this case hold when all three valuation functions are general monotone. We use MMS-feasibility crucially in the upcoming case.

Case: \( X_3 \setminus g_2 <_2 X_1 \cup g_2 \) and \( X_3 \setminus g_3 <_3 X_1 \cup g_3 \), i.e., \( X_1 \cup g_i \) is the favourite bundle in the partition \( X_1 \cup g_i, X_2 \) and \( X_3 \setminus g_i \) for all \( i \in \{2, 3\} \): From Observation 7, we have \( X_3 \setminus g_i >_i X_2 \) for \( i \in \{2, 3\} \). Therefore, we have,

\[
X_2 <_2 X_3 \setminus g_2 <_2 X_1 \cup g_2 \quad \text{and} \quad X_2 <_3 X_3 \setminus g_3 <_3 X_1 \cup g_3.
\]

By MMS-feasibility of valuation function \( v_3(\cdot) \), we conclude that \( X_2 <_3 \max_3(Z, Z') \) where \((Z, Z')\) is any valid 2-partition of the good set \( X_1 \cup X_3 \), as MMS-feasibility implies that \( \max_3(Z, Z') \geq \min_3(X_1 \cup g_3, X_3 \setminus g_3) >_3 X_2 \). We run the PR algorithm on the 2-partition \((X_1 \cup g_2, X_3 \setminus g_2)\) with agent 2’s valuation \((v_2(\cdot))\). Let \((Y_2, Y_3)\) be the output of the PR algorithm. We let agent 3 choose her favorite among \( Y_2 \) and \( Y_3 \). Assume w.l.o.g. she chooses \( Y_3 \). Now, consider the allocation \( X' \)

\[
\text{agent 1: } X_2 \quad \text{agent 2: } Y_2 \quad \text{agent 3: } Y_3.
\]

We now analyze the strong envy in the allocation. To this end, we first observe that agents 2 and 3 do not strongly envy anyone.

Observation 9. \( Y_2 \) is EFX-feasible for agent 2 and \( Y_3 \) is EFX-feasible for agent 3 in \( X' \).

Proof. Since \((Y_2, Y_3)\) is the output of the PR algorithm run on \((X_1 \cup g_2, X_3 \setminus g_2)\) with agent 2’s valuation function, (i) \( Y_2 >_2 Y_3 \setminus h \) for all \( h \in Y_3 \), and (ii) \( Y_2 \geq \min_2(X_1 \cup g_2, X_3 \setminus g_2) >_2 X_2 \), where the first inequality follows from Lemma 4 and the second inequality follows from the fact that \( X_1 \cup g_2 >_2 X_3 \setminus g_2 >_2 X_2 \). Therefore \( Y_2 \) is EFX-feasible w.r.t. agent 2.

Now, we look into agent 3. Note that \( Y_3 = \max_3(Y_2, Y_3) \) as agent 3 picks her favourite among \( Y_2 \) and \( Y_3 \). Therefore \( Y_3 >_3 Y_2 \). Furthermore, due to the MMS-feasibility of \( v_3(\cdot) \) and the fact that \((Y_2, Y_3)\) is a valid 2 partition of the good set \( X_1 \cup X_3 \), we have \( Y_3 = \max_3(Y_2, Y_3) >_3 X_2 \). Therefore, \( Y_3 >_3 \max_3(Y_2, Y_3) \) and thus is an EFX-feasible bundle for agent 3.

Therefore, the only possible strong envy is from agent 1. We now enlist the possible strong envy that may arise from agent 1 and also show corresponding reallocations.

- Agent 1 does not strongly envy \( Y_2 \) and \( Y_3 \): Then we are done as \( X' \) is an EFX allocation.

- Agent 1 strongly envies both \( Y_2 \) and \( Y_3 \): In this case, we have \( Y_2 >_1 X_2 \) and \( Y_3 >_1 X_2 \). We run the PR algorithm on the partition \((X_2, Y_2, Y_3)\) with agent 1’s valuation function \((v_1(\cdot))\) and let agent 2 pick her favourite bundle from the final partition \( X'' \) returned by the PR algorithm. Then, we have a partition that satisfies the invariants and \( \phi(X'') > \phi(X) \) as \( \min_1(X''_2, X''_3) >_1 \min_1(X_2, Y_2, Y_3) = X_2 >_1 X_1 = \phi(X) \), where the first inequality follows from Lemma 4.

