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**Endogenous Stackelberg leadership.** (English) Zbl 0938.91011  
*Games Econ. Behav.* 28, No. 1, 105-129 (1999).

Summary: The authors consider a linear quantity setting duopoly game and analyze which of the players will commit when both players have the possibility to do so. To that end, they study a two-stage game in which each player can either commit to a quantity in stage 1 or wait till stage 2. They show that committing is more risky for the high cost firm and that, consequently, risk dominance considerations, as in *J. C. Harsanyi* and *R. Selten* [A general theory of equilibrium selection in games. Cambridge, MA: MIT Press (1988; [Zbl 0693.90098](#))], allow the conclusion that only the low cost firm will choose to commit. Hence, the low cost firm will emerge as the endogenous Stackelberg leader.

**MSC:**

[91A20](#) Multistage and repeated games  
[91B52](#) Special types of economic equilibria

Cited in **26** Documents

**Keywords:**

[duopoly game](#); [two-stage game](#); [Stackelberg leader](#)

**Full Text:** [DOI](#)

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