Welfare vs. Representation in Participatory Budgeting

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ABSTRACT

Participatory budgeting (PB) is a democratic process for allocating funds to projects based on the votes of members of the community. Different rules have been used to aggregate participants' votes.

A recent paper by Lackner and Skowron [12] studied the trade-off between notions of social welfare and representation in the multi-winner voting, which is a special case of participatory budgeting with identical project costs. But there is little understanding of this trade-off in the more general PB setting. This paper provides a theoretical and empirical study of the worst-case guarantees of several common rules to better understand the trade-off between social welfare and representation. We show that many of the guarantees from the multi-winner setting do not generalize to the PB setting, and that the introduction of costs leads to substantially worse guarantees, thereby exacerbating the welfare-representation trade-off. We further study how the requirement of *proportionality* over voting rules effects the guarantees on social welfare and representation. We study the latter point also empirically, both on real and synthetic datasets. We show that variants of the recently suggested voting rule Rule-X (which satisfies proportionality) do very well in practice both with respect to social welfare and representation.

KEYWORDS

Participatory budgeting; Social Choice; Fairness

1 INTRODUCTION

Participatory budgeting (PB) is gaining attention from both researchers and practitioners and is actively in use in cities around the world [15, 19, 23]. PB includes several steps. First, a list is suggested of feasible projects and their estimated cost. Then, citizens vote on which of the projects they would like to fund. Finally, the votes are aggregated by a mechanism (voting rule) that selects a subset of the projects that get funded. The voting rule itself is not hidden from the voters, and they may strategize as they wish.

The voting rule is typically designed to optimize for certain criteria, the most common are *social welfare* (the sum of utilities the voters get from the outcome. In our case, each voter get a utility of 1 for each approve project in the outcome), how many voters are represented in the final outcome, i.e. how many voters got at least one funded project that they voted for (This notation have different names in the literature, in this paper we will call it *representation*, same as Lackner and Skowron [12]) and *proportionality* (each group in the population is represented in the final outcome according to its size). In many instances there is no way to simultaneously guarantee all criteria.

Running example. Consider a city with three districts (see Fig. 1): district A has 100 citizens, district B has 90, and district C has 10. The total budget is $1000 and there are three types of projects: Diamonds (D) that cost $200; Emeralds (E) that cost $150 and Gold (G) that costs $100. In district A there are two diamonds and six gold, in district B there are three diamonds and three emeralds, and in district C there is one emerald and on gold. Each citizen approves all the projects in his district, and no other project.

The outcome with the optimal social welfare has a value of 800 and contains all of district A's projects, but represents only 100 citizens which are 50% of the population. The outcome with the optimal representation requires a project from each district, but in this case the social welfare cannot exceed 790 (see second line in Table 2). Interestingly, neither of these two outcomes satisfy proportionality, which requires to fund at least five projects from district A and three projects from district B. This proportional outcome have social welfare of 770 and represents of 95% of the population.

By now, there are various well-known voting rules in the literature, such as Approval Voting (which maximizes social welfare) or the Chamberlin–Courant rule [4] (which maximizes representation). The example in Figure 1 suggests that there is no one-size-fits-all solution, and the rules differ on the fairness criteria that they guarantee, and their trade-offs. The performance of each rule is estimated both using theoretical analysis (typically a worst-case analysis) [12, 20], and data-driven experimental evaluation [12].

Lackner and Skowron [12] studied the trade-off between social welfare and representation in a multi-winner setting, which is equivalent to PB where all projects have unit costs. They establish guarantees on the social welfare and representation for 12 voting rules from the literature. In most of these results, the derivation of the bounds relies heavily on the assumption of identical costs, and
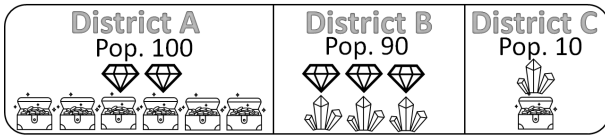
Figure 1: Running Example of a Participatory Budgeting (PB) Instance. Three districts with three types of projects: diamonds (cost \$200), emeralds (\$150) and gold (\$100).

hence do not readily extend to the general PB setting (or not at all, as we show for some rules).

Furthermore, it is of interest to understand the "cost of proportionality": Rather than ad-hoc analysis of specific voting rules that happen to satisfy proportionality, we would like to understand what is the inherent tradeoff in social welfare (or representation) that we must pay by requiring proportionality. Furthermore, some rules that satisfy proportionality in multi-winner setting do not satisfy it in the PB setting, stressing the need for a general analysis.

1.1 Our Contribution

In this paper, we extend the theoretical guarantees of Lackner and Skowron [12] from the multi-winner setting to participatory budgeting (PB) and analyze the trade-off between social welfare and representation for popular rules from the literature. In addition, we derive tight guarantees for a class of rules called *proportional rules*. Those guarantee a different notion of fairness than the one studied in [12]. The impatient reader can skip directly to Table 3 to see a summary of our theoretical results.

Beyond the theoretical contribution described above, we are first to compare the welfare-fairness tradeoff of several popular voting rules from the literature on real PB instances; We also evaluate the voting rules on two synthetically generated datasets, that allow us to demonstrate the intricate relationship between the different fairness criteria.

From our theoretical and empirical results, we conclude that PAV continues to provide a good tradeoff between welfare and representation in the presence of project costs. But, while in practice PAV returns a proportional outcome for many instances, it does not guarantee to always do so. On the other hand, we show that sequential PAV becomes substantially worse. In addition, we propose two variants of Rule X [16], whose asymptotic guarantees of welfare and fairness are worse than PAV's, but in practice do just as well on average, while also guaranteeing a proportional outcome.

