

Update about crisis in final period

$$\hat{\mu}_2(r_0, r_1 = 1) - \mu_2$$

-0.1

-0.2

-0.3

-0.4

-0.5

0.00

0.25

0.50

0.75

1.00

Prior probability of crisis in initial period

μ_0

Policy in
middle period

Weak policy ($a = 0$)

Strong policy ($a = 1$)

