A land dispute in March between a sugar-plantation developer and a small community in the province of Kampong Speu motivated military police stationed nearby to spring into action, ostensibly in order to prevent an eruption of violence. It didn't take long, though, for the villagers to view the supposed peacekeepers as intimidators.

It wasn’t the first time military personnel were seen as supporting the business interests of Ly Yong Phat, a prominent developer and Senator with the country's ruling party. Last October in the province of Oddar Meanchey, 100 families were driven off their land by members of an infantry brigade stationed in the area. They were moved to make way for another Ly plantation, according to the local rights group Licadho. Now that Ly's businesses will be officially sponsoring both of these military units following a new government initiative, says Licadho's Mathieu Pellerin, “it looks like a job-well-done payback.” (See TIME's photo-essay "The Rise and Fall of the Khmer Rouge.")

At the end of February, Cambodian Prime Minister Hun Sen kicked off a program creating partnerships in which businesses would provide donations for particular units of the Royal Cambodian Armed Forces. The government has framed the initiative, which involves some 60 pairings, as facilitating the magnanimous inclination of corporations operating in Cambodia to support the welfare of the country’s troops. Observers, however, caution that the program will ultimately serve to further enmesh the country’s powerbrokers — political, military and business — into a network to serve their mutual interests and ensure everyone’s allegiance to the ruling party.

The Cambodian military regularly guards large-scale private land concessions across the country, according to rights groups, and has been used to evict the rural poor for business developments. Hun Sen’s new policy, says U.S.-based watchdog group Global Witness, is a step toward formalizing that process. "Global Witness has documented links between Cambodia's military and powerful business tycoons for many years now, so the relationships are not new," says Eleanor Nichol, a campaigner with the group, which was expelled from Cambodia in 2007 after publishing a report, fervently refuted by the government, that linked prominent officials in the government, military and business community with the illegal logging trade. “This latest move ... to officially sanction these partnerships is particularly shocking because it legitimizes a guns-for-hire scenario.”

The government and companies participating in the new patronage program reject claims that the partnerships could lead to improprieties. Ly Yong Phat says his involvement in the program is to compensate for the military's
lack of funding for troops' basic needs. Corporate support, according to a government memo, will "solve the dire situation of the armed forces, police, military police and their families through a culture of sharing." The government has responded to criticisms by specifying that donations would likely come in the form of food and shelter. (See the top 10 news stories of 2009.)

The program has confounded regional security experts. "It's not unusual in militarized states like Iran, Yemen, Turkey and Vietnam for the army to own and run corporations, but the direct corporate sponsorship of active-duty units is something new and very worrying," says John Harrison, a security expert based in Singapore. The only country in the region that comes close to having a similar system is Indonesia, says Carlyle Thayer, a professor of Asian security affairs at Australia's University of New South Wales. Like Cambodia, Indonesia has a long history of blurred lines between military and political power. For years, Indonesia has used "foundations" to collect donations from the private sector to compensate for shortages in public military funding. While some of the money has been used for its intended purpose of supporting military families, the system has promoted alliances between the Indonesian army and companies wherein donations are exchanged for "mafia-like" criminal services, according to Human Rights Watch.

Cambodia's army-sponsorship initiative goes against the grain of business divestment in the militaries of China and Vietnam, says Thayer. Citing a need to bolster security preparedness in the army, the Chinese government in 1998 forced its entrepreneurial army to sell off the majority of its investments and compensated the subsequent revenue shortfall by increasing defense spending. Two years ago, Vietnam called for a similar plan in the name of army discipline. "Cambodia should heed [those] lessons," says Thayer.

But unlike China and Vietnam, where booming economic growth helped bolster state funding for the military, Cambodia's army is badly strapped for cash. The problem is exacerbated by the deployment of large numbers of troops along the border with Thailand, as the two countries continue to engage in a protracted border-demarcation dispute. Even though the corporate donations are ostensibly voluntary, organizing official partnerships raises questions about the pressures companies will face to participate — and what benefits will be extended, or denied, to them based on their contributions. The end result, warn a litany of local and international rights groups, could be a cash-driven race to the top among companies vying for government favor, matched by a race to the bottom in state support of laypeople involved in rows with influential corporations.

Observers have also raised concerns that the initiative could further skew Cambodia's political landscape, which has seen a dramatic consolidation of power by the ruling Cambodian People's Party over the past decade. "In times of need, the public in many countries will spontaneously support their military ... Cambodia's new program is something very different," says Rohan Gunaratna, head of the International Center for Political Violence and Terrorism Research in Singapore. By soliciting funds for the army, the government can position itself to arouse nationalist fervor that will, in turn, translate into support for its political backer: the ruling party itself.

See TIME's Pictures of the Week.

See the Cartoons of the Week.