ABSTRACT
A coalition is a set of self-interested agents that agree to cooperate for achieving a set of goals. Coalition formation is an active area of research in multi-agent systems nowadays. Central to this endeavour is the problem of determining which of the many possible coalitions to form in order to achieve some goal, which is called coalition structure generation. Coalition structure generation problem is extremely challenging due to the number of possible solutions that need to be examined, which grows exponentially with the number of agents involved. Generally, agents would enumerate all possible coalitions, store them in memory, and then try to construct the coalition structure that maximizes the sum of the values of the coalitions. However, this is not feasible when we have a large number of agents, and other constraints on execution time, and memory. Hence, there is a need to develop an algorithm that can generate solutions rapidly for large number of agents while providing bounds on the value of solution as well. With this in mind, we propose two new heuristics, namely LocalSearch and GreedySearch, for generating the coalition structure, which satisfy these properties. We empirically show that these heuristics are able to return ‘good-enough’ solutions in very short time. Furthermore, they enhance the performance of state-of-the-art algorithm, IP (proposed by [12]) in terms of increased lower bound, anytime property, and solution quality. Furthermore, we implemented different heuristics for selecting a sub-space in the IP algorithm and show how the time required to find a good-enough solution depends on the selection of a sub-space in the IP algorithm.

Keywords-component: Multi-agent systems, Coalition formation, Coalition structure generation, Heuristics

1. INTRODUCTION
Cooperation among agents is an important keystone in Multi-Agent Systems (MAS), which enables them to solve a problem efficiently. Agents cooperate in many economic milieus on issues of common interest, which results in the formation of coalition [1]. For this purpose, agents need to determine the optimal set of agents with whom to enter into a coalition (i.e. the best grouping of agents). This problem is formally referred to as the Coalition Structure Generation (CSG) problem. Suppose that we are given set of agents $1, 2, \ldots, n \in A$, and the value of a coalition $s$ is specified by a characteristic function $v(.)$. Then the value of the coalition structure (CS) is:

$$V(\mathcal{C}) = \sum_{s \in \mathcal{C}} (v_s)$$

Generally, the goal is to maximize the social welfare by discovering the optimal coalition structure [2].

$$CS^* = \arg\max_{\mathcal{C} \in \mathcal{S}} V(\mathcal{C})$$

Finding the optimal coalition structure is very challenging as the computational complexity of finding the optimal coalition structure is exponential\(^1\) in the number of agents and is shown to be NP-hard [3]. To date, a number of algorithms have been proposed to solve CSG problem, but little effort has been put on algorithms that can generate good-enough solutions quickly. In this paper, we propose new heuristics to generate the solution and show how we can balance the properties such as execution time and memory.

2. RELATED WORK
Existing literature defines various CSG algorithms that can be classified into three main classes: Dynamic programming based algorithms, Heuristic based algorithms, and anytime algorithms [4]. Dynamic Programming algorithms generate optimal solution (i.e. optimal coalition structure) with minimal computational complexity. They provide a guarantee on the performance of the algorithm in the worst-case scenarios. [5], [6], [7] develop DP based algorithms but they can not be used for larger number of agents. Heuristic based algorithms are not designed to find the optimal solution; rather their focus is on finding good solutions. In this context, [8] employ an order-based genetic algorithm (OBGA) as a stochastic search process to discover the optimal coalition structure. The major limitation of this algorithm is that, it provides no guarantees about finding the optimal CS, and it cannot specify any bounds on the quality of the optimal CS. [9] developed a

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\(^1\) The number of coalition structure grows in $O(n^n)$ with number of agents [3].
greedy algorithm, which takes only coalitions up to a certain size into consideration. Hence, it provides no guarantees on the quality of its solutions compared to the actual optimal. Anytime algorithms return an initial solution, and then improve on the quality (and establish better bound gradually) of this solution as they search more of the space. In this context, [3] proposed an anytime algorithm that can establish a bound on quality of the solution, however, the algorithm has to search entire search space, to generate a guaranteed optimal solution and the bounds provided by the algorithm are not valuable for practical use. Based on this concept, [10] proposed another anytime algorithm that can also establish a bound on the quality of solution but employ different searching mechanism and have the same demerits. [11, 12] proposed a state of the art anytime algorithm, IP, but again it has to search entire space in order to generate an optimal solution.