- Agent 1 strongly envies one of \( Y_2 \) and \( Y_3 \): Let us assume without loss of generality that agent 1 strongly envies \( Y_2 \). Let \( \overline{Y}_2 \) be the minimal subset of \( Y_2 \) w.r.t. set inclusion that agent 1 values more than \( X_2 \). Then, consider the partition \( X'' = (X''_2, X''_3) \) where \( X''_2 = X_2, X''_3 = \overline{Y}_2 \) and \( X''_3 = Y_3 \cup (Y_2 \setminus \overline{Y}_2) \). First note that \( X''_3 \) is EFX-feasible for agent 3 as \( X''_3 = Y_3 \) was EFX-feasible in allocation \( X' \) and now the bundle \( X''_1 \) remains the same, the bundle \( X''_2 \) has been

\footnote{Note that this time we run the PR algorithm with \( n = 2 \) as opposed to the usual \( n = 3 \) in the prior cases.}

\footnote{Strict inequality follows due to non-degeneracy.}

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compressed further in $X''$, and $X'_3 \subset X''_3$. Also note that $φ(X'') = \min(v_1(X''_1), v_1(X''_2)) = \min(v_1(X_2), v_1(Y_2)) = v_1(X_2) > v_1(X_1) = φ(X)$. If $X''_1$ and $X''_2$ are EFX-feasible for agent 1, then partition $X''$ satisfies the invariants and $φ(X'') > φ(X)$ and we are done. So now consider the case when at least one of $X''_1$ and $X''_2$ is not EFX-feasible for agent 1. Note that $X''_1 >_1 X''_2 \setminus h$ for all $h \in X''_2$ and $X''_2 >_1 X''_1$ by the fact that $X''_1 = X_2$ and by the definition of $X''_2 = Y_2$. Thus, if one of $X''_1$ or $X''_2$ is not EFX-feasible for agent 1, then we must have $X''_3 \setminus h' >_1 \min_1(X''_1, X''_2)$ for some $h' \in X''_3$. In this case, we run the PR algorithm on the partition $(X''_1, X''_2, X''_3)$ with agent 1’s valuation function $v_1(⋅)$ and let agent 2 pick her favourite bundle from the final partition $Z$ returned by the PR algorithm. Then $Z$ satisfies the invariants and

$$φ(Z) ≥ \min(v_1(Z_1), v_1(Z_2), v_1(Z_3))$$

$$≥ \min(v_1(X''_1), v_1(X''_2), v_1(X''_3))$$

$$= v_1(X_2)$$

$$> v_1(X_1) = φ(X).$$

So we are done.

This brings us to the main result of this section.

**Theorem 10.** Given an instance $I = ([3], M, V)$ such that $v_3(⋅)$ is MMS-feasible (no assumptions other than monotonicity on $v_1(⋅)$ and $v_2(⋅)$), there always exists an allocation $X = (X_1, X_2, X_3)$ such that $X$ is EFX.

## 5 Bounds on Rainbow Cycle Number

In this section we improve the upper bounds on the rainbow cycle number introduced in [CGM⁺21], thereby implying the existence of approximate EFX allocations with $\tilde{O}(n/ε)^{1/2}$ charity. [CGM⁺21] give an upper bound of $R(d) \in O(d^4)$ and they show it results in the existence of a $(1 − ε)$-EFX allocation with $O((n/ε)^{3/5})$ charity. In the same paper, [CGM⁺21] show a lower bound of $d$ on $R(d)$. In this section, we show improved bounds on $R(d)$. In particular, we first show in Section 5.1 that $R(d) \in O(d \log d)$ (making the upper bound almost tight), and thereby implying the existence of $(1 − ε)$-EFX allocations with $\tilde{O}((n/ε)^{1/2})$ charity. Secondly, in section 5.2, we show an upper bound of $2d − 2$ assuming that every vertex $v \in V_i$ has exactly one incoming edge from any other part $V_j \neq V_i$ and exactly one outgoing edge to some vertex in $V_j$. We call this number $R_p(d)$. We remark that the lower bound of $d$ in [CGM⁺21] also holds for $R_p(d)$. The upper bound of $2d − 2$ immediately improves the upper-bound on the zero-sum extremal problem studied in [AK21, MS21].

