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Restructuring Private Higher Education in Portugal: A Longitudinal Study of Mergers and Acquisitions

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Abstract

In recent decades, private higher education (HE) in Portugal has undergone significant structural transformation, driven by regulatory reforms, demographic pressures, and increasing market competition. Among the strategies adopted by private higher education institutions (HEI), mergers and acquisitions (M&A) have emerged as a key mechanism for adaptation and consolidation, yet remain underexplored, particularly in private systems and longitudinal analyses. This study presents a longitudinal analysis of M&A processes between 2004/05 and 2021/22, based on a purpose-built database of legal acts and institutional restructuring events. Using qualitative content analysis, these processes are classified according to typologies from governance and HE literature, identifying patterns, key drivers and forms of institutional adaptation The findings show that M&A activity occurs in waves linked to major regulatory milestones, suggesting a close relationship between regulatory change and institutional restructuring dynamics. The most common forms include mergers and absorptions, acquisitions and ownership transfers, and institutional reconfigurations. These processes are primarily strategic responses to regulatory constraints and market pressures, enabling HEIs to optimize resources, maintain accreditation, and strengthen financial sustainability. This study contributes to the understanding of HE governance and institutional adaptation, offering a comprehensive system-level analysis of M&A in the private sector, with relevant implications for policymakers and institutional leaders.

Keywords: Governance and Regulation, Institutional Restructuring, Mergers and Acquisitions, Organisational change, Ownership and founding entities, Portugal, Private Higher Education

1. Introduction

In recent decades, higher education (HE) systems across Europe have undergone significant transformation, driven by demographic decline, increased competition, and expanding regulatory frameworks. In Portugal, these dynamics have been particularly pronounced in the private higher education (PHE) sector, where institutions operate under market-based funding models while simultaneously complying with increasingly stringent regulatory requirements (Ferreira-Fernandes, de la Torre García, et al., 2025).

The Reform of the Basic Law of the Educational System (LBSE - Law No. 46/86, of October 14) in 2005, in alignment with the Bologna Process, introduced a new framework for HE studies, with three cycles of study, culminating in the "bachelor" (1st cycle), "master" (2nd cycle), and "doctor" (3rd cycle) degrees, which was fully implemented in the academic year 2009/2010. This reform had a profound effect on HE, as most Higher Education Institutions (HEIs) had to introduce curricular and organisational reforms to accommodate the new European standards. This reform, along with the creation of the Higher Education Evaluation and Accreditation Agency (A3ES) in 2007 and the establishment of the Legal Framework for the Quality Assessment of Higher Education (RJAQES - Law No. 38/2007, of August 16) introduced additional requirements and raised quality standards for accreditation of HEIs and degrees, thereby putting pressure on HEIs to improve overall quality (Gregory & Machado-Taylor, 2015).

These reforms and regulations had a greater impact on Private Higher Education Institutions (PHEIs), which, due to the nature of their courses, that some authors classify as "pen-and-paper", invested less in research and teaching careers, and had to adapt to become competitive and survive (e.g. Sin et al., 2017b). At the same time, the economic crisis of 2008 exacerbated the sector's problems, as many students opted for public HE due to its lower cost and perceived higher quality, although this trend has gradually diminished (Teixeira, 2015).

PHEIs play a critical role in expanding access, diversifying provision, and increasing system responsiveness within HE systems worldwide (e.g., Levy, 2011; Teixeira et al., 2016). In Portugal, the PHE sector has historically complemented public provision, particularly during periods of rapid expansion in student demand (Ferreira-Fernandes, García, et al., 2025).

In contrast to public HEIs, which benefit from direct state funding and stable institutional frameworks, private HEIs rely predominantly on tuition fees and market-based revenues. Thus, are structurally more fragile and more vulnerable to economic recessions, resulting in lower enrolments as the supply from the public sector (tendentially free) increases and students seek cheaper options (Azziz et al., 2017). Furthermore, competition in the HE sector and the accreditation requirements for establishments and courses have increased, and the regulatory environment has been volatile, with reforms impacting funding, accreditation, scholarships, and student fees, affecting enrolments in both public and private education (Biscaia et al., 2021). This context has forced private HEIs to invest in communication strategies, differentiated programmes, human resources, and other structural elements to recruit new students (Cardoso et al., 2011) but they have also restructured themselves to remain viable, resilient and relevant to ensure institutional sustainability, operational resilience, and sectoral competitiveness. Mergers and Acquisitions (M&A) have become a strategy for resource optimisation and increasing competitiveness (Rocha et al., 2019).

M&A in the corporate sector is widely studied and considered a viable strategy for business growth and restructuring (Austin-Campbell & Johnson, 2021). In the HE sector, the European University Association (EUA) launched in 2015 its University Merger Tool (University Mergers in Europe, 2019), which maps mergers and institutional groupings in European HE since 2000 onwards. Also, extant literature in HE has explored the specificities of M&A (e.g. (Estermann & Pruvot, 2015)), however it has not yet produced a longitudinal analysis for the private HE sector, and has not addressed how HE contexts translate into institutional restructuring changes at a micro level, i.e. previous studies usually focus on a few case studies but do not carry out a comprehensive analysis of all the restructuring that has taken place in HE systems.

Many studies were produced in the scope of USTREAM project (e.g. (Kupriyanova et al., 2018)) that analysed the consolidation or restructuring processes in 22 national European HE systems, including Portugal, but focusing solely on the public sector study cases and disregarding the private sector, and analysing rather superficially such restructuring while we do so in depth.

Also, the DEFINE project, explored strategies for efficient funding of universities in Europe, particularly looking at university mergers, excellence initiatives (which are known to instigate institutional transformations such as mergers, e.g. Casani et al., 2014, and also performance-based funding mechanisms, producing various reports on this topic (e.g. (Rocha et al., 2019). However, none of these reports explore the specificities of the private HE sector. The same applies to other studies (e.g. (Austin-Campbell & Johnson, 2021; Bor & Shargel, 2020; da Silva et al., 2024; Estermann & Pruvot, 2015; Ripoll Soler & De Miguel Molina, 2013) that address the context of HE, which are based on a limited number of case studies or comprehensive approaches that do not translate the changes to a micro level.