3. Background: Integer Partition Graph and IP Algorithm

In [12] the authors proposed an efficient search space representation that can be used for finding the optimal solution efficiently. They call this representation Integer Partition Graph. In this representation, they partition the search space \( p \) by defining sub-spaces that contain coalition structures that are similar according to the ‘integer partitions’\(^3\) of the number of agents. This can be defined by a function \( F: p \rightarrow G \), where \( G \) is the set of integer partition of \( n \). Then they define a pre-image (or inverse image) of an integer partition \( G \) as follows:

\[
P_G = F^{-1}(\{G\})
\]

Every pre-image, which represents a sub-space in the integer partition graph, encompasses all the coalition structures corresponding to the same integer partition \( G \).

![Figure 1: Example of the integer partition graph for 4 agents [12].](image)

\(^4\) UB places an upper limit on the value of the optimal solution, i.e. no coalition structure in a sub-space can have value greater than its UB.

\(^5\) LB places a lower limit on the value of the optimal solution, i.e. the solution at worse will be greater than or equal to this LB.

\(^6\) Our heuristic (LocalSearch) improves the LB of IP drastically.

Figure 1 shows an integer partition graph for 4 agents. We observe that sub-spaces have been categorized into levels, based on the number of parts within the integer partitions. In general, we have \( n \) levels, where \( n \) is the number of agents. Each level, \( P_i \), comprises of all the sub-spaces that correspond to an integer partition with \( i \) parts.

Given this representation, they compute the Upper Bound\(^4\) (UB) and Lower Bound\(^5\) (LB) in each sub-space \( P_i \) as follow. Let \( L_x \) be the list of coalitions of size \( s \), and let \( \max_s, \min_s \) and \( \text{avg}_s \) be the maximum, minimum, and average value of the coalition in \( L_x \) respectively. Now given an integer partition \( G \), let \( T_G \) be the Cartesian product of the lists \( L_x : s \in G \), i.e.

\[
T_G = \prod_{s \in G} (L_x)^{G(s)}.
\]

Where \( G(s) \) is the multiplicity of \( s \) in \( G \)

Now consider the value \( \text{MAX}_G \) obtained by adding the maximum value of each element (i.e. coalition list) in \( T_G \). Formally, it can be shown as follows:

\[
\text{MAX}_G = \sum_{G \in T_G} \max_s x G(s)
\]

This value is an upper bound on the best coalition structure in \( P_G \).

Now the average value of all the solutions in \( P_G \), denoted by \( \text{AVG}_G \), can be computed immediately after scanning the input, by adding the averages of the coalition lists in \( P_G \). If we consider \( G = \{g_1, g_2, ..., g_n\} \) as an integer partition, and \( \text{avg}_{G(s)} \) as the average of the values of all coalition in \( L_x \), then it can be computed as follows\(^6\):

\[
\text{AVG}_G = \sum_{G \in T_G} \text{avg}_{G(s)}
\]

Furthermore, they argue that it is better to specify \( \text{AVG}_G \) as lower bound. The reason behind this is that we can prune a lot of space by improving the LB\(^7\) and average value of a sub-space is usually better than the minimum value.

Two main steps that IP requires in order to search the space using this representation are,

a. Scanning the input in order to compute the bounds (i.e. \( \text{MAX}_G \) and \( \text{AVG}_G \)) for every sub-space \( P_i \).

\(^3\) Integer partition of \( n \) is a multiset of positive integers that add up to exactly \( n \).
b. Selecting and searching within the remaining subspaces—we can apply different selection functions within this step (discussed in next section).