Our results provide PB organizers with explainable recommendations on what voting rules are suggested to use, depending on the criteria they care about. The full paper (containing an appendix with propositions used in this paper and their proofs) can be found at https://arxiv.org/abs/2201.07546.

2 RELATED WORK

Multiple papers in the participatory budgeting literature focus on either social welfare, representation or proportionality. For example, Goel et al. [8] suggest using knapsack voting in order to improve the outcome social welfare, and Jain et al. [10] consider special cases where it is possible to find a polynomial time algorithm which maximizes the social welfare. Skowron et al. [21] suggest new PB

voting rules and empirically evaluates their social welfare and representation.

As for proportionality, there are many papers who deal with the subject, suggesting different definitions [1, 3, 6, 7, 16, 18, 21]. In this paper we will focus on specific definition for proportionality called Extended Justified Representation (EJR), which was defined by Peters et al. [16] for PB, as EJR is both a strong requirement, and one that can be guaranteed.

Michorzewski et al. [13] consider the trade-off between social-welfare and proportionality in divisible participatory budgeting, i.e., where it possible to fund parts of projects, instead of only entire projects in our case. Skowron [20] analyzed the trade-off between welfare and proportionality in the multi-winner setting, showing for different voting rules the minimal welfare each cohesive group of voters is guaranteed.

The purpose in this paper is to consider all three measurements at once in the PB context. Even though combining [12, 20] provides a comparison between the three measurements for some rules, it is done in the multi-winner setting where projects have a unit cost. Introducing different costs can have a significant effect on the results of voting rules which don't take it into account, thus affecting their guarantees. In addition, while some of the voting rules are guaranteed to give a proportional outcome in the multi-winner setting, this isn't correct anymore for PB.

3 PRELIMINARIES

For any $a \in \mathbb{N}$, we use $[a]$ to denote $\{1, \ldots, a\}$. A PB instance is a tuple $E = (A, cost, L)$, where:

- Given a set $P := \{p_1, \ldots, p_m\}$ of candidate projects, and $V = [n]$ a set of voters, the approval profile $A : V \to 2^P$ maps voter $i \in V$ to $A(i)$, the set of projects that voter i approves.
- The mapping $cost : P \to \mathbb{R}_+$ assigns a cost to every $p \in P$. The cost for a subset $T \subseteq P$ satisfies $cost(T) = \sum_{p \in T} cost(p)$.
- $L \in \mathbb{R}_+$ is the total budget.

Denote by $c_{\min} := \min_{p \in P} cost(p)$; $c_{\max} := \max_{p \in P} cost(p)$. We say that E is a multi-winner (MW) problem if $c_{min} = c_{max} = 1$. In addition we will use the following notation:

- $\mathcal{E}(N, M, L, c_{min}, c_{max})$ is the set of all possible PB instances with N voters, M projects, budget L and minimum and maximum project costs c_{min}, c_{max}. The set $\mathcal{E} = \bigcup \mathcal{E}(N, M, L, c_{min}, c_{max})$ is the union over all possible values of $N, M, L, c_{min}, c_{max}$.
- A bundle $B \subseteq P$ of projects is *feasible* if $cost(B) \leq L$. Given PB instance E, $S(E)$ is the set of feasible bundles w.r.t. E.
- A *voting rule* is a function, such that $\forall E \in \mathcal{E}, R(E) \subseteq S(E)$. This function maps a PB instance E to a set of feasible bundles, referred to as the *outcome* of the voting rule.

Finally, we measure the outcome with two common metrics:

- The *social welfare* score of an approval profile A with respect to a bundle B is $SW(A, B) = \sum_{i \in V} |A(i) \cap B|$
- The *representation* score of an approval profile A with respect to a bundle B is $RP(A, B) = \sum_{i \in V} min(1, |A(i) \cap B|)$

	District A	District B	District C
AV	2D , 6G	-	-
CC	1D	3D	1E , 1G
PAV	5G	3E	-
sPAV	5G	3E	-
Any EJR rule	5G	3E	-

Table 1: Outcomes for the PB running example (D, E and G for diamond, emerald and gold respectively).

3.1 Popular PB Voting Rules

We turn to describe several popular voting rules from the literature that we later analyze.

Approval Voting (AV) The rule selects a feasible bundle $B \subseteq P$ that maximizes the social welfare $SW(A, B)$.

Approval Chamberlin–Courant (CC)[4] The rule selects a feasible bundle $B \subseteq P$ that maximize $RP(A, B)$.

The following rule change AV such that the score achieved from a voter for projects decrease as more of his approved projects are funded. This way increasing the amount of voters that get represented. **Proportional Approval Voting (PAV)[14]** The rule selects a feasible bundle $B \subseteq P$ that maximizes the following score:

$$SC_{PAV}(A, B) = \sum_{i \in V} \sum_{k=1}^{|A(i) \cap B|} \frac{1}{k}.$$

Sequential-PAV (sPAV) Solving PAV is NP-hard [2]; Sequential PAV is an efficient heuristic that proceeds as follows. Start with an empty bundle $B_0 = \emptyset$; in iteration i select a project $p \in P$, among all projects such that $B_{i-1} \cup \{p\}$ is feasible, that maximizes $SC_{PAV}(A, B_{i-1} \cup \{p\})$. Set $B_i = B_{i-1} \cup \{p\}$. Repeat until no project p can be added.

Remark: The outcome of a voting rule may contain several optimal bundles and thus require some tie-breaking rule. We specify the approriate rule when needed.

Table 1 shows the outcome of each voting rule when applied to the running example. As shown by the table, the rules vary widely in their outcome. For example, the voting rule AV does not choose any of the projects in District B and C, while CC chooses projects from all districts.

