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Short Communication

Quality Assurance in Higher Education: Regulatory Waves and Strategic Responses in Private Sector, Evidence from Portugal

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Abstract

Between 2004 and 2021, Portuguese private higher education underwent a process of profound institutional restructuring, driven by the consolidation of the European Higher Education Area and the introduction of a new regulatory framework — the RJGDES (2006), the RJIES (2007) and the creation of the A3ES (2007). These reforms set new standards for quality and governance, imposing a model of public accountability that placed particular pressure on private institutions, which depend on tuition fees and are vulnerable in financial and organisational terms.

This study analyses 81 legal acts published between 2004 and 2021 and identifies two waves of restructuring. The first wave (2004–2009) was characterised by closures and voluntary adaptations, while the second wave (2015–2019) was characterised by mergers, acquisitions, and integration processes led by institutional groups. Qualitative analysis based on Christine Oliver's [1] typology reveals the five patterns of strategic response: acquiescence, compromise, avoidance, defiance and manipulation. These patterns reflect different levels of compliance and institutional agency.

The results show that, rather than weakening the private sector, regulation functioned as a mechanism for modernisation and institutional selection. The institutions that survived developed adaptive and collaborative strategies, consolidating networks and strengthening their legitimacy within an increasingly competitive environment.

Keywords: Private Higher Education; Institutional Restructuring; Mergers and Acquisitions; Institutional Theory; Quality Assurance Portugal

Abbreviations: A3ES: Agency for Assessment and Accreditation of Higher Education; HE: Higher Education; HEIs: Higher Education Institutions; RJIES: Legal Framework for Higher Education Institutions; RJGDES: Legal Framework for Higher Education Degrees and Diplomas; M&A: Mergers and Acquisitions; PHE: Private Higher Education.

Introduction

Between 2004 and 2021, Portuguese private higher education (PHE) underwent one of the most intense transformations in its history. The consolidation of the European Higher Education Area and the approval of a new legal framework, namely the Legal Regime for Degrees and Diplomas (RJGDES, 2006), the Legal Framework for Higher Education Institutions (RJIES, 2007) and the creation of the Agency for Assessment and Accreditation of Higher Education (A3ES, 2007), introduced rigorous standards of quality, governance and transparency [2,3]. This set of reforms profoundly altered the relationship between the state and higher education institutions (HEIs), imposing a model of public accountability that limited the autonomy of HEIs and redefined the conditions for institutional legitimacy [4].

In this context, understanding how private HEIs responded to regulatory pressures is essential for interpreting the mechanisms of adaptation and survival in a highly regulated environment. While the international literature on mergers and acquisitions in HE [4-7] recognises that consolidation can serve efficiency and strategic repositioning purposes, it rarely analyses the behaviour of private HEIs in binary and legally complex systems such as the Portuguese one.

This study aims to address this gap by analysing 81 legal acts related to mergers, acquisitions, restructurings and closures in PHE, published between 2004 and 2021. The study interprets the strategies of adaptation and resistance of HEIs to external pressures, identifying two waves of restructuring. The first wave (2004–2009) was marked by voluntary adjustments and closures, while the second (2015–2019) was characterised by mergers and restructurings led by institutional groups. These strategies were interpreted based on Christine Oliver's [1] five typologies: acquiescence, compromise, avoidance, defiance, and manipulation.

This research is relevant for three reasons. Firstly, theoretically, it demonstrates that HEIs can act strategically and creatively even in highly regulated environments. Empirically, the research is based on an original database of mergers and acquisitions in the Portuguese PHE sector. From a political perspective, it reveals that, rather than restricting them, regulation can drive modernisation and institutional resilience, favouring entities with greater adaptability and strategic vision.

Discussion

The analysis is based on a qualitative and interpretative approach using official documentary sources. Eighty-one normative and administrative acts published in the Official Gazette between 2004 and 2021 were examined, covering mergers, incorporations, acquisitions, restructurings, and closures of private higher education institutions. The data were systematised in a dedicated database, cross-referencing legal and institutional information, which made it possible to identify temporal patterns and the role of the founding entities in these processes of change.

The first wave of restructuring, corresponding to the period from 2004 to 2009, coincided with the implementation of the Bologna Process and the structural reforms introduced by the RJGDES and RJIES. The requirement to adapt educational provision, the need to comply with teaching staff qualification ratios and the imposition of sustainability criteria created a scenario of intense pressure, especially as private institutions depend almost exclusively on tuition fees. Many small private institutions adopted strategies of acquiescence, passively accepting the new rules, closing courses or adjusting their educational provision in order to maintain accreditation. This compliance, often voluntary, has resulted in a contraction of the sector and an approximate 17% decrease in the number of institutions active at the beginning of the period.