To get the unbiased performance evaluation of IP with other state-of-the-art algorithms, they tested it against different value distributions. They used the normal, uniform, and NDCS (Normally Distributed Coalition Structures) input distribution. After it, they benchmarked against the other state-of-the-art algorithm IDP. The results are shown in figure 2.

They showed that IP was faster than IDP in finding the optimal coalition structure. Furthermore, they note that IP was slower in finding the solution in the case of NDCS.

4. Proposed Heuristics

4.1 LocalSearch Heuristic:

We assume that the input to coalition structure generation algorithm is the value associated to each coalition, \( v(C) \), where \( C \in 2^A/\emptyset \). We further assume that input is given as follows:

\[
\forall s \in \{1, 2, \ldots, n\}, \quad v(L_s) \quad \text{and} \quad v(L_{\emptyset}) \quad \text{where} \quad C(L_s) \quad \text{is a list containing the coalitions and} \quad v(L_{\emptyset}) \quad \text{is a list containing the values of all the coalitions of size} \ s.
\]

Now we define some notations. Let \( \max(v(L_s)) \) be the maximum value present in a list of value \( v(L_s) \). Let MAX consists of memory locations that contain the maximum values (i.e., \( \max(v(L_s)) \)) from each list of values present in \( G \). Furthermore, \( V_{\text{Max}} \) is the maximum value present in MAX (i.e., \( V_{\text{Max}} = \max(V_{\text{MAX}}) \)), \( L_{\text{Max}} \) is the list of coalition that contains this value \( V_{\text{Max}} \), and \( C_{\text{Max}} \) is the coalition that corresponds to the value \( V_{\text{Max}} \).

Like IP algorithm we first scan the value of coalition of size \( n \) (called grand coalition), scan the values of coalitions of size 1 (called singleton coalition), and search the level 2 (i.e., \( p_2 \)). At this point, we can compute the best solution found so far. Then we run LocalSearch heuristic that computes a good-enough solution. The pseudo code of the LocalSearch heuristic can be outlined as follows:

**Algorithm: LocalSearch**

**Input:** \( C(L_e) \forall s \in \{1, 2, \ldots, n\}, \ v(L_j) \forall s \in \{1, 2, \ldots, n\}, \) set of agents \( A = \{a_1, \ldots, a_n\} \), an integer partition \( G = \{g_1, g_2, \ldots, g_{p_1}\} \).

**Output:** coalition structure, value of the coalition structure, time required to generate the coalition structure

1. Set solution = "", value = 0
2. end = |G| // Size of G
3. t1 = start timer;

// Loop until we finish finding a valid solution. In each iteration, we pick the maximum possible coalition value from all available coalitions in that sub-space
4. While (end > = 1)

// From step 5 to 7 we load lists into memory, pick maximum value of each list, and store these maximum values in an array MAX
5. Get lists of coalitions, \( C(L_e) \) from A
6. Get lists of values, \( v(L_e) \), corresponding to \( C(L_e) \)
7. Get the maximum value present in each list of value and store them in an array MAX, i.e. \( \text{MAX} = \{\max(v(L_{g_1})), \max(v(L_{g_2})), \ldots, \max(v(L_{g_{p_1}}))\} \) //pick maximum value from each list of values in \( G \)

// From step 8 to 10, we find the maximum value \( V_{\text{Max}} \) from MAX array and pick the coalition \( C_{\text{Max}} \) which corresponds to this value
8. Get element, \( V_{\text{Max}} \), which has the maximum value in MAX, i.e. \( V_{\text{Max}} = \max(MAX) \)
9. Find index of \( V_{\text{Max}} \) in MAX and find corresponding list, \( L_{\text{Max}} \) from G which contains this element \( V_{\text{Max}} \) //find out the list which contains this maximum value, \( V_{\text{Max}} \)
10. Search for the coalition, \( C_{\text{Max}} \), which has value \( V_{\text{Max}} \) in corresponding list \( L_{\text{Max}} \)

// In step 11 and 12, we add \( V_{\text{Max}} \) and \( C_{\text{Max}} \) in solution value and solution respectively
11. Value = value + \( V_{\text{Max}} \) // add coalition value
12. Solution = solution + \( C_{\text{Max}} \) // add coalition