3.2 Proportional Voting Rules

Proportional voting rules ensure that sufficiently large groups of voters that share a large set of approved projects must also receive a fair amount of projects in the outcome. The key is the notion of T-cohesive groups which are groups of voters that share a subset of projects T and are able to fund T with the proportional part of the budget. Such groups are 'entitled' to a fair representation in the outcome of the PB instance. Formally:

Definition 3.1 (T-cohesive group [16, 17]). A group of voters $S \subseteq V$ that jointly approves a set of projects $T \subseteq \cap_{i \in S} A(i)$ is T-cohesive if $\frac{L}{|V|}|S| \geq cost(T)$.

Definition 3.2 (Extended Proportionality Representation (EJR) [16, 17][1]). A bundle B for PB instance $E = (A, cost, L)$ satisfies EJR if

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[1]Not to confuse with representation

for every $T \subseteq P$ and every T-cohesive group S, it holds that there is $i \in S$ such that $|A(i) \cap B| \geq |T|$. A voting rule R satisfies EJR, if for every PB instance E, every bundle in the outcome $R(E)$ satisfies EJR.

In our running example, district A voters are T-cohesive for any set T of 5 cheap projects (gold) in district A, and district B voters are T-cohesive for the set T of 3 cheap projects in district B. Any voting rule that satisfies EJR must include 5 projects approved by district A voters, and 3 projects approved by district B voters. As can be seen in Table 1, both PAV and sPAV satisfy EJR on this example, while AV and CC do not. In general, none of the rules in Section 3.1 are guaranteed to satisfy EJR (as shown in the running example for AV and CC, and for PAV, sPAV by Peters et al. [16]).

A well-known rule from the literature that satisfies the EJR property was suggested by Peters et al. [16], and is called Rule X (RX for short). This voting will be used later in Section 5 as a representative of the EJR voting rules. Rule X is not as simple to describe as the aforementioned rules, therefore, it will be described in detail in Appendix B.

Remark. The EJR property does not require that a voting rule exhaust the entire budget. Any voting rule that does not exhaust the budget cannot achieve an optimal social welfare, as adding any project (that at least one voter approved) with the leftover budget will increase the welfare (and possibly the representation). There are many ways to make sure the voting rule exhaust the budget, e.g. Peters et al. [16] do so by giving some very small gain to projects that voters did not approve, this way making sure that RX outcome use the entire budget.

3.3 Worst-Case Guarantees

We follow the definitions of Lackner and Skowron [12] for utilitarian and representation guarantees. Given a participatory budgeting instance E, the *utilitarian ratio* of a voting rule R for instance E is the proportion of the social welfare given by R (in this case, ties are broken according to the minimum social welfare over all bundles B in the outcome of $R(E)$) divided by the optimal social welfare over all feasible bundles, the set $S(E)$.

$$K_{SW}^R(E) := \frac{SW(A, R(E))}{\max_{B \in S(E)} SW(A, B)} \tag{1}$$

The worst-case *utilitarian guarantee* of rule R is the minimal utilitarian ratio:

$$K_{SW}^R(N, M, L, c_{min}, c_{max}) := \inf_{E \in \mathcal{E}(N,M,L,c_{min},c_{max})} K_{SW}^R(E) \tag{2}$$

In the same way $K_{RP}^R(N, M, L, c_{min}, c_{max})$ is the worst-case *representation guarantee* of rule R; this time ties are broken according to the bundle with the worse representation in $R(E)$.

When omitting one or more of the arguments $N, M, L, c_{min}, c_{max}$ in K_{RP} or K_{SW}, we are taking the infimum over these arguments. E.g. $K_{SW}^R(N, c_{min}) := \inf_{L,M,c_{max}} K_{SW}^R(N, M, L, c_{min}, c_{max})$.

Table 2 shows the social welfare and representation ratios for our running example. By definition, the utilitarian guarantee of AV and representation guarantee of CC equal to 1.

	AV	CC	PAV	sPAV	Any EJR voting rule
SW	800	390	770	770	770
RP	100	200	190	190	190
$K_{SW}^R(E)$	1	0.4875	0.9625	0.9625	0.9625
$K_{RP}^R(E)$	0.5	1	0.95	0.95	0.95

Table 2: The welfare / representation scores and their ratios achieved by different voting rules for the running example (ratios are defined in Section 3.3)

4 WORST-CASE GUARANTEES OF PB VOTING RULES

In this section, we describe our first contribution of computing the worst case welfare and representation guarantees for voting rules from Section 3. We then compute the worst case guarantees for the family of rules that satisfy the EJR property. Table 3 show a summary of all our theoretical guarantees, side-by-side with the results of Lackner and Skowron [12] for multiwinner voting.

This section will feature the lower bound on social welfare guarantee of PAV and the lower and upper bounds on sPAV. Due to lack of space, the proofs of the other bounds and rules are left for the appendix. The proofs in the main body of the paper represent the spirit of how we derive lower bounds (general argumentation) and upper bounds (construction of a certain PB).

Notice that proofs from Lackner and Skowron [12] for the MW setting rely heavily on the fact that costs are uniform, which fail in the PB setting. There are a few proofs that follow the same outlines as Lackner and Skowron [12] and we shall point this out.

4.1 Common Voting Rules

We start with the guarantees for AV, CC, PAV and sPAV.

PROPOSITION 4.1. $\forall L, c_{min} : K_{SW}^{PAV}(L, c_{min}) \geq \frac{c_{min}}{L} \log\left(\frac{L}{c_{min}}\right)$

The heart of the proof lies in the following technical lemma, whose proof is deferred to right after the proof of this claim.

LEMMA 4.2. *For any feasible bundle B of projects and any approval profile A it holds* $\frac{SC_{PAV}(A,B)}{SW(A,B)} \geq \frac{c_{min}}{L} \log\left(\frac{L}{c_{min}}\right)$.