Studies in other countries (Frølich & Stensaker, 2021; G. Harman & Harman, 2003; Kupriyanova et al., 2018; Mizutani et al., 2023; Policarpo Garcia & Furquim de Azevedo, 2019) allow for the identification of the rationale and aims behind M&A processes, trends, drivers, enablers, limitations, factors impacting on efficiency.

The majority of HEIs in Europe are small or medium-sized, with only 10% of them having more than 20,000 enrolments (Bennetot Pruvot et al., 2015) and mergers have generated larger HEIs, with greater visibility and competitiveness. Mergers in European public HE are driven by the belief that bigger is better in the pursuit of greater competitiveness and efficiency (da Silva et al., 2024). In fact, various studies (e.g (Austin-Campbell & Johnson, 2021; Boling et al., 2017; He et al., 2020; Wollscheid & Røsdal, 2021), show that M&A in the public and private sectors can occur for different reasons, from the need to avoid closure to the pursuit of strategic gains in scale and efficiency and mergers between similar HEIs often result in better academic integration than mergers with distinct profiles.

The primary objective of this study is to produce a classification of the main trends in the restructuring processes in PHE, both from a systemic and legal perspective. In so doing, we analyse in depth the M&As that have taken place among PHEIs in Portugal in the last two decades. The Portuguese PHE system is particularly interesting as it is one of the oldest HE systems in Europe, but with a very young private HE sector that has undergone significant transformations over the past decades (Ferreira-Fernandes, García, et al., 2025). This provides sufficient variability to identify affected HEIs, and which economic sectors (for-profit or non-profit) are most impacted, while answering the following research questions: what forms of M&A strategies were adopted by the PHE sector in response to regulatory and market constraints? To address these questions, we built a dataset that tracks legal acts and PHEIs in Portugal along its acquisitions, mergers, splits, transformations, etc., by educational groups from academic year 2004/05 to 2021/22.

Studies like the DEFINE project classify mergers and other restructurings as a more isolated phenomenon in some countries, such as Portugal, in the sense that there is no political agenda on the subject. However, M&A can be a more silent phenomenon in the private sector, as PHEIs depend solely on themselves to survive and are less reliant on political or governmental agendas. This study aims to investigate whether restructuring patterns in Portuguese PHE reflect isolated institutional decisions or broader responses to a common regulatory and competitive environment. This study adds to existing literature in several ways. First, we present a longitudinal analysis of the legal acts related to M&A in PHE and studying PHEIs at a micro level, since information on the private sector is very scarce and difficult to access. To the best of our knowledge, the literature on M&A in European PHEIs is rare, and non-existent from the ownership and regulatory perspective.

Drawing on a purpose-built database of legal and institutional changes between 2004/05 and 2021/22, the study identifies patterns, typologies, and drivers of M&A activity. Beyond documenting restructuring events, the analysis examines how regulatory developments, accreditation requirements and competitive pressures have influenced institutional responses over time. In doing so, it contributes to the literature on HE governance by linking regulatory change with organisational restructuring and by conceptualising M&A as a form of constrained adaptation.

In this study, constrained adaptation is understood as the process through which private HEIs adjust their organisational structures in response to external pressures while operating within a restricted set of strategic alternatives imposed by regulatory requirements, demographic decline, and market competition. Empirically, constrained adaptation is observed through restructuring events such as mergers, absorptions, ownership transfers, and institutional reconfigurations occurring in periods of intensified regulatory change.

This paper is organized as follows: Section 2 provide an overview of Portuguese HE system from a legal perspective, with focus on private HE. Section 3 presents our theoretical background for M&A in HE sector. Section 4 introduces the data and methodological approach. Section 5 presents the results and discussion of empirical analysis. Section 6 concludes with implications and recommendations for policy making.

2. Contextualization of Private Higher Education in Portugal

In Europe, HE systems vary greatly, both in their organisation and legal requirements, and according to the historical reality of the country. The distinction between binary and unitary systems is one of the key issues in structuring HE, with impacts on the organisation of educational establishments, their mission and the design of the educational, scientific and cultural project (e.g. (Castilho & Machado-Taylor, 2024, 2023).

In binary HE systems (e.g. Finland and the Netherlands or Portugal), there is a formal distinction between universities and polytechnic institutions (of applied sciences). The main distinguishing feature is that in these systems, bachelor's (1st cycle) and master's (2nd cycle) courses are taught in both types of HEIs, while doctoral (3rd cycle) courses are generally offered only in universities, since their mission is more focused on research (e.g. (Winckler et al., 2018).

In a unitary model, adopted by countries such as Spain and Italy, HEIs have the same formal status, with study programmes conferring all the degrees (e.g. Lepori, 2022).

Portugal has an officially binary system, but it has evolved towards greater convergence between universities and polytechnics (Castilho Machado-Taylor, 2023; Machado et al, 2008). This trend has driven recent legislative changes, such as Law 16/2023, which allowed polytechnic institutions to award doctoral degrees.

In Portugal, the current legal framework of HE defines university education as focused on solid scientific training, integrating the efforts and competences of teaching and research, and polytechnic education as mainly focused on advanced professional and technical training, with a practical orientation (Article 11 of LBSE; Article 3 of Legal Framework of Higher Education Institutions - RJIES - Law no. 62/2007 of 10 September).

University education in Portugal is made up of universities, university institutes and non-integrated university schools. Universities are organised into organic units, which may be called Faculties, Institutes, Higher Schools, Departments or other names according to their statutes (Article 5 of RJIES).

Polytechnic education is made up of polytechnic institutes and non-integrated polytechnic schools (of a specialised nature). Polytechnic institutes are structured in organic units called polytechnic schools or other designations defined in their statutes (Article 5 of RJIES).

