

Abstract:

The emergence of the market as a regulatory tool for the public sector and the promotion of competition among institutions are based upon the idea that they promote institutions' responsiveness to society and a more efficient use of public funds. However, autonomous institutions forced to compete under market-like conditions might follow strategies aiming at "their own good", especially when facing stringent financial conditions. This does not guarantee that the institutions' strategic objectives will coincide or converge with the "public good" or with the government's objectives, which opens the way for state interference. In Portugal, the combined effect of the higher education system's fast expansion and the country's decreasing birth rate has led to a situation of strong competition for students. In this paper, the effect of this competition on the behaviour of both public and private institutions is analysed by concentrating on institutional policies for offering new study programmes and promoting the access of new students. The behaviour of the two sub-sectors is compared to verify how far strong competition will promote converging attitudes from both sub-sectors, thus resulting in relaxing or even ignoring the pursuit of public good.