PROOF OF PROP. 4.1. Given a PB instance E, we denote by B_{SW} the bundle with largest SW, and B_{PAV} the one with largest PAV score. From Lemma 4.2 the following holds:

$$SW(A, B_{PAV}) \geq SC_{PAV}(A, B_{PAV}) \geq SC_{PAV}(A, B_{SW})$$

$$\geq \frac{c_{min}}{L} \log\left(\frac{L}{c_{min}}\right) SW(A, B_{SW}),$$

Which entails:

$$\frac{SW(A, B_{PAV})}{SW(A, B_{SW})} \geq \frac{\frac{c_{min}}{L} \log\left(\frac{L}{c_{min}}\right) SW(A, B_{SW})}{SW(A, B_{SW})} = \frac{c_{min}}{L} \log\left(\frac{L}{c_{min}}\right),$$

as required.   □

PROOF OF LEMMA 4.2. We will use the following notation: Let $B_i = A(i) \cap B$ be the projects in bundle B that voter i approves,

$V(B)$ is the set of voters with $|B_i| > 1$ and $V1(B)$ are all voters with $|B_i| = 1$.

The harmonic sum $H(k) = 1 + \frac{1}{2} + \ldots + \frac{1}{k}$ is at least $\log(k)$ (in base e), therefore, for any bundle B and approval profile A,

$$
\begin{aligned}
SC_{PAV}(A, B) = \sum_{i \in V} H(B_i) &= \sum_{i \in V(B)} H(B_i) + |V1(B)| \\
&\geq \sum_{i \in V(B)} \log(|B_i|) + |V1(B)| \\
&= \log\left(\prod_{i \in V(B)} |B_i|\right) + |V1(B)|
\end{aligned}
\tag{3}
$$

And the welfare of B is:

$$SW(A, B) = \sum_{i \in V} |B_i| = \sum_{i \in V(B)} |B_i| + |V1(B)| \tag{4}$$

From Eq. (3) and Eq. (4) we have:

$$\frac{SC_{PAV}(A, B)}{SW(A, B)} \geq \frac{\log(\prod_{i \in V(B)} |B_i|) + |V1(B)|}{\sum_{i \in V(B)} |B_i| + |V1(B)|} \geq \frac{\log(\prod_{i \in V(B)} |B_i|)}{\sum_{i \in V(B)} |B_i|} \tag{5}$$

We now want to find a lower bound on the right hand side of the last equation. Note that the lower bound does not depend on the actual B_i's but only on their size.

Intuitively, we want to show that the lowest value is obtained when the sets sizes' are most unbalanced—essentially when there is only one nonempty set.

For this, we solve the following optimization problem instead, which is a relaxation of the above problem. Let $T = |V(B)|$ and $Q = \sum_{i \in V(B)} |B_i|$. Define the convex set

$$C = \{(q_1, \ldots, q_T) \text{ s.t. } \forall i\, q_i \geq 2 \text{ and } \sum_{i=1}^{T} q_i = Q\}.$$

Using the notation, for any bundle B, the right hand side in Eq. (5) is lower bounded by

$$\inf_C \frac{\log(\prod_{i \in T} q_i)}{\sum_{i \in T} q_i} = \inf_C \frac{\log(\prod_{i \in T} q_i)}{Q}. \tag{6}$$

The product of the q_i's is minimal when the distribution of q_i's is the most unbalanced. By setting the minimal value $q_i = 2$ for all $i > 1$, and $q_1 = Q - 2(T-1)$, we get

$$(6) \geq \inf_T \frac{\log(q_1 2^{T-1})}{Q} = \inf_T \frac{(T-1)\log 2 + \log(Q - 2(T-1))}{Q}.$$

Taking the derivative w.r.t. T, we get that this is a convex function with a maximum at $T = \frac{Q}{2} + 1 - \frac{1}{\log 2} > \frac{Q}{2} - 1$. However $Q \geq q_1 - 2(T-1) \geq 2 - 2(T-1) = 2T$, i.e. $T \leq \frac{Q}{2}$ so the only possible integer solutions are $T = 1$ and $T = \frac{Q}{2}$, which map to $\frac{\log Q}{Q}$ and $\frac{\log 2}{2}$, respectively.

Hence the minimum is obtained at $T = 1$, which means that $q_1 = Q$ (the solution of the relaxed problem is also a valid solution

	Participatory budgeting		Multi-winner	
Rule	Lower	Upper	Lower	Upper
AV	1	1	1	1
CC	$\Omega\left(\frac{1}{L}\right)$ (Prop. A.3)	$O\left(\frac{1}{L}\right)$ (Prop. A.4)	$\Omega\left(\frac{1}{L}\right)$	$O\left(\frac{1}{L}\right)$
PAV	$\Omega\left(\frac{\log(L)}{L}\right)$ (Prop. 4.1)	$O\left(\frac{\log(L)}{L}\right)$ (Prop. A.5)	$\Omega\left(\frac{1}{\sqrt{L}}\right)$	$O\left(\frac{1}{\sqrt{L}}\right)$
sPAV	$\Omega\left(\frac{1}{NL}\right)$ (Prop. 4.3)	$O\left(\frac{1}{N}\right)$ (Prop. 4.3)	$\Omega\left(\frac{1}{\sqrt{L}}\right)$	$O\left(\frac{1}{\sqrt{L}}\right)$
EJR rules	$\Omega\left(\frac{1}{Nc_{max}}\right)$ (Prop. 4.4)	$O\left(\frac{1}{\sqrt{N}c_{max}}\right)$ (Prop. A.9)	$\Omega\left(\frac{1}{N}\right)$(Prop. 4.6)	$O\left(\frac{1}{N-L}\right)$ (Prop. A.10)