// From step 13 to 17, we update (except in last iteration) MAX, G, and A
13. If (end == 1)
14. Update MAX: set all element of MAX to zero, set
At start, we pick up the integer partition \( G \), and load its list of coalitions and values in memory (step 5 and 6). Then we find the maximum value from each list and store these values in an array, \( \text{MAX} \) (step 7). Now we find the maximum value, \( V_{\text{MAX}} \), from this array and get the coalition list, \( L_{\text{MAX}} \), that contains this value. From this list, we find the coalition, \( C_{\text{MAX}} \), that corresponds to this maximum value (step 8 to 10). Then, we store this value, and the corresponding coalition (step 11 and 12). At end, we update \( \text{MAX} \) array by decreasing its dimension by one and initializing by zeros, update our agent set\(^{11}\) which ensure that we generate only the valid coalition structure, and update \( G \) by deleting the list, \( L_{\text{MAX}} \), from memory (step 13 to 17). We repeat this process until we finish searching the possible maximum values from all the lists in \( G \), and then return our solution, corresponding value, and searching time.

4.2 GreedySearch Heuristic:

This heuristic is greedy because it starts by discovering the coalition that has the highest value among all the input coalitions. Then it finds all possible integer partitions that can go with this value. Afterwards, it chooses integer partition according to the following selection criteria: chooses integer partition that has the highest average utility, chooses integer partition that has the highest UB, and chooses integer partition that has the highest sum of average and UB. Next, we feed these integer partitions to the LocalSearch heuristic. In this way, we guarantee that we can come up with a good solution at low cost.

Now we define some notations. \( V_{\text{SpaceMax}} \) is the highest value among all the input values. \( C_{\text{SpaceMax}} \) is the coalition which corresponds to the value \( V_{\text{SpaceMax}} \). \( \text{Partition}_{\text{SpaceMax}} \) encloses all the integer partitions which contain \( C_{\text{SpaceMax}} \) as an element. \( IP_{\text{size}} \) (Where size\( \leq |\text{Partition}_{\text{SpaceMax}}| \) ) is such an integer partition.

The pseudo code of GreedySearch heuristic can be outlined as follows:

\(^{11}\) This step is very crucial and is required to save resources. Further details can be found on [4].
//From step 24 to 30, we call the LocalSearch algorithm with the selected integer partition
24. (solution[0], value[0], time[0]) := LocalSearch (v(L_g), C(L_g), A(conspicuousNode[0]))
25. If (conspicuousNode[1] = conspicuousNode[0])
26. (solution[1], value[1], time[1]) := LocalSearch (v(L_g), C(L_g), A(conspicuousNode[1]))
27. End if /This step ensures that we are not going through same integer partition twice
29. (solution[2], value[2], time[2]) := LocalSearch (v(L_g), C(L_g), A(conspicuousNode[2]))
30. End if /This step ensures that we are not going through same integer partition twice
31. t2 = stop timer;
32. Return (solution[], value[], t2-t1)

We start by finding out the maximum value among all the input values (step 3 to 5). Then we find the sub-spaces that contain this maximum value (step 6 to 7). Afterwards, we find the utility (in terms of highest UB, LB and sum of UB and LB) of each such sub-space and choose the sub-spaces that give us the highest utility (step 8 to 23). Then, we search within these sub-spaces by using the LocalSearch heuristic (step 24 to 30), and return the solution.

4.3 Selection of a Sub-space in the IP Algorithm: We assume that we want to find a good-enough solution and we have constraint on the search time. We can make a reasonable selection according to the requirements, by choosing a sub-space according to its normalized size, UB, and LB of a sub-space. For instance, given constraint on searching time, we can pick a sub-space that has the highest (UB + 1/size) rather than going for a sub-space that has the highest UB. In the former case, we can generate solution much quickly because it contains the small amount of possible solutions. Whereas, in the latter case, it can contain millions of possible solutions and we might not have enough time to search them. Hence, given such priorities, we can choose sub-spaces that can generate required solution more efficiently than the other ones.