In addition to these categories, there are also military and police HEIs, which follow specific models belonging to the public sector (Decree-Law No. 249/2015, of October 28; Decree-Law No. 13/2022, of January 12) and are therefore excluded from this study.

To better understand the institutional framework or organisational status, it is necessary to understand some terminology from the Portuguese legal lexicon, which is relevant to understanding the distinct form, when we refer later to legal and organizational changes within the scope of M&A.

The RJIES defines an “Establishment” as an autonomous institutional unit within HE, an “Integrated Establishment” as made up of more than one “Organic Unit”. “Non-integrated establishment” does not have “Organic Units”, and “Organic unit” constitutes an institutional, pedagogical and scientific base of the integrated institutions, with autonomy conferred by the institution's statutes.

As for the nature of the HEI, the RJIES distinguishes between two groups: public HE (owned by the state or other forms of public entity) and private HE (private entities).

In the case of the private sector, the law (RJIES) also imposes specific rules regarding the organisation and management of PHEIs. The founding body is responsible for establishing and managing the institution, especially in terms of economic and financial management. The autonomy of the HEIs themselves is limited to cultural, scientific and pedagogical autonomy. The definition of administrative and financial autonomy is set out in their own statutes (article 143 RJIES). However, given that it is the founding body that holds the legal personality, it is up to it to make the main decisions on organisation, management and strategic positioning (article 138 of RJIES).

It should also be borne in mind that PHEIs are subject to a public interest recognition procedure by the Ministry of HE to become part of the HE education system and thus operate and award academic degrees. Entities establishing PHE establishments must take one of the following legal forms: foundations (duly recognised by the Ministry); associations; cooperatives (set up specifically for this purpose); non-profit cultural and social entities; private limited companies or public limited companies (set up specifically for this purpose). Regardless of the form they take, all entities wishing to create and maintain a PHEI must fulfil the appropriate requirements of institutional suitability and financial sustainability (article 32 RJIES).

There are also specific requirements regarding the number and nature of the minimum number of study cycles, depending on the nature of the HE establishment, as well as the qualification criteria for teaching and research staff for the purpose of accrediting study cycles. These requirements have increased significantly with the changes introduced by Decree-Law no. 65/2018, of 16 August (changes to RJGDES).

The legal definition of "public institutions" and "private institutions" imposes a complex and diverse set of regulatory parameters. Historically, the evolutionary trajectory and role of public and private HEIs have been distinct (Ferreira-Fernandes, García, et al., 2025). However, since 2006, there has been a significant convergence and alignment of operational requirements in both sectors. This convergence was driven by the establishment of common requirements for the accreditation of HE study programmes at the bachelor's, master's, and doctoral levels (RJGDES, Decree-Law No. 74/2006), the creation of the A3ES, and the implementation of a common legal framework for quality assessment in public and PHE (Law No. 94/2019).

In Portugal HE is considered a public interest good (article 1 and 2 of LBSE). This makes a "buyer beware" policy (Tierney, 2012) unacceptable, justifying the highly regulated nature of the HE system. Institutions, regardless of their status, are required to meet a set of conditions and obtain prior accreditation from the governing bodies for their study cycles, ensuring that HEIs (especially private ones) provide high-quality services (Sin et al., 2017a).

Thus, the regulations imposed by the state not only affect the daily operations of HEIs but also shape their strategic responses

Issues related to funding pose a significant challenge for PHEIs. Unlike public HEIs, which receive substantial government funding, PHEIs rely primarily or almost entirely on their teaching activities, that is, on student tuition fees. This financial model is more challenging and precarious, especially during periods of economic crisis, when potential students may opt for more affordable alternatives in public HEIs (Cerdeira et. al., 2015).

Market competition is another critical challenge. The HE sector in Portugal is increasingly saturated, with several PHEIs competing for a limited number of students. This competition forces PHEIs to invest in offering differentiated and competitive programmes to attract new students while simultaneously meeting demanding accreditation requirements (Cardoso et al., 2011). This investment increases (fixed) operational costs without guaranteeing an adequate financial return.

Furthermore, the regulatory environment is complex and ambiguous, creating uncertainty for private HEIs (Ferreira-Fernandes, de la Torre García, et al., 2025). HE policy reforms can modify funding mechanisms, accreditation processes, and even scholarship and tuition policies (in the public sector), which may impact enrolment numbers in both sectors.

In summary, private HEIs in Portugal face a complex scenario of regulatory compliance, financial sustainability and market competition (e.g. ; (Teixeira et al., 2004; Teixeira & Dill, 2011).

To address these challenges, private HEIs have had to adapt and reorganise to ensure their quality and sustainability, with organisational restriction (including M&A) being a strategic option.

In Portugal, as in other European countries, there has been a broad reorganization of the sector. Nevertheless, the country’s PHE sector demonstrates distinctive characteristics, such as a high proportion of for-profit providers, no public funding and no M&A political agenda. That influences the form and frequency of restructuring events.

3. Mergers and Acquisitions in Higher Education – Literature Review

The DEFINE project explored strategies for efficient funding of universities in Europe (Ripoll Soler & De Miguel Molina, 2013), particularly looking at university mergers, excellence initiatives (which are known to instigate institutional transformations such as mergers (e.g. Casani et al., 2014), and also performance-based funding mechanisms, producing various reports on this topic (Rocha et al., 2019). However, none of these reports explores the specificities of the PHE sector. The same applies to other studies, e.g. (Bor & Shargel, 2020; Mizutani et al., 2023), that address M&A in HE, based on a limited number of case studies or comprehensive approaches that do not translate the changes to a micro-level.

International studies (e.g. (Boling et al., 2017; He et al., 2020; Wollscheid & Røsdal, 2021)) show that M&A in the public or the private sector can occur for different reasons, from the need to avoid closure to the pursuit of strategic gains in scale and efficiency and mergers between similar HEIs often result in better academic integration than mergers with distinct profiles.

