TODAY'S discussions in Budapest between Yugoslavia's immediate neighbours may herald the beginning of a post-Yugoslav phase in the Balkans. The surrounding states always suspected that, sooner or later, they would have to face the present crisis. Yet, for more than a year, they have failed to elaborate a joint strategy, mainly because Yugoslavia's turmoil raised other strategic questions.

Austria took the lead in alerting its neighbours to the potential dangers in Yugoslavia. Their Foreign Minister, Alois Mock, suggested sending a team of mediators to the region, but his demand was ignored by Italy, who suspected that Mr Mock's represented a disguised attempt to strengthen Austria's demand to join the European Community.

Greece remained preoccupied with other Balkan issues, while, Romania, Hungary and Bulgaria concentrated on their internal difficulties. Today's meeting in Budapest indicates that the dithering has stopped.

Yugoslavia's neighbours are seeking to avoid two potential dangers: the imposition of a military dictatorship in the country and the revival of old territorial and ethnic disputes. Yugoslavia can now be kept together only through the imposition of Serbian-dominated military rule. The country's immediate neighbours have witnessed this before: between the two world wars. Serbia's royal dictatorship generated a vicious spiral of terrorist activi-

Managing the disintegration ties which ultimately spread throughout the Balkans. Yugoslavia's neighbours have therefore concluded that managing the disintegration as peacefully as possible is their only viable alternative.

The rise of a greater Serbia represents by far the most serious threat. Slobodan Milosevic, Serbia's communist leader, has always stated that, should Yugoslavia break up, he would insist on incorporating all ethnic Serbs residing in other republics, particularly in Croatia. The prospect of semi-perpetual warfare between Croats and Serbs, and the possible division of Boshia between the two, fills the region with a deep sense of foreboding.

Proposals to meet this eventuality exist. Hungary has suggested that Croatia should be persuaded to grant special rights to its ethnic minorities. Ouite apart from the fact that the Croatian President, Franjo Tudjman has already rejected this suggestion, Romania - aware that it could create a precedent in other Balkan states - is unlikely to view Hungary's proposal favourably. Therefore, Yugoslavia's neighbours will probably confine themselves to a general assertion that the country's republican frontiers must be allowed to stand.

The fate of ethnic Albanians in Kosovo, a hitherto autonomous province forcefully incorporated Yugoslavia's neighbours have concluded the breakup of the Balkans is inevitable and they must make it as peaceful as possible, writes Jonathan Eyal

by Mr Milosevic into Serbia, is another source of regional concern. Despite indications that unrest in Kosovo is rising, Yugoslavia's neighbours are confident that they could rely on Albania to exercise its restraining influence. Having joined the Conference on Security

and Co-operation in Europe only a fortnight ago, the government in Tirana is unlikely to want to disturb Balkan security at the moment, regardless of its long-term interests.

The biggest potential problem remains Macedonia. It is the only



Yugoslav republic which is not ruled by one party. The biggest political formation, the VMRO-DPMNE, is led by Ljupco Georgievski, a radical youngster who wants Macedonia's complete independence. As long as Yugoslavia staved together, both he and President Kiro Gligorov paid lip service to the country's unity.

No longer. Mr Georgievski is determined to assert the rights of what he regards as his co-nationals in Greece and Bulgaria; his party's posters regularly make claims on neighbouring territory. As far as Greece and Bulgaria are concerned, an independent Macedonia would be a disaster, for it would reopen a whole host of disputes on Yugoslavia's south.

The meeting in Budapest will concern itself with more mundane questions as well. Greece is particularly worried that its trade with the European Community, a great deal of which passes through Yugoslav roads, may be disrupted by the present turmoil. And states will want to compare contingency plans for accommodating refugees, should the fighting in Yugoslavia continue. Ultimately, however, their talks are likely to be dominated by the aftermath of Yugoslavia's disintegration and here, a new Balkan security structure is already emerging.

Italy and Austria are mainly concerned about guaranteeing

stability at their frontiers. They are therefore unlikely to wait long before initiating closer co-operation with Slovenia and Austria's interest is already evident. Despite a long history of troubled relations, Croatia will find help in neighbouring Hungary. The Hungarians have supplied weapons to the Croatian forces and are likely to support Mr Tudiman's government, if only in order to put greater pressure on Serbia, where a relatively large Hungarian ethnic minority resides.

For exactly the opposite reasons, Romania will champion Serbia. Relations between the two states have always been stable; Romania's President Ion Iliescu undertook his first foreign visit to Belgrade last year and entertains close affinities with Mr Milosevic. a communist who is equally suspicious of market-economy reforms.

The fact that the Balkans' new security map now appears similar to that before the First World War is hardly a cause for alarm. No state wishes to establish new spheres of influence or change existing frontiers: this week's call by Guido Gerosa, an Italian socialist senator, for the revision of Italy's frontier near Trieste, was met with derision in Rome. For Yugoslavia's neighbours, creating new security arrangements is a matter of necessity, rather than choice. And their meeting in Budapest may be the first step towards the transformation of the Balkans, thereby contributing more to the stability of the region that any other European forum.