

Economic activities and trade are deeply intertwined with the management of violence, posing a significant challenge in the modern global system. This violence, spanning expropriation, destruction, piracy, terrorism, conflicts, and wars, affects all countries. The exposure to violence leads to substantial economic costs, hindering trade and development. In response, states have enforced security policies and expect economic benefits in return. The thesis analyses this connexion between international insecurity and economic activities. The first chapter focuses on the military alliances' effect on trade – treaties specifically designed to reduce international insecurity. In the second chapter, we dig into the complexity of military events and investigate their micro-economic impact on formal firms. Finally, chapter three analyses the consequences of country-pair-specific sensitivity to exchange costs, including insecurity, on real revenues.