We implemented the following important heuristics for selecting a sub-space: Select sub-space that has the highest UB, highest LB, highest (UB+LB), highest (UB + 1/size), highest(LB+1/size), highest ((UB+LB) +1/size), lowest ((UB+LB) +1/size), highest ((UB-LB) +1/size) smallest size, lowest ((UB-LB) +1/size), and smallest size.

5. ANALYSIS AND RESULTS
In this section, we empirically evaluate our heuristics. We use Java JDK (Java Development Kit) 1.6 as a development language and an Intel 3.2 GHZ dual core PC with 3GB of RAM for running our experiments.

5.1 LocalSearch Heuristic:
We plug-in the code of LocalSearch heuristic in the IP algorithm and recorded the algorithms’ performance for different number of agents (from 8 to 22). Furthermore, we used the standard instances of the coalition structure generation problem.

In the case of NDCS distribution, the results are shown in figure 3. It is clear that LocalSearch is able to return greater than 80% optimal solutions for 8 to 15 agents, and greater than 75% solutions for 16 to 22 agents. In the lower plot, we observe that the increase in the LB* is between 5-10%. Furthermore, the total time taken by the IP algorithm is nearly zero for 8 to 15 agents and is less than 400ms for 16 to 22 agents. It is worthy to note that in case of 22 agents, this heuristic returns a 75% optimal solution (with 8% increase in the LB*) in 300ms which is very small. This is because; we are not exploring all possible solutions of the search space, which reduces the exponential nature of the problem.

Similar results were obtained in the case of normal distribution (not shown), where it returns greater than 95% optimal solutions for 8 to 15 agents and greater than 92% optimal solutions for 16 to 22 agents. We observe that the increase in the LB* is less than 4%. Furthermore, the time taken to return solutions is the same as in the NDCS case.

The results were not promising (not shown) for uniform distribution. For this distribution, the increase in the LB* is less than 1% when number of agents are less than 14, and is zero when the number of agents increases.

Our heuristic gives better results in the case of NDCS distribution, than normal and uniform distributions. The reason is that, in the NDCS case coalition values have more spread (due to the high sigma value) as compared to normal and uniform cases; and LocalSearch can easily pick these values. For the normal distribution this spread is small (as sigma value lies between 0 and 1)\(^\ddagger\), so increase in LB* is smaller as compared to the NDCS case. The bad performance of LocalSearch in case of uniform distribution

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\(^{12}\) Solution with bound > 1

\(^{13}\) In such an expression, size has been normalized with respect to the largest size in the space.

\(^{14}\) See appendix A.

\(^{15}\) We run our algorithm for 50 times for 8 to 22 agents and recorded the average results.

\(^{16}\) In fact, the complexity of the LocalSearch heuristic depends on the number of possible integer partition of n, (where n is the number of agents) and is independent of the number of possible solutions in the entire space (which is very big as compared to the increase in the integer partition of n).

\(^{17}\) See appendix A.

\(^{18}\) We run our heuristic with \(\sigma = 0.1\).
comes from the fact that IP finds 95 to 99% optimal solution in the second level\textsuperscript{19}, while scanning the input.

Now we show how this heuristic improves the anytime property of the IP algorithm. For this purpose, we observe the behaviour of the heuristic while it visits each sub-space.

Figure 3: LocalSearch heuristic for the NDCS distribution\textsuperscript{20}.

To this end, we assume that we have 15 agents and values have been drawn from the NDCS distribution. Furthermore, we want to find a solution which is 85% optimal. It is worthy to note that algorithm will stop only if it is successful in finding the required optimal solution or it has visited all the sub-spaces. The behaviour of the heuristic is shown in figure 4.

