

Wage Effects of Mergers and Acquisitions in Developing Countries: Evidence from Brazil

Vítor Costa*

December 22, 2021

[\[This is a work in progress. For the latest version, please click here.\]](#)

Abstract

I use 1.1 billion matched employer-employee records merged with corporate tax filing information to estimate the effects of establishment mergers and acquisitions in Brazil between 2003 and 2017. By means of a staggered, multiple treatment event study design I show that, contrary to the evidence found in developed economies, employer concentration via M&As in Brazil cause an immediate increase in wages. My result shows that despite the increased employer concentration induced by mergers, workers can benefit from having fewer, but nonetheless bigger and more productive, employers.

Keywords: Mergers and Acquisitions, Labor Market Concentration, Monopsony, Local Labor Markets, Informal Labor Markets

JEL Codes: J42, J46, K21, L49

*Economics PhD Candidate at Cornell University.

- 1 Introduction
- 2 Literature Review
- 3 Data
- 4 Results
- 5 Discussions
- 6 Conclusion

Tables

Figures

Appendix A. Placeholder