

## Abstract

The thesis contains three essays, each of which calls into question generally accepted empirical results through the use of more appropriate data or econometric techniques.

In the first essay using a unique dataset covering two years of high frequency data on the indices from markets in the U.S., London, Frankfurt, Paris, Warsaw, Prague, and Budapest I perform Cointegration and Granger causality tests with data of frequencies ranging from 5 minutes to 1 day. The aim is to describe the time structure in which markets react to the information revealed in prices on other markets. The results suggest that the speed of information transmission is very fast and that the use of daily data may be misleading when analyzing the issues of stock market integration and information transmission among markets.

The other two essays focus on the curse of natural resources. In the second essay I test the robustness of the curse of natural resources with respect to various measures of the quality of democracy and regime stability. I also employ smoothed least trimmed squares, a robust estimation procedure, to estimate the curse. The often stressed robustness of the curse of natural resources is confirmed. The evidence presented indicates that the intensity of the curse depends on the level of civil liberties.

In the third essay I challenge the prevailing interpretation of the resource curse result. Although natural resource dependence is associated with slow economic growth, there is no evidence that natural resource abundance per se is negatively related to growth. Thus, the supposed link between resource dependence and growth arises not from the numerator of the dependence measures (i.e. resources themselves) but rather, because of the inherent relationship between slow growth and a small non-resource sector caused by other undetermined characteristics of the economy.