In figure 4, the percent increase in LB (in lower plot) refers to \( \left( \frac{\text{LB}_{\text{Real}} - \text{AVG}_{G}}{\text{AVG}_{G}} \right) \times 100 \), where \( \text{LB}_{\text{Real}} \) is the solution computed by the LocalSearch heuristic in a particular sub-space \( G \). The solid line (in the upper plot) shows that the solution is 77% optimal before the IP algorithm calls the LocalSearch heuristic. We record the results after LocalSearch heuristic visits each sub-space (dotted line in the upper plot). Note that the solution becomes 85% optimal (i.e. \( x_2 - x_1 = 8\% \), which corresponds to the increase in the solution quality) after visiting a few sub-spaces and then algorithm stops and returns the solution. This behaviour shows that the LocalSearch heuristic improve the anytime property of the IP algorithm.

Note that this heuristic increases the solution quality of the IP algorithm as well. Moreover, the percent increase in the solution quality is at least equal to the percent increase in the LB*\textsuperscript{21}.

5.2 GreedySearch Heuristic:

We plug-in the GreedySearch heuristic in the IP algorithm, run the algorithm for 15 to 27 agents, stop it when the GreedySearch heuristic finishes finding a solution, and record the results. Furthermore, we run our algorithm for 50 times, and reported the average results. The results in the case of NDCS distribution are shown in figure 5.

Figure 5 depicts that the GreedySearch heuristic is able to find 70 to 75% optimal solutions in less than 400ms. Although the increase in LB* is between 2-4%, but it is a significant improvement, as time taken by it to return a solution is very small. Similar results were observed in the case of normal distribution. Furthermore, for uniform distribution, the results were not statistically significant (The reason is the same, as discussed before).

Note that for 27 agents, this heuristic returns a good-enough solution in 410ms that is 12 times less as compared to the time taken by the IP algorithm (5000ms) to scan the

\footnotesize\textsuperscript{19} In fact, in uniform distribution, coalitions of larger size have more value as compared to the smaller ones; hence searching the second layer returns the 95 to 99% optimal solution. See appendix A for more information.

\footnotesize\textsuperscript{20} In all figures, the ‘time (ms) taken by LSA’ refers to the time LocalSearch heuristic took to compute the solution, and the ‘time (ms) taken by IP’ refers to the time IP algorithm took to scan the input, search the second level, and run the LocalSearch or GreedySearch heuristic to completion.

\footnotesize\textsuperscript{21} For proof, refer to appendix B.
input and search the second level. It is worth noting that, for 27 agents and NDCS distribution, finding an optimal solution can take many hours (or days) as shown in figure 1. Hence, one may prefer a good solution over optimal for setting where one has constraint over time (for instance, in real-time applications).

High values of the coaltions, so most of its solutions are considered good. Hence, after searching a few solutions, we may find the desired optimal solution. Furthermore, it is able to return a good solution faster than others due to its small size.

- Sub-spaces having the highest UB with the smallest size return the solution about 40 to 200% faster than the rest ones (excluding the highest LB +1/Size) one. The reason is that the highest UB ensures to generate good solution and smallest size ensures that it can be generated much quickly.
- Sub-spaces having the smallest size show same behaviour as that of the highest (UB+1/Size) one. The reason is, they can return solution much quickly due to their smallest size.

5.3 Selection Functions for IP Algorithm:
We assume that we want to find a 92% optimal solution.\(^23\) We recorded the performance of the IP algorithm for 15 to 21 agents against uniform, normal, and NDCS distribution. Furthermore, we run our algorithm 70 times for 15 to 19 agents and 50 times for 20 to 21 agents, and recorded the average results. The results in the case of Normal distribution are shown in the figure 22\(^24\).

Figure 22 shows that, the following sub-spaces are found good in generating the required solution,

- Sub-spaces having the highest LB with the smallest size return the solution about 30 to 300% faster than the other ones. The reason is that, it contains overall high values of the coaltions, so most of its solutions are considered good. Hence, after searching a few solutions, we may find the desired optimal solution. Furthermore, it is able to return a good solution faster than others due to its small size.

