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# Navigating the Realities of Emerging Markets: Compliance in Context

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## *What is the "iron triangle"?*

- Closed, mutually supportive relationships that often occur and prevail in government in the United States

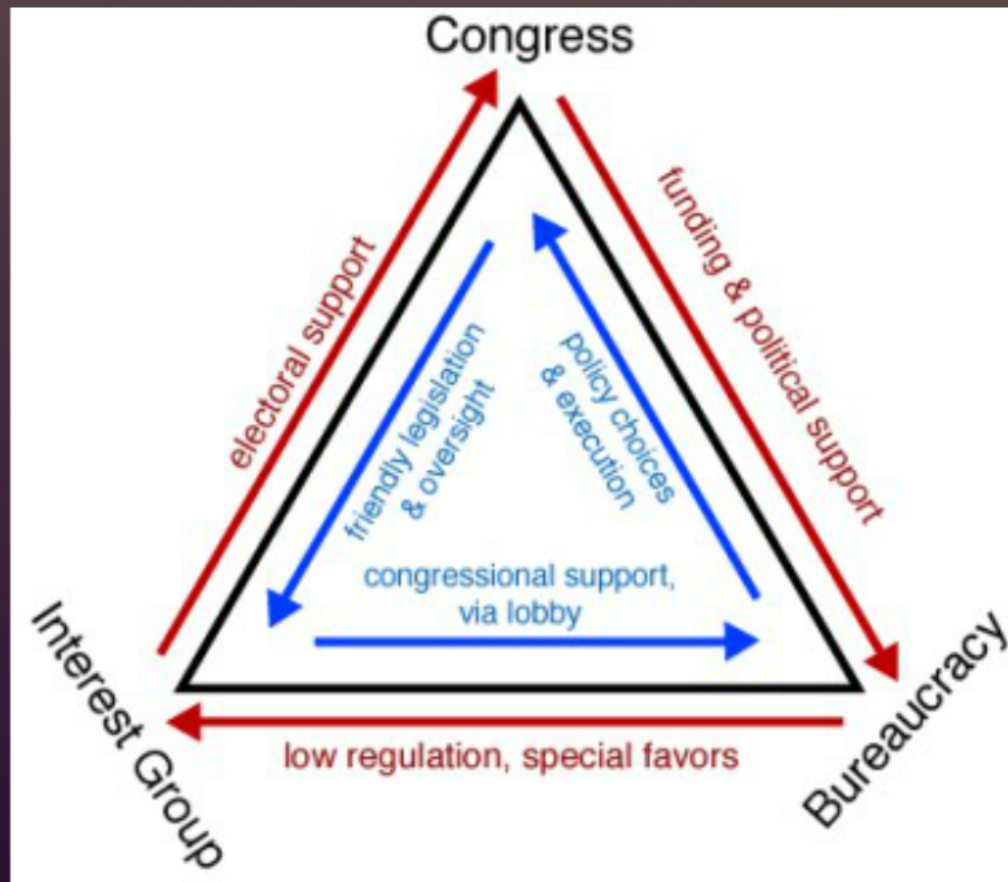
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### *Who is involved?*

- Relationships occur between government agencies, special interest lobbying organizations, and the legislative committees or subcommittees with jurisdiction over a particular area of government policy

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*Example: Carlyle Group  
"Iron Triangle" Diagram*



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## *Relation to Defense*

The following all work together to benefit one another...

- Congress (House and Senate committees on Armed Services)
- Defense Contractors
- U.S. Department of Defense

## *Relation to Agriculture*

- Agribusiness seeks benefits from the government, like subsidies
- U.S. Department of Agriculture services these constituencies
- Senators and representatives seek office

These relationships result in a push for subsidies by senators

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## *Example: The Carlyle Group*

- One of the largest investment banks in the world, based in Washington D.C.
- Known as the best connected company in the world
- Invests in areas closely tied to government policy, accumulated wealth mainly through investments in defense
- Payroll includes George Bush, John Major (former British Prime Minister), Lou Gerstner (former chairman of IBM), and Fidel Ramos (former Prime Minister of the Philippines)

# *The "Revolving Door"*

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- Movement of personnel between roles as legislators and regulators and the industries affected by the legislation and regulation
- Most commonly refers to congressmen and senators becoming lobbyists

# *Sources*

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