M&A presents both differences and similarities in relation to the corporation. The definitions found in the literature reflect a wide variety of terms to describe processes of transformation and unification between institutions, such as acquisition, merger, consolidation, integration, incorporation, absorption, clustering, federation, alliances, and consortia in HE and highlight the different strategies employed to manage institutional change. However, these concepts are not rigid or strictly defined, nor are most of them interdependent or mutually exclusive.

A merger is defined as the process of transformations that occur when two or more institutions combine to form a single entity. In many cases, mergers involve the full integration of institutions, leading to the dissolution of the original entities into a newly formed organization (Azziz et al., 2017). Mergers can be classified based on different criteria, such as horizontal mergers, which occur between similar institutions, or vertical mergers, which take place between institutions offering different levels of education (e.g., (Frølich & Stensaker, 2021). A merger formally combines the assets, management, and ownership of the two entities (He et al., 2020).

Consolidation is defined as a specific form of merger in which two or more institutions unite as equals forming a new entity, usually with the goal of achieving economies of scale.

Integration is defined as a process of combining different organizational structures, cultures, and operations following a merger. This can involve academic, administrative, and cultural integration, where faculty and staff from different institutions must adapt to a new organizational identity and governance model (Wollscheid & Røsdal, 2021).

Absorption is defined as the process that occurs when one institution fully integrates another into its structure, effectively dissolving the acquired institution's independent identity. This is a form of merger where the dominant institution retains its name, governance, and operational control, while the absorbed institution ceases to exist as a separate legal entity (Azziz et al., 2017).

Clustering is defined as a process of grouping multiple institutions under a single umbrella while maintaining some degree of institutional autonomy. Unlike mergers, clusters do not always lead to full institutional dissolution but may involve strategic collaborations, shared governance structures, and joint academic programmes. Clustering is often used as a policy tool to improve system efficiency while preserving institutional diversity (Bennetot Pruvot et al., n.d.)

Institutional restructuring is defined as a process that involves operational, financial, or governance changes without necessarily implying mergers or acquisitions. It may include changes in funding, governance, academic structure, and administrative reorganization.

Alliances and consortia are forms of cooperation between institutions that share resources and activities without formal merger or integration. They are defined as alternative corporate strategies (e.g. Hagedoorn and Duysters, 2002), but his concept will not be addressed in this study because no legal acts are required.

Takeovers or acquisitions are defined as the process whereby one institution is subsumed into another, with the latter retaining its name and presence while the former mostly disappears as an independent entity (K. Harman & Meek, 2002).

Overall, the literature identifies multiple drivers of mergers and acquisitions in HE, including efficiency gains, financial sustainability, and strategic positioning. However, it tends to overlook the role of regulatory frameworks as structuring forces that shape not only the occurrence but also the form and timing of these processes. Moreover, existing studies rarely adopt a longitudinal perspective or focus on the private sector. As a result, there remains limited understanding of how regulatory environments influence institutional restructuring over time. This study seeks to address this gap by providing a system-level, longitudinal analysis of M&A in Portuguese PHE.

4. Methodology data sources and analysis criteria

This study adopts a qualitative longitudinal research design, based on the systematic analysis of legal acts and institutional restructuring events in Portuguese PHE between 2004/05 and 2021/22. It provides an original contribution by developing a longitudinal dataset of legal acts related to mergers and acquisitions (M&A) in the Portuguese PHE sector.

Data collection followed a systematic document analysis strategy, drawing on legal acts selected according the inclusion criteria: direct relation to institutional restructuring (e.g., mergers, acquisitions, ownership changes, and closures). A coding protocol was developed to classify each act by type of restructuring event, date, and institutional actors involved, enabling both temporal mapping and comparative analysis.

Classification categories were derived from the literature on M&A and subsequently adapted to the specific legal and organisational characteristics of the Portuguese PHE system, allowing both temporal mapping and comparative analysis.

Each legal act was independently examined and coded according to the predefined classification framework presented in Section 4.1. In cases involving multiple simultaneous changes, such as ownership transfer followed by integration or merger, classification was based on the primary legal effect established in the act. Ambiguous cases were re-examined through cross-checking with DGEEC records to ensure consistency in classification and interpretation.

To enhance data reliability and validity, the dataset was cross-referenced with descriptive information from the ETER - European Tertiary Education Register (Lepori et al., 2016; Lepori et al., 2023).

4.1. Conceptual definitions of Mergers and Acquisitions: The Portuguese context

The Portuguese PHE education system is the empirical context of this study. This system is particularly interesting as it has undergone a significant number of transformations over the past decade. Moreover, the literature reveals the absence of micro-level studies in the Portuguese private sector, which is partly justified by dispersion and the difficulty of accessing information.

Given the diversity of approaches and motivations behind M&A processes, it is essential to adapt the definitions found in the literature and align them with the Portuguese HE system, particularly considering the specificities of the PHE sector.

The term “consolidation” is rarely used in the Portuguese context. The terms “Integração,” (integration) “Incorporação” (incorporation) and “Fusão” (merger) are used almost interchangeably in legislative acts to refer to the unification of institutions. In this study, we adopt terminology that aligns closely with the lexicon used in legislative frameworks governing these transformations. Thus, we use “Merger/Absorption” for cases in which one or more institutions combine to form a single entity. This definition also encompasses cases involving the full integration of institutions, leading to the dissolution of the original entities into a newly formed organization. Consequently, the terms “incorporation” and “merger” are used interchangeably.

We refer “Integration” in the processes of combining different organizational structures. The key distinction from a merger is that the institutions involved do not completely lose their identities.

The term “acquisition” or “ownership transfer” is used only when there is a change in the ownership of the HEI. That is, when a HEI comes under a new founding entity (a different legal entity).

The term “clustering” is applied to cases where multiple institutions group under a single umbrella while maintaining some degree of institutional autonomy.

The term “consolidation” is used as a specific subtype of merger, particularly for cases where two institutions unite as equals to form a new entity.

“Institutional restructuring” refers to a type of transformation that does not fall under M&A concepts but is included in this study as a type of change that does not necessarily alter the legal identity of HEIs but affects their nature, legal framework, and operations. This restructuring often occurs alongside M&A processes. In some cases, adaptation and restructuring are requirements for regulatory approval of mergers or acquisitions.