	Participatory budgeting		Multi-winner	
Rule	Lower	Upper	Lower	Upper
AV	$\Omega\left(\frac{1}{Lc_{max}}\right)$ (Prop. A.1)	$O\left(\frac{1}{L}\right)$ (Prop. A.2)	$\Omega\left(\frac{1}{L}\right)$	$O\left(\frac{1}{L}\right)$
CC	1	1	1	1
PAV	$\Omega\left(\frac{1}{\log(L)}\right)$ (Prop. A.6)	$O\left(\frac{1}{\log(L)}\right)$ (Prop. A.7)	$\frac{1}{2}$	$\frac{1}{2}+O\left(\frac{1}{L}\right)$
sPAV	$\Omega\left(\frac{1}{N}\right)$ (Prop. 4.3)	$O\left(\frac{1}{N}\right)$ (Prop. 4.3)	$\Omega\left(\frac{1}{\log(L)}\right)$	$\frac{1}{2}+O\left(\frac{1}{L}\right)$
EJR rules	$\Omega(\frac{1}{N})$ (Prop. A.8)	$O(\frac{1}{N})$ (Prop. A.8)	$\Omega\left(\frac{1}{N}\right)$(Prop. 4.6)	$O\left(\frac{1}{N-L}\right)$ (Prop. A.10)

Table 3: (top) Utilitarian and (bottom) representation guarantees for PB and multi-winner for rules studied in the paper, as a function of the budget (L), the number of voters (N) and the highest project cost c_{max}. We assume w.l.o.g. that the cost of the cheapest project is 1. The multi-winner guarantees are taken from Lackner and Skowron [12].
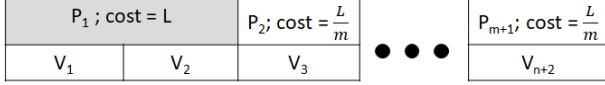

Figure 2: PB instance for Prop. 4.3 showing projects $p_1, p_2, \ldots p_{m+1}$ and voters $v_1, v_2, \ldots, V_{n+1}$. Each voter appears below its approved projects. In this example the sPAV selects project p_1.

of our original problem). Back to bundle problem, $T = 1$ entails $|V(B)| = 1$ and $|B_1| = Q$. Plugging this back into Eq. (5),

$$\arg\min_{B} \frac{SC_{\text{PAV}}(A, B)}{SW(A, B)} \geq \frac{\log(|B_1|)}{|B_1|} \geq \frac{\log(|B|)}{|B|} \quad (7)$$

Since the size of any feasible bundle is at most $\lfloor \frac{L}{c_{min}} \rfloor \leq \frac{L}{c_{min}}$, we get from Eq. (7):

$$\arg\min_{B} \frac{SC_{\text{PAV}}(A, B)}{SW(A, B)} \geq \frac{c_{min}}{L} \log(\frac{L}{c_{min}}) \quad (8)$$

This completes the proof of Lemma 4.2. □

PROPOSITION 4.3.

$$\forall N, L, c_{min} : \frac{c_{min}}{NL} \leq K_{SW}^{sPAV}(N, L, c_{min}) \leq \frac{2}{N}$$

$$\forall N : \frac{1}{N} \leq K_{RP}^{sPAV}(N) \leq \frac{2}{N}$$

PROOF. Consider the PB instance presented in Figure 2 with a budget of L. There are $N = n + 2$ voters $\{v_1, \ldots, v_{n+2}\}$ and $M = m + $ projects $\{m_1, \ldots, m_{m+1}\}$.

The first 2 voters approve project p_1 that costs L and the rest of the voters approve one project each, at a cost of $\frac{L}{m}$.

At its first iteration, sPAV chooses p_1, adding 2 to the score, while the addition of any other project adds 1. Therefore, sPAV will fund $B_{\text{sPAV}} = \{p_1\}$ and stop, having an outcome with welfare of 2. The bundle $B_{SW} = B_{RP} = \{p_2, \ldots, p_{m+1}\}$ maximizes both welfare and representation with value n. Putting things together we get that

$$\frac{SW(A, B_{\text{sPAV}})}{SW(A, B_{SW})} = \frac{RP(A, B_{\text{sPAV}})}{RP(A, B_{\text{CC}})} = \frac{2}{n} = \frac{2}{(N-2)} \geq \frac{2}{N} \quad (9)$$

As for the lower bound, any voting rule will fund at least one project and for any instance there can be at most $\lfloor \frac{L}{c_{min}} \rfloor$ projects funded that all voters want, therefore:

$$\frac{SW(A, B_{\text{sPAV}})}{SW(A, B_{SW})} \geq \frac{1}{N\lfloor \frac{L}{c_{min}} \rfloor} \geq \frac{c_{min}}{NL} \quad (10)$$

$$\frac{RP(A, B_{\text{sPAV}})}{RP(A, B_{\text{CC}})} \geq \frac{1}{N} \quad (11)$$

□

The rest of the results for AV, CC, PAV and sPAV can be seen in Table 3. Their proofs are left for the appendix, where the upper guarantees follow the same idea as in Proposition 4.3, and the rest take into advantage the voting rule properties as done for Proposition 4.1 (Propositions A.2, A.1, A.4 follow the same outlines as Lackner and Skowron [12]).

4.2 EJR Voting Rule Guarantees

In this section we will present the utilitarian and representation guarantees for the family of EJR voting rules.

PROPOSITION 4.4. *Let R be a voting rule that satisfies the EJR property. Then the utilitarian guarantee satisfies*

$$\forall N, L, c_{min} : K_{SW}^R(N, L, c_{min}) \geq \frac{c_{min}}{NL} \lfloor \frac{L}{c_{max}} \rfloor.$$

PROOF. To avoid trivialities, we consider rules that exhaust the entire budget (EJR does not require that). First let us lower bound the SW of an EJR rule R with respect to some PB instance E. Let $T \subseteq P$ be the largest set of projects that is T-cohesive with respect to E. Let B be a bundle in the outcome of R and $B \subseteq B'$ its extension to consume the remaining budget. From Definitions 3.1 and 3.2 it readily follows that any bundle B in the outcome of R satisfies $SW(A, B) \geq \lceil |T| \frac{N}{L} \rceil$.