### 5.1 Almost Tight Upper Bound on $R(d)$

Recall that $R(d)$ is the largest $k$ such that there exists a $k$-partite digraph $G$ with $k$ classes of vertices $V_i$ so that each part $V_i$ has at most $d$ vertices, for all distinct $i, j$ each vertex in $V_i$ has an incoming edge from some vertex in $V_j$ and vice versa, and there exists no (directed) rainbow cycle, namely, a cycle in $G$ that contains at most one vertex of each $V_i$. In this section, we prove the following improved bound which is tight up to the logarithmic factor.

**Theorem 11.** If

$$k(1 − 1/d)^{k−1} < 1$$

then $R(d) < k$. Therefore $R(d) ≤ (1 + o(1))d \log d$
Proof. Suppose \( k(1 - 1/d)^{k-1} < 1 \). Let \( S \) be a random set of \( k \) vertices of \( G \) obtained by picking a single vertex \( v \) in each \( V_i \), randomly and uniformly among all vertices of \( V_i \), where all choices are independent. For each vertex \( v \), let \( E_v \) be the event that \( S \) contains \( v \) and contains no other vertex \( u \) so that \( uv \) is a directed edge. We claim that if \( v \in V_i \) then the probability of \( E_v \) is at most

\[
\frac{1}{|V_i|} (1 - 1/d)^{k-1}.
\]

Indeed, the probability that \( v \in S \) is \( 1/|V_i| \). Conditioning on that, since for every \( j \neq i \) there is some \( u_j \in V_j \) so that \( u_j v \) is a directed edge, and the probability that \( u_j \) is in \( S \) is \( 1/|V_j| \geq 1/d \), the probability that \( v \) has non in-neighbor in \( V_j \) is at most \( 1 - 1/d \). As the choices are independent, the claim follows. By the union bound, the probability, that there is a vertex \( v \) so that the event \( E_v \) occurs is at most

\[
\sum_{i=1}^{k} \frac{|V_i|}{|V_i|} (1 - 1/d)^{k-1} = k(1 - 1/d)^{k-1} < 1.
\]

Therefore, with positive probability every vertex in the induced subgraph of \( G \) on \( S \) has an in-neighbor. Hence there is such an \( S \) and in this induced subgraph there is a cycle which contains at most one vertex from each \( V_i \). Thus \( R(d) < k \), completing the proof. \( \square \)

Theorems 6 and Theorem 11 then imply Theorem 4.

Remark. The proof above can be derandomized using the method of conditional expectations (cf., e.g., [AS92], chapter 16), giving the following.

**Proposition 12.** Let \( G \) be a \( k \)-partite digraph with classes of vertices \( V_i \), each having at most \( d \) vertices. Suppose that for all distinct \( i, j \) each vertex in \( V_i \) has an incoming edge from some vertex in \( V_j \) and vice versa, and suppose that (2) holds. Then a rainbow cycle in \( G \) can be found by a deterministic polynomial time algorithm.

**Proof.** We apply the method of conditional expectations to produce a set \( S = \{s_1, s_2, \ldots, s_k\} \) of vertices of \( G \), where \( s_i \in V_i \), so that every indegree in the induced subgraph of \( G \) on \( S \) is positive. This is done by choosing the vertices \( s_i \) one by one, in order, maintaining a potential function \( \phi \) whose value is the conditional expectation of the number of events \( E_v \) that hold, given the choices of the vertices \( s_i \) made so far.

At the beginning, there are no choices made, and the value of \( \phi \) is the sum

\[
\sum_{i=1}^{k} \frac{|V_i|}{|V_i|} (1 - 1/d)^{k-1} = k(1 - 1/d)^{k-1} < 1.
\]

Assuming \( s_1, s_2, \ldots, s_{i-1} \) have already been chosen and the above conditional expectation is still smaller than 1, choose \( s_i \in V_i \) to be the vertex that minimizes the updated value of the conditional expectation. As the expectation is the average over all possible choices of \( s_i \), this minimum stays below 1. The computation of the required conditional expectations, for each of the possible \( |V_i| \leq d \) choices of \( s_i \in V_i \), can clearly be done efficiently. At the end of the process the value of the potential function is exactly the number of events \( E_v \) that hold, and since this number is below 1, none of them holds. This supplies the required set \( S \). Starting in any vertex of \( S \) and moving repeatedly to an in-neighbor of it in \( S \) until we reach a vertex we have already visited supplies the desired rainbow cycle. \( \square \)
5.2 A linear upper bound on \( R_p(d) \)

In this section we assume graph \( G \) satisfies all the properties in Definition 3 and also for all different parts \( V_i \) and \( V_j \), each vertex in \( V_i \) has exactly one outgoing edge to a vertex in \( V_j \). We call these graphs permutation graphs since the set of edges from any part to any other part defines a permutation.

