

**Abstract:** Using a set of conditions, regarded as necessary for the existence of a free market we assess the importance of market mechanisms in Portuguese HE, to conclude that, despite the presence of a significant private higher education sector, Portugal is still a far cry from having a higher education market, essentially due to the absence of its most important elements. In the second part of the paper we present a critical analysis of the regulation mechanisms used over the last two decades in Portugal, namely by discussing its impact from the perspective of reinforcement of market mechanisms or of their weakening.