Dale Story
POLS 3310

Impact of the Policies of a new Prime Minister in Italy on Government Bond Yields

Assume that the below above does empirically demonstrate that Government Bond Yields did begin to decline once Mario Monti became Prime Minister of Italy. Could we conclude that his policy initiatives (austerity, for example) were the reason that the Government Bond Yields declined? Or could there be other explanations? Is this comparable to the Mexican example cited in class of 1930s Cardenista policies leading to declines in foreign investment?