

PROMOTION RECOMMENDATION
The University of Michigan
College of Literature, Science, and the Arts

Sebastian Sotelo, assistant professor of economics, College of Literature, Science, and the Arts, is recommended for promotion to associate professor of economics, with tenure, College of Literature, Science, and the Arts.

Academic Degrees:

Ph.D.	2014	University of Chicago
M.Res.	2008	Universitat Pompeu Fabra, Spain
B.A.	2003	Universidad del Pacífico, Peru

Professional Record:

2014 – present Assistant Professor, Department of Economics, University of Michigan

Summary of Evaluation:

Teaching – Professor Sotelo has been a valuable contributor to teaching at the undergraduate and graduate levels. He teaches courses on international trade and international finance at the undergraduate level, complementing rigorous economic theory with a wide range of empirical facts to allow students to internalize and analyze important issues and policies associated with trade relations and international financial markets. His graduate course on international trade provides students with a strong foundation on technology and trade, which is supplemented with an examination of state of the art methods in the field. He has served on multiple dissertation committees, advised additional graduate students on their required third-year paper, and co-organized a seminar for students to present their work in progress.

Research – Professor Sotelo is an international trade economist who both uses and develops cutting edge methodologies in order to examine questions regarding the impacts of international trade on household decisions, with an emphasis on agricultural production and income inequality. The methods he has developed allow for estimation of complicated quantitative models while matching important features of products and markets that prior models used in the literature but have failed to adequately capture. Part of his research agenda investigates the contributions of changing employer demands and of technological innovations to the concurrent rise in income inequality. He has developed a unique database from job advertisements that appeared in major newspapers during a span of over four decades which is already being used by prominent scholars. Through his on-going research and the methodological breakthroughs he has produced, Professor Sotelo will continue to have an important impact on the profession in the years to come.

Recent and Significant Publications:

“Domestic trade frictions and agriculture,” *Journal of Political Economy*, accepted.

“The evolution of work in the United States,” with E. Atalay, et al., *American Economic Journal: Applied Economics*, forthcoming.

“Trade-induced structural change and the skill premium,” with J. Cravino, *American Economic Journal: Macroeconomics*, 11(3), 2019, pp: 289-326.

“International trade: Linking micro and macro,” with J. Eaton and S. Kortum, Advances in Economics and Econometrics: first edition, vol. 2, Cambridge University Press, 2013, pp: 329-370.

Service – Professor Sotelo has had numerous roles within the Department of Economics, serving as a member of the Ph.D. Admissions Committee (twice), Graduate Program Committee, Undergraduate Program Committee, and Social Committee. In addition, he spent a year as a (elected) member of the departmental Executive Committee and helped co-organize the international seminar. Outside of the university, Professor Sotelo has been an ad hoc journal reviewer on numerous occasions, including many of the top journals. He has also been an invited discussant at conferences and served on a conference program committee.

External Reviewers:

Reviewer (A)

“Sebastian has established himself as a smart, careful researcher, working in interesting questions in the fields of trade and macro. ... he has a number of excellent papers and he has illustrated a good command and mix of theory and empirics in his papers.”

Reviewer (B)

“A second paper by Sebastian that I know well is ‘International Trade: Linking Micro and Macro,’ with Eaton and Kortum. I first saw this paper presented at the Econometric Society’s Tenth World Congress... This work has had a splash, leading to a very vibrant research agenda on the role of granular firms in the world economy, and the role of variable markups for trade liberalization (pro-competitive effects of trade).”

Reviewer (C)

“[Professor Sotelo] is one of the smartest and most meticulous young trade economists I have ever interacted with. What makes Sebastian’s research distinct is that it is a great example of scholarly work that takes very serious data and theory. This is Sebastian’s trademark.”

Reviewer (D)

“Sebastian has assembled an unusually diverse portfolio of work in the five years since he completed his PhD. These papers cover methodological, modeling, empirical, and data-gathering contributions in the fields of both international trade and macro/labor. I can think of very few scholars within Sebastian’s broad cohort whose work achieves the same breadth of high-quality work.”

Reviewer (E)

“Sebastian has written important papers in the fields of trade and spatial economics. His *JPE* paper is one of the best papers published in this field. His papers display methodological sophistication and ambitious combinations of quantitative work and careful measurement to answer important questions in trade and macro development.”

Reviewer (F)

“I think this kind of quantitative work is very important and Sebastian promises to be one of the key players in the literature.”

Reviewer (G)

“...[The two papers in *American Economic Journal*] show case Sebastian’s outstanding technical skills, as a researcher who is equally at home with theory and data, and excels at combining the two in rich quantitative general equilibrium models.”

Reviewer (H)


“Overall, Sebastian has made significant methodological contributions while also focusing on interesting and important questions. Within the field of international trade, he has established himself as one of the best ... economists [in his cohort] working in the area of trade and agriculture ... my sense is that his leadership in this area will continue to grow.”

Reviewer (I)

“Prior to preparing this review I was familiar with some of his papers, and I admired his creative, careful approach to research. But until I read the entire collection you sent me, I didn’t fully appreciate how much he has accomplished. Each one of these papers constitutes an ambitious research project and represents a great deal of original thought.”

Summary Recommendation:

Professor Sotelo is a creative scholar who develops and uses state of the art techniques to answer important questions on the economic impacts of international trade. He is a dedicated teacher and advisor, one who has provided valuable service to the department, university, and profession. The Executive Committee of the College of Literature, Science, and the Arts and I recommend that Assistant Professor Sebastian Sotelo be promoted to the rank of associate professor of economics, with tenure, College of Literature, Science, and the Arts.



Anne Curzan, Dean
Geneva Smitherman Collegiate Professor of
English Language and Literature, Linguistics,
and Education
Arthur F Thurnau Professor
College of Literature, Science, and the Arts

May 2020