**Definition 4.** Given an integer \( d > 0 \), the permutation rainbow cycle number \( R_p(d) \) is the largest \( k \) such that there exists a \( k \)-partite graph \( G = (V_1 \cup V_2 \cup \cdots \cup V_k, E) \) such that

- each part has exactly \( d \) vertices, i.e., \( |V_i| = d \), and
- every vertex has exactly one incoming edge from every part other than the one containing it.
- every vertex has exactly one outgoing edge to every part other than the one containing it.
- there exists no cycle \( C \) in \( G \) that visits each part at most once.

**Theorem 13.** For all integers \( d > 0 \), \( R_p(d) < 2d - 1 \).

In the rest of this section we prove Theorem 13. The proof is by induction.

**Basis:** For the base case, consider \( d = 1 \). If there are 2 parts or more, the vertex in \( V_1 \) has an outgoing edge to the vertex in \( V_2 \) and vice versa. Therefore, there exists a rainbow cycle \( C \) in \( G \) which is a contradiction. Thus, \( R_p(1) < 2 \).

**Induction step:** We assume

\[
\text{for all } d' < d, \quad R_p(d') < 2d' - 1,
\]

and prove \( R_p(d) < 2d - 1 \). First we define \( i \)-restricted paths which are the paths that use each part at most once and except for the last vertex, all vertices are in the first \( i \) parts.

**Definition 5.** We call path \( P = v_1 \to v_2 \to \cdots \to v_t \) an \( i \)-restricted path if

- \( v_1, \ldots, v_{t-1} \in V_1 \cup V_2 \cup \cdots \cup V_i \), and
- \( P \) visits each part at most once.

Note that for all \( j > i \), every \( i \)-restricted path is also a \( j \)-restricted path. Now we prove the following claim.

**Claim 1.** If \( k \geq 2d - 1 \), for every vertex \( v \), there is a way of reindexing the parts such that \( v \in V_1 \) and for all \( i \in [d] \), there are \( i \) nodes in \( V_{2i-1} \) which are reachable from \( v \) via \((2i - 2)\)-restricted paths.

**Proof.** The proof of the claim is also by induction. For the base case let \( i = 1 \). If \( v \in U \), set \( V_1 = U \) and the claim follows. For the induction step, we assume \( V_1, V_2, \ldots, V_{2i-1} \) are already defined and there is a \((2i - 2)\)-restricted path from \( v \) to \( v_1, v_2, \ldots, v_i \in V_{2i-1} \). Consider any part \( U \notin \{V_1, V_2, \ldots, V_{2i-1}\} \). For all \( j \in [i] \), let \( v_j \to u_j \) be the outgoing edge from \( v_j \) to \( U \). Since each node in \( V_{2i-1} \) has exactly one outgoing edge to \( U \) and each node in \( U \) has exactly one incoming edge from \( V \), \( u_1, u_2, \ldots, u_i \) are distinct. Therefore, at least \( i \) nodes in \( U \) are reachable from \( v \) via \((2i - 1)\)-restricted paths. Let \( U' \subseteq U \) be the vertices that are reachable from \( v \) via \((2i - 1)\)-restricted
Let \( V(G) = V_1 \cup V_2 \cup \cdots \cup V_{2i-1} \cup U_1 \cup U_2 \cup \cdots \cup U_{k-2i+1} \). The only remaining case is that for all \( j \in [k-2i+1] \), \( |U_j| = d - i \) and for all \( j, \ell \in [k-2i+1] \), there is no edge from \( U'_j \) to \( U'_\ell \). This means that all the \( d - i \) incoming edges of \( U'_\ell \) come from \( U_j \). Hence all the \( d - i \) outgoing edges of \( U_j \) go to \( U_\ell \). Therefore, the induced subgraph on \( U_1 \cup U_2 \cup \cdots \cup U_{k-2i+1} \), forms a permutation graph. See Figure 2. By Inequality (3), we know \( R_p(d - i) < 2d - 2i - 1 \) and hence, \( k - 2i + 1 < 2d - 2i - 1 \). This is a contradiction with the assumption of the claim which requires \( k \geq 2d - 1 \). Therefore, this case cannot occur.