For analytical purposes, “institutional restructuring” encompasses legal and organisational restructuring. Legal restructuring refers to changes affecting the legal status, recognition, or regulatory position of institutions (e.g. the transformation of a university institute into a university), while organisational restructuring refers to changes affecting campuses, academic units, or internal institutional structures. This study also considers two terminologies less frequent in the M&A literature on HE, but relevant to our analysis. These terms emphasize the division or separation of entities (companies or other legal structures) into more discrete units, such as spinoffs, split-offs, and carve-outs. These terms address specific cases of buying and selling parts or entire entities. In the context of M&A and institutional restructuring, such cases are observed at both the institutional level and within individual academic units.

Several of the studies cited have also attempted to classify or categorize mergers based on various criteria. In this study, we classify M&A based on the classifications of (G. Harman & Harman, 2003) as they are widely used in literature.

Mergers are classified based on their participants into single-sector vs. cross-sector (occurring within a single sector or across different sectors) and twin vs. multiple-institution mergers (involving only two institutions or more than two).

The classification based on the academic profiles of HEIs distinguishes between horizontal mergers, where institutions share similar academic profiles, and vertical mergers, where institutions have different academic profiles. Additionally, mergers are categorized as complementary vs. non-complementary (overlapping) based on factors such as educational offerings, the nature of education (university vs. polytechnic), institutional size, and the number/location of campuses.

The term "vertical mergers" is used in cases where institutions are incorporated at sequential levels of academic degrees, whereas horizontal mergers bring together similar institutions offering equivalent degree levels.

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The concepts of "similarity" and "complementarity" (Azziz et al., 2017; Boling et al., 2017) are strategically significant in positioning institutions, as they may have very different implications at a strategic level. In this study, we adopt a simplified approach based on the academic profile of the institutions involved.

Mergers are also classified based on the strategy and motivation driving them and/or the expected outcomes of the absorption. In this study, we use a simplified approach, fundamentally based on the academic profile of the institutions involved, classifying mergers into four main drivers: forced mergers, driven by the obligation to comply with legal and regulatory accreditation requirements; efficiency-driven mergers, reflecting potential gains in efficiency and economies of scale; market-driven mergers, aimed at increasing institutional capacity (e.g., additional campuses and programmes) to enhance sector competitiveness and attract more students; survival mergers, motivated by financial difficulties or low institutional viability (HEIs with fewer than 500 students).

At the initiative level, the distinction between voluntary mergers (initiated by the institutions themselves) and forced mergers (initiated by the government), which is commonly observed in international studies (e.g. Harman and Harman, 2003) will receive little emphasis in this study. In the private HE sector, M&A and acquisitions always require the consent of at least three parties: the two HEIs involved and the government, which must approve their proposal. Only in the case of institutional restructuring can coercive measures be imposed by regulatory bodies.

The classification based on legal status and ownership is rarely addressed in European HE studies but is more common in countries where the private sector plays a significant role, such as the United States (e.g. (Bor & Shargel, 2020)). M&A processes often lead to changes in legal status, which may result in loss of legal independence of merged entities, integrating under a different jurisdiction, creation of entirely new legal entities; changes in ownership structure (Azziz et al., 2017; Policarpo Garcia & Furquim de Azevedo, 2019), changes in funding models and institutional autonomy, affecting the degree of state control do not apply to Portuguese HE due to legal constraints within the RJIES framework.

In this study, organizational structure changes are analyzed within the scope of institutional restructuring, focusing only on legal and operational aspects related to the restructuring of faculties and departments (Wollscheid & Røsdal, 2021).

Since Portuguese HE follows a binary system, this study will also analyse potential changes in the nature and scope of HEIs involved in M&A processes.

These classifications focus on a limited number of categories, reducing complexity and enhancing the objectivity of our analysis, which is structured in seven dimensions, summarized in Table 1.

Table 1 - *Analytical Dimensions for Classifying Institutional Transformation Processes in Higher Education*

Concept/Definition	**Merger/Absorption**
	Integration
	Clustering
	Acquisition
	Consolidation
	Institutional restructuring
	Split-offs vs split-offs vs Carve-outs
Participants	Single-sector merger

	Cross-sector merger
Academic similarity and complementarity	Horizontal merger
	Vertical merger
	Complementary mergers
	Non-complementary mergers
Strategy and motivation	Forced
	Efficiency-driven
	Market-driven merger
	Survival merger
Initiative	Voluntary mergers
	Forced mergers
Legal Status	Independent to dependent unit or Vice Versa
	Changes in HEI nature
Ownership	Founding body/ownership
	Profi to Non-profit Private or Vice Versa
	Public to Private or Vice Versa
Scope/nature	Politechnic education to University education or vice versa

Source: Authors' own elaboration

4.2. Data and methodology

Using a qualitative approach, this study provides an in-depth analysis of the main legislative acts at a micro level related to M&A in PHE in Portugal. This includes the examination of legal documents on M&A to map and classifying the changes implemented in PHEIs from a legal and regulatory perspective. This study is based on a unique set of legislation on PHE and the main legal acts of institutional restructuring, collected over the period from 2004 to 2022. This information, gathered through publications in the Official Gazette of the Portuguese Republic, was cross-referenced with data from the ETER (Lepori, 2023) and data provided by Directorate-General for Education and Science Statistics - DGEEC (accessed on 04/10/2024), also addressing the information gap concerning the contextual changes in statistical classifications. A total of 81 legal acts were linked to each HEI and classified according to the M&A typologies identified in the literature, which have been adapted to the Portuguese context. This approach allowed the identification of the restructuring patterns, their temporal distribution, and the institutional mechanisms through which PHEIs responded to regulatory and market challenges. This study provides information on entities which, due to their size and characteristics, are excluded from the international registers and databases, but which are part of PHE groups and are relevant for comparative analyses.

