

Neo-liberal governments proclaiming that the state should decrease its activity as service provider and that state regulation should retreat in favour of market regulation were expected to soften of state interference in higher education institutions. However, autonomous institutions forced to compete under market-like conditions may pursue strategies aiming at increasing 'their own good', which may not coincide or converge with the 'public good' or with the government's objectives, opening the way for increased state interference. In this paper we analyse data from Portugal and the UK to understand the behaviour of autonomous institutions in a competitive environment and the trend of state interference in public services.