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6. Conclusion and Future Work
Coalition formation is an advanced research area within multi-agent systems nowadays. Generally, the goal of the coalition structure generation activity is to maximize the social welfare by finding the optimal coalition structure, but exponential nature of the solution space does not allow making exhaustive search for the optimal solution. Hence, we may prefer a good solution over an optimal one in settings where we have constraints on execution time and
memory. From this line of research, we proposed two new heuristics for coalition structure generation.

This paper advances the state of the art in the followings:

- First, we proposed a novel heuristic, namely LocalSearch for coalition structure generation and empirically show that it generates good-enough solution in short time. Furthermore, it improves the anytime property, lower bound, and solution quality of the IP algorithm. The increased lower bound can prune a major portion of the exponential search space without going into the space.

- Second, we proposed a greedy heuristics, namely GreedySearch for finding a good-enough solution, without going fully to any of the sub-space, in settings where we have a large number of agents (>20).

- Third, we implemented different heuristics for selecting a sub-space in the IP algorithm proposed by [12]. We show that, in order to find a good solution (as opposed by optimal), the selection of a particular sub-space in the IP algorithm has significant effect on its performance-- in term of the time required to return the solution.

As a future work, we would like to integrate our work with recommender systems [13]. There has been no work in literature that uses coalition formation among agents for solving recommender systems problems. If we divide users (or items) into distinct clusters, then our algorithm can be used in finding the most relevant users (or items) for generating recommendations. Furthermore, proposed algorithm can be helpful in distributed recommender system.

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References

APPENDIX A

For benchmarking the coalition structure generation algorithms, the standard instances of the input value distribution have been defined as follows [2]:

**Normal Distribution:** \( v(C) = |C| \times p \) where \( p \sim N(\mu, \sigma^2) \), \( \mu = 1 \) and \( \sigma = 0.1 \)

**Uniform Distribution:** \( v(C) = |C| \times p \) where \( p \sim U(a, b) \), \( a = 0 \) and \( b = 1 \)

**Sub-additive:** \( v(C) \leq v(C') + v(C'') \) where \( C = C' \cup C'' \) and \( v(C) \) is uniform as above. (In this case the singleton coalitions form the optimal structure)

**Super-additive:** \( v(C) \geq v(C') + v(C'') \) where \( C', C'' \) and \( v(C) \) are as defined above. (In this case the grand coalition is the optimal structure)

The validity of uniform and normal instances has been questioned by [13], where the authors claimed that these instances generate biased results. “We analytically show that any CSG problem with an input defined according to distributions of coalition values based on the size of the coalitions (such as the Normal and Uniform distributions above) will generate biased results” [13].

In fact this was the main reason why in the case of uniform and normal distribution, our Heuristics (LocalSearch and GreedySearch) did not showed much improvement in the LB* computed by the IP algorithm. Now we discuss the NDCS input value distribution.

**NDCS (Normally Distributed Coalition Structures):**
This instance of the input distribution has been defined by [12], and is well suited for the coalition structure generation problems. This instance is defined as follow,

\[ v(C) \sim N(\mu, \sigma^2), \text{ where } \mu = |C|, \sigma = \sqrt{|C|} \]

In this distribution, the value of every possible coalition structure is independently drawn from the same normal distribution.

Furthermore, for this distribution, our heuristics showed significant improvement in LB* computed by the IP algorithm.

APPENDIX B

This comes from the fact that \( \text{LB}^* = \max (AVG_C, V(C')) \) where \( V(C') \) is the best solution found in levels \( p_1, p_2, \ldots, p_n \). Let \( LB_{Real}^* \) be the best solution found by the LocalSearch heuristic. We compute the percent increased in the LB* as follow:

\[ \% \text{Increase in the LB}^* = \left( \frac{LB_{Real}^* - LB^*}{LB^*} \right) \times 100 \]

We can easily conclude from this equation that the % increase in the solution quality is at least equal to this % increase in the LB* (in case we have LB* = \( V(C') \)) and can be greater than this % increase in the LB* (in case we have LB* = AVG_C).