5. Results and discussion

The analysis reveals that restructuring processes in Portuguese PHE do not occur linearly but rather in distinct waves, closely associated with major regulatory and policy developments. Three main patterns emerge from the data: (1) periods of intensified institutional closure and consolidation, (2) peaks in merger and acquisition activity, and (3) continuous institutional restructuring driven by regulatory compliance requirements. These patterns suggest that restructuring is not the result of individual institutional decisions. The fact that restructuring events tend to occur alongside major legislative reforms suggests that regulatory change acts as both a framework for institutional activity and a trigger for

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organisational transformation. In 2004, there were 114 PHEIs in Portugal with 150 organic units (e.g. integrated polythetic and university schools). By 2021, this number had decreased to 64 HEIs (-44%) and 100 organic units (-33%), accompanied by a corresponding reduction in the number of courses/study cycles. The scale of this reduction (see detail in Table 2) suggests that restructuring has been central to the evolution of the PHE sector rather than being a marginal phenomenon. The simultaneous decline in the number of HEIs, organic units and courses points towards a process of consolidation, with the aim of concentrating resources, reducing duplication and improving institutional viability.

Table 2 - *Evolution of Portuguese Private Higher Education Institutions, Organic Units, Study Cycles and Student Enrolment (2004–2021)*

Year (Y)	No. PHEIs	No. Organic Units	No. Degree coures	No. Enrolled students in degree courses	No. PHEI (Y_n - Y_{n-1})	No. Organic Units (Y_n - Y_{n-1})	No. Courses/Study Cycles (Y_n -Y_{n-1})	No. Students (Y_n -Y_{n-1})
2004	114	150	419	98,681	-	-	-	-
2005	111	147	461	92,033	-3	-3	42	-6,648
2006	107	141	561	91,748	-4	-6	100	-285
2007	104	133	616	93,036	-3	-8	55	1,288
2008	98	130	622	91,247	-6	-3	6	-1,789
2009	94	126	600	90,769	-4	-4	-22	-478
2010	93	123	609	89,413	-1	-3	9	-1,356
2011	93	122	537	79,749	0	-1	-72	-9 664
2012	92	121	524	68,552	-1	-1	-13	-11,197
2013	89	119	494	62,161	-3	-2	-30	-6,391
2014	89	117	466	59,368	0	-2	-28	-2,793
2015	86	115	407	58,654	-3	-2	-59	-714
2016	79	106	340	59,347	-7	-9	-67	693
2017	80	106	328	64,264	1	0	-12	4,917
2018	78	104	320	69,058	-2	-2	-8	4,794
2019	71	100	312	73,155	-7	-4	-8	4,097
2020	70	101	308	76,856	-1	1	-4	3,701
2021	64	100	294	82,022	-6	-1	-14	5,166

Source: Authors' own elaboration. Data source DGEEC - Directorate General for Higher Education Statistics - https://www.dgeec.medu.pt/art/ensino-superior/bases-de-dados - Enrolled students.
Methodological note: The count of institutions and organic units is based on the national identification number (NID) of the DGEES and not on the public utility register of the educational establishment.

Analysing M&As based on literature review on the topic and the adaptation of the definitions to the specific context of the Portuguese HE system, resumed in Table 3, it is clear that there is a heterogeneous set of changes between HEIs and are transformations that suggest multi-organizational collaborations and collaborative strategies (Clarke, 2007) between HEIs belonging to the same founding body that deserves future research. The existence of a complex set of regulatory changes, together with market constraints, may be among the reasons why PHEIs have opted to replace organic growth with M&A and, in other cases, to close less viable HEIs.

Table 3 - *Classification of Institutional Transformation Events in Portuguese Private Higher Education (2004–2022)*

Year	Legislative act (EN)	Type of event	ETER ID	HEIs envolved (National ID]	Concept	Number of Institutions Involved	Academic similarity/ complementary	Strategy and Motivation	Changes in Legal Status	Changes in scope/ nature	Initiative	Changes in Organizational Structure	Changes in Ownership
2004	Decree-Law No. 194/2004, of August 17	Creation (by Absorption/merger)	PT0070	4375; 4312; 4363	Merger/ Absorption	Twin mergers	Similar academic profiles and localization	Efficiency-driven merger; Market-driven merger; Survival merger	Creation of New Entity (new establishment, with the nature of a non-integrated university institute, absorbs two institutes with a polytechnic nature)	Politechnic education to University education	Voluntary mergers	Centralization of campus	--
		Closure (by merger/integration)	#N/D	4312; 4363	Closure (by merger/integration)	--	--	--	--	--	--	--	--
2004	Decree-Law No. 195/2004, of August 17	Creation and operation	PT0079	2402	Split-off	--	Same academic profiles	--	Creation of New Entity (new establishment, with the nature of university)	It gives rise to an autonomous institute while inheriting its legacy of courses operating in the samer location.	--	--	--
		Creation and operation	PT0143	2405									

2005	Decree-Law No. 56/2005, of March 3	Closure (by merger/integration)	#N/D	4312; 4292	Closure (by merger/integration)	--	--	--	--	--	--	--	--
		Closure (by merger/integration)		4361; 4292	Closure (by merger/integration)	--	--	--	--	**--**	--	**--**	--
		Creation (by integration/merger)	PT0120	4292; 4312; 4361	Merger/ Absortion/ Consolidation	Twin mergers	Similar academic profiles and localization	Efficiency-driven merger; Market-driven merger	Creation of New Entity (new establishment, with the nature of Polithecnic Institute)	--	Voluntary mergers	The higher institutes cease to exist autonomously and are merged into a politecnic institute. All study cycles and authorizations are transferred to the new HEI.	--
2005	Notice No. 2734/2005 (2nd series), of March 16	Change of name	PT0081	4032; n.a.	Aquisition	Twin mergers	Same courses, degrees and localization	Expansion of the acquiring entity's activities and the survival or continuity strategy of the acquired entity	No new legal identity or status (changed the denomination).	--	Forced mergers. The integration or sale of the institution results from the deterioration of its economic and financial situation following	The acquired HEI loses its identity and becomes part of the acquiring HEI. No new legal identity is created in this process (changed the denomination).	Transfer of ownership between two non-profit cooperatives
	Notice No. 2735/2005 (2nd series), of March 16	Transfer of ownership											