In the worse case $T = \emptyset$, namely R is EJR in an empty way. Since we assume that all the budget is consumed, then B' (perhaps even B) contains at least $\lfloor \frac{L}{c_{max}} \rfloor$ projects (otherwise the budget is not consumed). Therefore $SW(A, B') \geq \lfloor \frac{L}{c_{max}} \rfloor$.

As for the bundle B_{SW} that maximizes the social welfare, there are at most $\lfloor \frac{L}{c_{min}} \rfloor$ projects possible to fund, each one of them is supported by at most all N voters. This means that

$$SW(AV) \leq N \lfloor \frac{L}{c_{min}} \rfloor$$

Putting everything together we get that

$$K_{SW}^R \geq \frac{SW(A, B')}{SW(A, B_{SW})} \geq \frac{\lfloor \frac{L}{c_{max}} \rfloor}{N \lfloor \frac{L}{c_{min}} \rfloor} \geq \frac{c_{min}}{NL} \lfloor \frac{L}{c_{max}} \rfloor \qquad \square$$

The rest of the results for EJR voting rules in PB can be seen in Table 3. The proofs for those results are in Prop. A.8 and Prop. A.9.

In order to have complete comparison of the PB results to multi-winner, we will also find the guarantees for EJR voting rules in multi-winner. Notice that in multi-winner context, $L \in \mathbb{N}^+$ and tell how many projects should be selected.

PROPOSITION 4.5. *Let R be a voting rule that satisfies the EJR property. Then the utilitarian and representation guarantees satisfies*

$$\forall N, L, \ s.t. \ N \geq 2L : K_{SW}^R(N, L, c_{min} = 1, c_{max} = 1) \leq \frac{1}{N - L}$$

$$\forall N, L, \ s.t. \ N \geq 2L : K_{RP}^R(N, L, c_{min} = 1, c_{max} = 1) \leq \frac{1}{N - L}$$

.

It is worth noting that while the bound in Prop. 4.5 (proof in Prop. A.10) can slightly improve on our bound for general PB problems (Prop. A.9), asymptotically Prop. A.9 provides a tighter bound, that also shows some PB instances are worse (in terms of welfare) than any MW instance.

PROPOSITION 4.6. *Let R be a voting rule that satisfies the EJR property. Then the representation guarantee satisfies*

$$\forall N : K_{RP}^R(N, c_{min} = 1, c_{max} = 1) \geq \frac{1}{N}$$

This is the trivial guarantee, as the optimal outcome represents at most all voters, and the voting rule outcome represents at least a single voter.

PROPOSITION 4.7. *Let R be a voting rule that satisfies the EJR property. Then the utilitarian guarantee satisfies*

$$\forall N : K_{SW}^R(N, c_{min} = 1, c_{max} = 1) \geq \frac{1}{N}.$$

Proposition 4.7 is proven the same way as Proposition 4.4.

We end this section with three conclusions that we draw from Table 3:

- The guarantees for CC and AV are the same for the multi-winner and PB settings (up to a c_{max} factor in the representation lower bound of AV). The case for PAV and PAV is very different. The PB guarantees are an order of magnitude lower, and for PAV they also depend on N; no multi-winner guarantee depends on N. This caused because they "ignore" the projects cost, however, less significant for PAV, as it take the cost into account indirectly when solving the optimization problem.
- Our results induce a nearly-strict order over the voting rules:

  welfare: $AV \gg PAV \gg CC \gg EJR \gg PAV$

  representation: $CC \gg PAV \gg AV \gg PAV, EJR$

  These two rankings are similar to the ones obtained in the multi-winner setting, except for PAV which drops to the bottom when introducing costs (the PB setting).
- Most voting rules' guarantees depend on the budget and projects cost, while EJR voting rules guarantees depend on the number of voters and projects cost. This means that as the number of voters grows, the "cost of proportionality" may be rising as well.

5 EXPERIMENTAL EVALUATION

In this section we examine the performance of the rules in practice on real world and synthetic data, beyond the worst-case scenario.

For every dataset and every voting rule we calculate the utilitarian ratio and representation ratio for all the instances in that dataset. We report the average and standard error. Tables 4,5 and 6 report the results for the three datasets.

Poland A dataset that was taken from Pabulib.org [22], a library of PB instances available to the research community. We looked at 130 instances that took place in different districts of Warsaw, Poland, in the years 2017–2021. Each instance included between 50-10,000 voters (2,982 on average) and between 20-100 projects (36 on average).

Euclidean This dataset consists of 1,000 synthetic PB instances, each containing 1,000 voters, 100 projects and a budget of $L = 10^5$. In a city, most of the population lives near the city center, and so the location of a project is more likely to be there as well. To this end, for every instance, the locations of the voters and projects are generated randomly according to a 2-dimensional euclidean model [5, 21, 24]. Each voter v and project p are given some location ℓ_v, ℓ_p in the unit square $[0, 1] \times [0, 1]$, according to the normal distribution

$$\mu = \begin{pmatrix} 0.5 \\ 0.5 \end{pmatrix}, \Sigma = \begin{pmatrix} 0.2^2 & 0 \\ 0 & 0.2^2 \end{pmatrix}$$

The costs of the projects are parameterized with two values $c_{min} \in [100, 500]$, $c_{avg} \in [10^4, 2 \cdot 10^4]$, the minimum project cost and the average one, are both chosen uniformly at random.

