

The dissertation consists of three empirical papers in institutional microeconomics. The first paper examines the role of institutional quality in international trade, the second paper focuses on unintended consequences of intellectual property rights for social welfare, and the last one addresses the impact of banking on corporate financing and investment. An introductory chapter puts these three papers into perspective.

In the first paper I analyze the role of institutions in price dispersion among cities in the European region in the 1996–2009 period. Using a number of institutional quality measures I find that the better the institutions, the lower the predicted dispersion. The result is robust to different specifications of the regression model and is consistent with a hypothesis that arbitrage, as an entrepreneurial activity and the main power behind the law of one price, is influenced by institutional quality.

In the second paper I use a large data set of U.S. patents applied for between 1980 and 2007 by 22 large technology companies to study development of strategic patenting over time and across industries. Using two complementary methods I reveal strong evidence against the hypothesis of more strategic patenting after 1995. Contrary to the expectations, aerospace patents appear to be on average more strategic in the post-1995 period than software patents. A firm-level approach, which allows to take into account the firms' R&D capacity using data envelopment analysis, confirms the findings and shows an increasing focus on patent social value since the end of 1980s.

In the last paper I focus on the 2008 crisis which was followed by a sharp drop in bank credit flows to Czech non-financial corporations. An analysis of investment–cash flow sensitivities over the period 2006–2011 doesn't reveal any change in financial constraints in 2008. Companies going bankrupt had significantly higher levels of external debt and bank loans, and do not manifest any investment–cash flow sensitivity in the pre-crisis period, which indicates that they were probably not financially constrained at all. After the 2008 crisis, companies we know are going to declare bankruptcy start to get financially constrained, too.