											a political and judicial scandal that would have led to its closure.		
2005	Decree-Law No. 82/2005, of April 20	Creation (by Absortion/merger)	PT0136	4385; n.a.; 4364	Merger/ Absortion	Twin mergers	Similar academic profiles and localization	Efficiency-driven merger; Market-driven merger; Survival merger	Creation of New Entities	Politechnic education to University education	Voluntary mergers	Centralization of campus	--
		Closure (by merger/integration)	#N/D	4364; 4385 n.a.; 4385	Closure (by merger/integration)	--	--	--	--	--	--	--	--
2006	Notice No. 3103/2006 (2nd series), of March 13	Merger/Absortion	PT0121	4200; 4250	Merger/ Absortion	Twin mergers	Similar academic profiles and localization	Efficiency-driven merger; Market-driven merger; Survival merger	--	No changes. The nature non-integrated politechnic institute absorbs one institution also with a polytechnic nature.	Voluntary mergers	Centralization of campus	--
		Closure (by merger/integration)	#N/D	4250	Closure (by merger/integration)	--	--	--	--	--	--	--	--

2006	Notice No. 8572/2006 (2nd series), of August 21	Transfer of ownership	#N/D	4310; 4127	Aquisition and merger	Multi-partner mergers: A merger involving three or more institutions.	Similar academic profiles and localization	Efficiency-driven merger; Market-driven merger; Survival merger	Creation of New Entity (new establishment, with the nature of a non-integrated polytechnic that absorbs two HEIs with a polytechnic nature)	The acquired and merged HEI retains its polytechnic nature but becomes part of a for-profit educational group	Voluntary mergers	Changes in organization structure by integration in other founding body	Transfer of ownership from a non-profit organisation (cooperative) to a for-profit organisation (joint stock company)
		Creation (by integration/merger)	PT0123	4275; 4127; 4310	Aquisition and consolidation								
		Closure (by merger/integration)	#N/D	4310; 4127	Closure (by merger/integration)	--	--	--	--	--	--	--	--
2006	Order No. 21921/2006, of October 27	Transfer of ownership	#N/D	4511	Aquisition and integration	Twin mergers	Similar academic profiles and localization. Merged HEI offer programs in the same field of studies	Expansion of the acquiring entity's activities and the survival or continuity strategy of the acquired entity	The acquired and integrated institution retains its university status but ceases to exist as an autonomous entity. Institute is converted in a organic unit of the university	--	--	Changes in organization structure by integration in other founding body	Transfer of ownership between two non-profit cooperatives
		Integration of HEI (acquisition)	PT0077	2400; 4511	Aquisiton and integration					Institute is converted in a organic unit of the university	Voluntary mergers	The integrated institute is coordinated by the University and operates in synergy with other teaching	The acquired institute is integrated into another founding entity, also a non-

												and research units.	profit organization with the same legal structure (cooperative)
		Closure (by merger/integration)	#N/D	4511	Closure (by merger/integration)	--	--				--	--	
2006	Order No. 25837/2006, of December 20	Transfer of ownership	PT0113	4125	Aquisition	--	--	Market-driven merger; Survival merger	No changes	The acquired HEI retains its polytechnic nature and non-profit scope	Voluntary mergers	Changes in organization structure by integration in other founding body	Transfer of ownership between two non-profit associations
2007	Order 20163/2007, of September 4	Compulsory Closure	#N/D	2600	Compulsory Closure (for-profit)	--	--	**--**	--	**--**	--	**--**	--
2008	Order No. 22388/2008, of August 29	Conversion (Change of Nature)	#N/D	2300	Institutional Restructing	Single HEI (no new HEI)	Same academic profiles and localization	Survival or continuity strategy	Reconversion of a University into a Non-University Integrated Higher Education Institution	Keeps the scope of universitary education	Forced by regulatory requirements	Reduces the level of requirements for accreditation and operation	--

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2008	Order No. 25846/2008, of October 15	Compulsory Closure	#N/D	4030; 4031; 4033	Compulsory Closure (non-profit)	--	--	--	--	--	--	--	--
2009	Order No. 8510/2009, of March 25	Compulsory Closure	#N/D	4170	Compulsory Closure (non-profit)	--	--	--	--	--	--	--	--
2009	Order No. 12557/2009, of May 27	Compulsory Closure	#N/D	2300; 2302; 4425	Compulsory Closure (non-profit)	--	--	--	--	--	--	--	--
2009	Decree-Law No. 221/2009, of September 8	Change of nature and name	PT0067	4450	Institutional Restructing	--	--	--	Changes the nature from a non-integrated university school to university institute,	--	--	New denomination and modification of operating requirements to align with the specificity of the new status.	--
2009	Order No. 23455/2009 (2nd series), of October 26, 2009	Transfer of ownership	#N/D	4351	Aquisition	--	--	Market-driven merger; Survival merger	--	--	--	Changes in organization structure by integration in other founding body	Transferring ownership of a for-profit entity to a non-profit entity

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2010	Order No. 13624/2010, of August 25	Transfer of ownership	#N/D	4090; 4440	Aquisition and integration	--	--	Expansion of the acquiring entity's activities and the survival or continuity strategy of the acquired entity	No new entities. The acquired loses autonomy a became one of the basic units, legally recognized and operating under the umbrella of the Institute	Keeps the scope of politechnic education	Voluntary mergers	Changes in organization structure by integration in other founding body	Transfer of ownership between two non-profit entities
		Aquisition and integration	PT0137	4440; 4090								The integrated higher school is coordinated by the Institute and operates in synergy with other basic units.	The acquired institute is integrated into another founding entity, also a non-profit organization with the same legal structure (cooperative)
		Closure (by merger/integration)	#N/D	4090	Closure (by merger/integration)								
2010	Order No. 15048/2010, of October 1	Voluntary closure	#N/D	4050	--	--	--	--	--	--	--	--	--
2012	Decree-Law No. 206/2012	Closure (by merger/integration)	PT0044	4111	--	--	--	--	--	--	--	--	--

