

# ANGELA CAPOLONGO

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Date of birth : December 18, 1988  
Nationality : Italian

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## RESEARCH INTERESTS

Macroeconomics, Monetary Economics, Firm Dynamics

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## CURRENT POSITION

2020–Present **Economist**, European Stability Mechanism (Luxembourg), Economic and Market Analysis Division

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## PROFESSIONAL EXPERIENCES

- 2019–2020 **Research Fellow**, Economic Policy Unit - Centre for European Policy Studies (Belgium) Project Supervisor: Daniel Gros and Prof. Ansgar Belke, funded by the Deutsche Bundesbank
- 2016 **Trainee**, National Bank of Belgium
- 2014–2019 **Teaching Assistant**, Graduate Macroeconomics I (MRes), ECARES - Université Libre de Bruxelles
- 2014–2019 **Research Assistant**, Euro Area Business Cycle Dating Committee - CEPR, London

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## EDUCATION

- 2020 **PhD candidate in Quantitative Economics**, ECARES - Université Libre de Bruxelles (Belgium) Supervisor: Prof. Philippe Weil, Awarded: September 2020
- 2015 **PhD Economics**, University of Naples Parthenope (Italy), Awarded: June 2016
- 2014 **MRes Quantitative Economics**, ECARES - Université Libre de Bruxelles (Belgium), *cum laude*
- 2013 **MSc Economics and Finance**, University of Naples Federico II (Italy)
- 2012 **MSc Economic and Financial Sciences**, University of Naples Parthenope (Italy), *cum laude*
- 2010 **BSc Business Administration**, University of Naples Parthenope (Italy), *cum laude*

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## AWARDS

- 2015–2019 FNRS Doctoral Fellowship - Belgian National Science Foundation

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## PUBLICATIONS

Capolongo, A., & Pacella, C. (2020). *Forecasting inflation in the euro area: countries matter!*. **Empirical Economics**, 1-23.

Capolongo, A., & Gros, D. (2020). *The ECB is running out of policy space: Can fiscal policy help?*. **Economics and Business Letters**, 9(3), 216-220.

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## WORK IN PROGRESS

### Cyclical behavior of markups: theory and firm-level evidence

Using confidential firm-level data from the National Bank of Belgium, I document the heterogeneous response of firms' markups to the 2008 financial crisis. Overall, markups increased in the aftermath of the crisis and the effect was larger for highly financially constrained firms. I show that standard heterogeneous-firm models, featuring monopolistic competition and variable markups, are unable to replicate these patterns. I then introduce endogenous demand shifters which respond to firm investment in market share (e.g. quality). I show that the interaction of an increase in the cost of procuring inputs combined with an endogenous quality downgrading can rationalize the observed changes in

firm-level markups.

### **Inflation expectations and non-standard monetary policies**

In this paper, I analyze the impact of key European Central Bank's unconventional monetary policy announcements on inflation expectations, measured by Euro Area five-year Inflation Linked Swap rates five years ahead, since the aftermath of the crisis. I control for market liquidity and uncertainty measures, change in oil price shock and macroeconomic news. The results show that the impact of the European Central Bank's announcements has been positive during the period under observation. Along the line of the expansionary monetary policy measures implemented, the agents have been revising upwards their long term inflation expectations. This means that the unconventional monetary policy measures were effective.

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## POLICY PAPERS AND COLUMNS

**What's the ECB doing in response to the COVID-19 crisis?** (2020), with S. Belz, J. Cheng, D. Wessel and D. Gros, post on Brookings and CEPS website, May 26

**Global currencies during a crisis: swap line use reveals the crucial ones** (2020), with D. Gros, *Monetary Dialogue*, European Parliament, June 2020

**Reaching a wider audience: is the ECB trending?** (2020), with D. Gros, *Monetary Dialogue*, European Parliament, February 2020

**The two-pillar strategy of the ECB: ready for a review** (2019), with D. Gros, *Monetary Dialogue*, European Parliament, December 2019

**The ECB is running out of policy space: can fiscal policy help?** (2019), with D. Gros, *CEPS Policy Insights*, No 2019-17 / December 2019 [*VOX column* 03 December 2019]

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## PRESENTATIONS

- 2018 6th Belgian Macroeconomic Workshop, Antwerp University, Belgium; Universidad Carlos III de Madrid, Spain; Université Libre de Bruxelles, Belgium
- 2019 KU Leuven, Belgium; University of Oxford, United Kingdom; ENTER Jamboree 2019, Tilburg University, The Netherlands; 24th Spring Meeting of Young Economists 2019, Université Libre de Bruxelles, Belgium; Heidelberg University, Germany; Maastricht University, The Netherlands; 2nd QMUL PhD Workshop, Queen Mary University of London, United Kingdom; Ifo macro seminar, Munich, Germany; WinE Mentoring Retreat and EEA-ESEM 2019, Manchester, United Kingdom; EARIE 2019, Barcelona, Spain; ITISE 2019 Granada, Spain.
- 2020 ECON Monetary Dialogue Prep-Meeting, European Parliament; 10th Ifo Conference on Macroeconomics and Survey data, Munich

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## DISCUSSIONS

- 2019 A tale of two surplus countries: China and Germany, by Cheung et al. (2019), 24th SMYE 2019; Income Inequality, Mortgage Debt and House Prices, by Kösem (2019), the 2nd QMUL Workshop; Persistent Current Account Imbalances: Are they Good or Bad for Regional and Global Growth?, by Beirne et al. (2019) the Jean Monnet Workshop 2019

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## SOFTWARES

Stata, MATLAB, Dynare, Python, RATS, GRETL

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## LANGUAGES

Italian (*Native*), English (*Fluent*), French (*Fluent*)