The first wave of restructuring, which corresponded to the period from 2004 to 2009, coincided with the implementation of the Bologna Process and the structural reforms introduced by the RJGDES and the RJIES. The requirement to adapt educational curricula, the need to comply with teaching staff qualification ratios, and the imposition of sustainability criteria created an intense pressure environment, particularly for private institutions that depend almost exclusively on tuition fees. Many small private institutions adopted acquiescent strategies, passively accepting the new rules and closing courses, or adjusting their educational provision, in order to maintain accreditation. This compliance, frequently voluntary, has resulted in a contraction of the sector and an approximate 17% decrease in the number of institutions active at the beginning of the period.

Other HEIs, integrated into the same founding body, followed a logic of compromise and manipulation, seeking to balance legal requirements with their own interests. Internal mergers and administrative reorganisations enabled them to comply with the new requirements without losing their identity, as was the case, for example, with units belonging to the Lusíada Group and the Piaget Institute. These strategies reveal a capacity for negotiated adaptation, typical of organisations seeking to preserve institutional legitimacy without completely relinquishing their autonomy.

The second wave of restructuring, which took place between 2015 and 2019, represents a new phase in the development of PHE in Portugal. Unlike the previous phase, which was characterised by contraction and the closure of HEIs, this period was dominated by consolidation, merger and organisational changes. The regulatory context was fully consolidated during this period: A3ES was fully operational, accreditation cycles had stabilised and quality requirements had become decisive for institutional survival. Private HEIs were faced not only with the challenge of remaining in the system, but also with the challenge of demonstrating quality and sustainability.

In this scenario, the strategic responses of the founding entities changed significantly. Commitment reappeared in the form of selective cooperation between small institutions belonging to the same founding body (institutional groups), enabling them to meet the criteria for teaching qualifications, financial stability, and transparent governance. Voluntary mergers were no longer seen as signs of weakness, but as strategies for efficiency and continuity. Small institutions joined larger educational networks, retaining

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part of their symbolic identity but transferring ownership and academic management to more robust structures.

However, the main feature of this second phase was the widespread use of legitimate institutional manipulation. Educational groups with greater management capacity and national coverage, such as COFAC, the Minerva Foundation, and the Jean Piaget Institute, developed strategies to actively reconfigure the sector. They incorporated vulnerable establishments, reorganised educational networks, and transferred operating licences between units within the same group. These legally recognised operations demonstrate a logic of concentration and rationalisation of resources, whereby M&A and restructuring became instruments of institutional legitimisation.

A longitudinal analysis of the data suggests that the restructuring occurred in waves, rather than continuously, in line with regulatory milestones. The first wave, between 2004 and 2009, reflected the immediate impact of reforming degrees and diplomas, as well as introducing accreditation processes. The second wave, between 2015 and 2019, coincided with the consolidation of A3ES and the strengthening of accreditation criteria for institutions and their study programmes. Between these two periods, there was relative stability, but also strategic maturation: the private sector learned to operate within the new rules, gradually adjusting until it reached a new configuration.

Conclusion

Between 2004 and 2021, the Portuguese PHE sector underwent a transformation, evolving from a fragmented model to a concentrated system governed by quality standards equivalent to those of the public sector. This transformation was driven by legal reforms that redefined the operating conditions of HEIs, as well as successive accreditation cycles that established a culture of institutional accountability.

Private institutions responded to these changes in different strategies, but within patterns consistent with Oliver's [1] typologies. During the initial restructuring phase, acquiescence and avoidance were predominant, leading to voluntary closures and passive acceptance of the new regulations. As the system matured, compromise, avoidance and manipulation strategies emerged, whereby institutions sought to reinterpret or exploit regulatory requirements to strengthen their position. Although present, the strategy of defiance proved marginal and, in most cases, self-destructive.

Analysis of the eighty-one legal acts shows that changes to the legal framework governing HEIs and their study cycles served as both a control mechanism and a driver for modernisation and strengthening institutional networks. Rather than weakening the private sector, regulation contributed to its consolidation by eliminating unviable institutions and strengthening the position of those that adapted.

The Portuguese case therefore demonstrates that the interaction between public regulation and private strategic action can generate processes of convergence and institutional resilience [8]. By promoting the reconfiguration of their institutions through mergers and acquisitions, the founding entities reacted not only to legal impositions but also built new forms of legitimacy and sustainability. This broadens our understanding of how higher education organisations can act strategically, even in highly regulated environments [9].

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Conflict of Interest

The authors declares that there are no known financial, institutional, or personal conflicts of interest that could have influenced the research, analysis, or conclusions presented in this article.

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