Back to the assumption step, we want to prove \( R_p(d) < 2d - 1 \). Towards a contradiction, assume \( R_p(d) \geq 2d - 1 \) and consider a graph \( G \) with \( |R_p(d)| \) parts satisfying properties of Definition 4. Now pick an arbitrary vertex \( v \). By setting \( i = d \) in Claim 1, there exists a reindexing of the parts such that all \( d \) nodes in part \( V_{2d-1} \) are reachable from \( v \) using (2d - 2)-restricted paths. Let \( u \in V_{2d-1} \) be the vertex with an outgoing edge to \( v \). Then a (2d - 2)-restricted path from \( v \) to \( u \) followed by the edge \( u \rightarrow v \) forms a rainbow cycle. Hence, \( R_p(d) < 2d - 1 \).
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Appendix

Non-Degenerate Instances [CGM20]. We call an instance $I = ([n], M, V)$ non-degenerate if and only if no agent values two different sets equally, i.e., $\forall i \in [n]$ we have $v_i(S) \neq v_i(T)$ for all $S \neq T$. We extend the technique in [CGM20] and show that it suffices to deal with non-degenerate instances when there are $n$ agents with general valuation functions, i.e., if there exists an EFX allocation in all non-degenerate instances, then there exists an EFX allocation in all instances.

Let $M = \{g_1, g_2, \ldots, g_m\}$. We perturb any instance $I$ to $I(\varepsilon) = ([n], M, V(\varepsilon))$, where for every $v_i \in V$ we define $v'_i \in V(\varepsilon)$, as

$$v'_i(S) = v_i(S) + \varepsilon \cdot \sum_{g_j \in S} 2^j \quad \forall S \subseteq M$$

Lemma 5. Let $\delta = \min_{i \in [n]} \min_{S,T} v_i(S) - v_i(T)$ and let $\varepsilon > 0$ be such that $\varepsilon \cdot 2^{m+1} < \delta$. Then

1. For any agent $i$ and $S, T \subseteq M$ such that $v_i(S) > v_i(T)$, we have $v'_i(S) > v'_i(T)$.

2. $I(\varepsilon)$ is a non-degenerate instance. Furthermore, if $X = \langle X_1, X_2, X_3 \rangle$ is an EFX allocation for $I(\varepsilon)$ then $X$ is also an EFX allocation for $I$.

Proof. For the first statement of the lemma, observe that

$$v'_i(S) - v'_i(T) = v_i(S) - v_i(T) + \varepsilon \left( \sum_{g_j \in S \setminus T} 2^j - \sum_{g_j \in T \setminus S} 2^j \right)$$

$$\geq \delta - \varepsilon \sum_{g_j \in T \setminus S} 2^j$$

$$\geq \delta - \varepsilon \cdot (2^{m+1} - 1)$$

$$> 0 .$$

For the second statement of the lemma, consider any two sets $S, T \subseteq M$ such that $S \neq T$. Now, for any $i \in [n]$, if $v_i(S) \neq v_i(T)$, we have $v'_i(S) \neq v'_i(T)$ by the first statement of the lemma. If
\( v_i(S) = v_i(T) \), we have \( v'_i(S) - v'_i(T) = \varepsilon(\sum_{g_j \in S \setminus T} 2^j - \sum_{g_j \in T \setminus S} 2^j) \neq 0 \) (as \( S \neq T \)). Therefore, \( I(\varepsilon) \) is non-degenerate.

For the final claim, let us assume that \( X \) is an EFX allocation in \( I(\varepsilon) \) and not an EFX allocation in \( I \). Then there exist \( i, j \), and \( g \in X_j \) such that \( v_i(X_j \setminus g) > v_i(X_i) \). In that case, we have \( v'_i(X_j \setminus g) > v'_i(X_i) \) by the first statement of the lemma, implying that \( X \) is not an EFX allocation in \( I(\varepsilon) \) as well, which is a contradiction. \( \square \)