The project costs are chosen according to the following procedure. For every project p_i choose c_i from the exponential distribution with $\lambda = c_{avg} - c_{min}$ and the cost of p_i will be $c_{min} + c_i$. This simulates a scenario with many cheap projects, and a few expensive ones.

To create the approval profile for each voter i, a number a_i is chosen from the normal distribution with $\mu = 10, \sigma = 3$, and the set of projects $A(i)$ approved by voter i consists of the $\max(a_i, 1)$ closest projects to the location of voter i.

Party-list This is also a synthetic dataset containing 1,000 party-list [12] PB instances that satisfy the following condition: every pair of voters i, j, either approve the same list of projects, $A(i) = A(j)$, or don't approve any mutual one, $A(i) \cap A(j) = \emptyset$. Each instance includes 200 voters which are split uniformly at random into groups of sizes 5 to 20. Each group of voters approves uniformly at random between 10 to 30 different projects. The cost of the projects is linear in the group size, such that the more voters a group has, the higher the cost of the projects they approve.

Due to the criteria above, PB instances in the party-list dataset contain large parties that tend to approve expensive projects. Funding these projects will contribute significantly to the overall SW, but will consume large part of the budget, risking that small parties will not be represented, thus violating the EJR property.

5.1 Voting Rules

To apply the voting rules described in Section 3.1 to the PB datasets, we extended the python framework used by Lackner et al. [11], originally designed to find committees in the multi-winner setting. The AV, CC and PAV were solved using linear programming with the Gurobi solver [9].

For the sake of efficiency, instead of breaking ties for the worst-case ratio, we broke them at random. This allowed to test the voting rules on larger instances in reasonable time. On several random instances that we sampled, we did break ties for the worst-case and also for the best-case, and noted no significant change in the final score compared to the random policy.

One exception is CC in the party-list dataset. In this dataset, it is possible to get 100% representation with only a small portion of the budget spent. This leads to a variety of CC-optimal bundles, achieving a wide range of welfare scores. The Gurobi solver selected, for unclear reasons, only solutions with high social welfare. To compensate for that, in this case only, we took the worst-case SW solution, and reported this result in Table 6 (we added a penalty for SW in the objective function and then ran Gurobi).

As mentioned in Section 3.1, none of the voting rules satisfies the EJR property. We use Rule X [16] (RX) as a representative from the EJR family. We refer the reader to the original paper for a description of this rule [16]. One caveat is that RX does not necessarily exhaust the entire budget, in contrast to the other rules we consider. To allow a fair comparison with the other rules we will also consider two extension to Rule-X. The first variant, RX-ϵ, is described in Peters et al. [16]. The second variant, RX-PAV, applies RX to the PB instance, and runs PAV on the remaining budget over the unfunded projects. The outcome of RX-PAV is defined as the union of the outcomes of the RX and PAV rules.
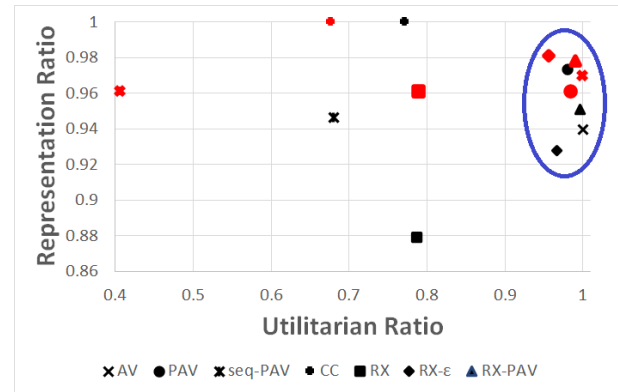

Figure 3: Utilitarian ratio vs. Representation ratio results for the Poland (black) and Euclidean (bigger red).

5.2 Results

Figure 3 shows the trade-off between welfare and representation when applying the voting rules on Poland and Euclidean datasets (the party-list dataset was omitted in this figure as all voting rules except AV gave an outcome with 100% representation). We see a cluster of voting rules (marked with blue circle) that includes AV, PAV, RX-ϵ and RX-PAV, achieving the best trade-off between welfare and representation. On the other, the outlier sPAV achieves low welfare ratio in the Poland dataset and a very low welfare ratio in the Euclidean dataset.

Tables 4,5 and 6 provide a finer level of granularity of the results, by displaying the average ratios and percentages (with standard error) of PB instances that satisfy EJR for the Poland, Euclidean and Party-list datasets, respectively. As can be seen in the three tables, the ratios are similar across datasets. Specifically, both PAV and RX-PAV succeed in achieving high utilitarian and representation ratios for all datasets. Another noticeable result, is the fact that sPAV achieves quite poor results in both ratios, which is in-line with the ranking that we presented at the end of Section 4. In addition, sPAV exhibits large variance in all three datasets (compared to the other voting rules), which further emphasizes that the sPAV rule is unstable.

The results from the Poland dataset in Table 4 demonstrate the disadvantage of using an EJR voting rule that does not guarantee to exhaust the budget. For this dataset, RX achieved poorer results for both welfare and representation compared to all other voting rules. In contrast, RX-ϵ and RX-PAV, which are similar to RX, but make sure to exhaust the entire budget, succeed in gaining a significant improvement in both measurements. This result emphasizes the benefit of using the entire budget, even if the EJR requirement is satisfied before exhausting the budget.

Lastly, looking at percentage of instances where the chosen bundle satisfied EJR, we can see that for both the Poland and Euclidean datasets (Tables 4,5), almost all rules succeed in getting an outcome which satisfies EJR. This result is interesting, in that even though a voting rule is not guaranteed to always produce a solution that satisfies EJR, this is often the case. This phenomenon may be explained by the fact that there are T-cohesive groups only for small sets of projects T in those datasets, in other words voters are entitled to only a few projects. This makes the EJR requirement easier

	Utilitarian ratio	Representation ratio	EJR%
AV	1 ± 0	0.9401 ± 0.054	100
PAV	0.9802 ± 0.025	0.9735 ± 0.026	100
sPAV	0.6801 ± 0.18	0.9468 ± 0.073	94.6
CC	0.7713 ± 0.12	1 ± 0	100
RX	0.7868 ± 0.065	0.8793 ± 0.08	100
RX-ϵ	0.9666 ± 0.025	0.9278 ± 0.063	100
RX-PAV	0.9966 ± 0.006	0.9508 ± 0.044	100

Table 4: Ratios and percentage of instances which satisfy EJR (Poland dataset)

	Utilitarian ratio	Representation ratio	EJR%
AV	1 ± 0	0.9696 ± 0.021	100
PAV	0.9845 ± 0.011	0.9866 ± 0.008	100
sPAV	0.4063 ± 0.095	0.8423 ± 0.089	64.7
CC	0.6768 ± 0.075	1 ± 0	99.9
RX	0.7890 ± 0.037	0.9609 ± 0.024	100
RX-ϵ	0.9569 ± 0.017	0.9808 ± 0.012	100
RX-PAV	0.9905 ± 0.007	0.9780 ± 0.014	100

Table 5: Ratios and percentage of instances which satisfy EJR for euclidean dataset

	Utilitarian ratio	Representation ratio	EJR%
AV	1 ± 0	0.6628 ± 0.044	0
PAV	0.8459 ± 0.023	1 ± 0	79.2
sPAV	0.7348 ± 0.053	1 ± 0	0
CC	0.6558 ± 0.056	1 ± 0	0
RX	0.8125 ± 0.024	1 ± 0	100
RX-ϵ	0.8579 ± 0.023	1 ± 0	100
RX-PAV	0.8536 ± 0.022	1 ± 0	100

Table 6: Ratios and percentage of instances which satisfy EJR for party-list dataset

to satisfy. This property is satisfied for example in the Euclidean dataset where all projects have roughly the same, small, number of users that approve them.

In contrast to the above, in the party-list dataset (Table 6) most outcomes do not satisfy EJR (unless of course when the rule is part of the EJR family). AV, sPAV and CC did not satisfy EJR in any instance. PAV satisfies EJR for about 80% of the instances and provides a good utilitarian and representation ratios. However, the RX-variants, RX-ϵ and RX-PAV, achieve the same ratios, but, also satisfy the EJR property, making them more attractive than PAV.

The poor EJR percentages of AV, sPAV and CC for the party-list dataset can be explained by observing the following. First, this dataset forces large cohesive voter groups, making it more difficult for voting rules to satisfy EJR. Second, the PB instances contain projects that give high welfare or representation, but are also more expensive. The voting rules AV, sPAV, PAV and CC ignore cost, and thus by choosing such expensive projects, the budget is eaten fast, and small groups, with cheap projects, are not funded, violating the EJR property.

Finally, we consider the relationship between run-time and the guarantees. The rules PAV, RX and RX-ϵ run in polynomial time in the number of projects and voters, while the rest of the voting rules take exponential time. While RX-ϵ provides a good trade-off between all measurements, in practice the run-time of this voting rule is an order of magnitude more time consuming than *all* of the other voting rules, across all three datasets. Therefore, using the exponential-time PAV or RX-PAV might be preferred in relatively small instances, where in practice we observed fast termination.

If we were to prepare a recommendation list for which rule to use when, taking into consideration the performance of the rules with respect to both guarantees and the run-time, then the PAV rule offers a good compromise across the board but it is computationally feasible only on small instances. The RX-PAV rule achieves similar results to PAV in addition to satisfying EJR, and it exhibits shorter run-time, since the exponential part of RX-PAV (the PAV part) is applied to the remaining budget and unfunded projects (which is a much smaller instance). Hence RX-PAV is suitable both for small and medium instances. Lastly, the rule RX-ϵ provides lower utilitarian and representation guarantees compared to PAV and RX-PAV in addition to satisfying EJR, but it runs in polynomial time, making it the rule of choice for large instances.

6 CONCLUSIONS AND FUTURE WORK

We presented a theoretical and empirical investigation of the trade-off between welfare and representation for different voting rules for participatory budgeting. From the theoretical perspective, we analyzed the worst-case guarantees of common voting rules from the literature. We show that when introducing costs to projects, these guarantees do not generalize to the PB setting, with some rules (e.g., sPAV) exhibiting significantly lower guarantees than the multi-winner setting. From the empirical perspective, we show that some proportional voting rules (namely RX-PAV and RX-ϵ) are able to achieve high social welfare and representation on real PB instances, in contrast to their theoretical guarantees.

Taking into consideration the trade-off between welfare and representation, we concluded the PAV rule to be the clear winner from both theory and practice perspectives, however, it is not proportional, and exhibits worst case exponential running time. This led us to analyze two variants of RX (RX-PAV and RX-ϵ) that exhibit proportionality and provide similar results to PAV in practice, despite their lower theoretical guarantees (expressing the cost of proportionality). Specifically, we claimed that RX-PAV is suitable for solving medium sized PB instances, while RX-ϵ is suitable for large PB instances as a result of their run-time. Our results provide a deeper understanding of the trade-offs between welfare and representation for voting rules in Participatory Budgeting and can lead to more efficient outcomes that will satisfy the citizens.

There are several directions that are interesting to explore in future work. First, extending our analysis to consider additional voting rules from the literature, and considering more families of rules (e.g. voting rules with constrain on minority representation). Second, finding sufficient conditions on PB instances such that a voting rule would satisfy EJR. This could be a way to reconcile proportionality with other requirements, albeit for a restricted class of participatory budgeting problems.

7 ACKNOWLEDGEMENTS

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