	, of August 31	Closure (by merger/integration)	PT0045	4112	--	--	--	--	--	--	--	--	--
		Creation (by integration/merger)	PT0139	4560; 4111; 4112	Merger/ Absortion/ Consolidation	Twin mergers	Similar academic profiles and localization	Efficiency-driven merger; Market-driven merger	Creation of New Entity (new establishment, with the nature of University Institute)	No changes	Voluntary mergers	The higher schools cease to exist autonomously and are merged into a university institute. All study cycles and authorizations are transferred to the new HEI.	--
2013	Notice No. 721/2013 (2nd series), of January 16	Change of name	PT0115	4107	Institutional Restructing	--	--	Rebrand	New name	--	--	--	--
2013	Decree-Law No. 17/2013, of January 30	Institutional Restructing	PT0054	4295	Institutional Restructing	--	--	--	Changes the nature from a non-integrated university school to a non-integrated polytechnic institution.	University education to Politechnic	--	Modification of operating requirements to align with the specificity of the new status.	--

2013	Decree-Law No. 86/2013, of June 26	Change of nature and name	PT0064	4352	Institutional Restructing	--	--	--	Changes the nature from a non-integrated university school to a non-integrated polytechnic institution.	University education to Politechnic	--	New denomination and modification of operating requirements to align with the specificity of the new status.	--
2013	Decree-Law No. 87/2013, of June 26	Change of nature and name	PT0063	4350	Institutional Restructing	--	--	--	Changes its status from a non-integrated university education institution to a university	University education	--	New denomination and modification of operating requirements to align with the specificity of the new status.	--
2013	Decree-Law No. 99/2013, of July 24	Change of nature and name	#N/D	4309	Institutional Restructing	--	--	--	Changes the nature from a non-integrated university school to a non-integrated polytechnic institution.	University education to Politechnic	--	New denomination and modification of operating requirements to align with the specificity of the new status.	--

2013	Decree-Law No. 111/2013, of August 2	Creation and operation	PT0077 PT0078	2400 2401	Split-off	--	Complementary programs and location. The split-off expands the geographic academic offerings.	Expansion of the activities	Creation of New Entity (new establishment, with the nature of university)	No changes	--	An autonomous HEI is established; however, it remains an operation of continuity in the short term, as the study cycles that were already authorized continue to operate in the existing facilities previously owned by Universidade Lusíada in Porto.	--
2013	Decree-Law No. 147/2013, of October 22	Change of nature and name	PT0141	4570	Institutional Restructing	--	--	--	Changes the nature from a non-integrated university school to a non-integrated polytechnic institution.	University education to Politechnic	--	New denomination and modification of operating requirements to align with the specificity of the new status.	--

2013	Notice No. 13029/2013, of October 24	Change of name and localization	PT0117	4155	Institutional Restructing	--	--	Rebrand and Expansion of the activities to other campus	Rename	--	--	New name and localization	--
2014	Decree-Law No. 6/2014, of January 14	Change of nature and name	PT0051	4358	Institutional Restructing	--	--	--	Changes the nature from Institute to University Institute.	The change in status entails authorization to confer the doctoral degree.	--	New denomination and modification of operating requirements to align with the specificity of the new status.	--
2014	Decree-Law No. 39/2014, of March 14	Creation and operation	#N/D	4157	Institutional Restructing	--	Similar academic profiles in a new localization	Expansion of the entity's activities	Creation of a New entity	No changes	--	Modification of operating requirements to align with the specificity of the new independnt entity,	--
2014	Notice No. 7210/2014 (2nd series), of June 18	Voluntary closure	#N/D	4351	Voluntary closure (non-profit)	--	--	--	--	--	--	--	--

2014	Notice No. 7211/2014 (2nd series), of June 18	Voluntary closure	#N/D	4307	Voluntary closure (non-profit)	--	--	--	--	--	--	--	--
2015	Notice No. 2083/2015 (2nd series), of February 25	Voluntary closure	PT0049	4255	Voluntary closure (non-profit)	--	--	--	--	--	--	--	--
2015	Order No. 2349/2015, of March 6	Closure (by merger/integration)	PT0078	2401	Closure (by merger/integration)	--	--	--	--	--	--	--	--
			PT0079	2402	Closure (by merger/integration)	--	--	--	--	--	--	--	--
		Creation (by integration/merger)	PT0143	2405; 2401; 2402	Merger/ Absorption/ Consolidation	Twin mergers	Similar academic profiles	Efficiency-driven merger; Market-driven merger	Creation of New Entity (new establishment, with the nature of University Institute)	No changes	Voluntary mergers	The merged HEI cease to exist autonomously and are merged into a new university institute. All study cycles and authorizations are transferred to the new HEI with	--

												multi campus.	
2015	Order No. 3086/2015, of March 26.	Conversion (Change of Nature)	#N/D	4020	Institutional Restructing	--	--	--	Changes the nature from a non-integrated university school into a non-integrated polytechnic higher education institution	University education to Politechnic education	--	Modification of operating requirements to align with the specificity of the new status.	--
2015	Decree-Law No. 56/2015, of April 20	Change of name and localization	PT0126	4271	Institutional Restructing	--	--	Expansion of the activities	--	--	--	New name and localization	--
2015	Decree-Law No. 57/2015,	Change of nature and name	PT0052	4261	Institutional Restructing	--	--	--	Changes the nature from	University education, gaining the	--	New denomination and	--

	of April 20		#N/D	4650					Higher Education Institute to University Institute.	ability to confer doctoral degrees.		modification of operating requirements to align with the specificity of the new status.	
2015	Notice No. 6540/2015 (2nd series), of June 12	Transfer of ownership	PT0133	4460	Aquisition	--	--	Market-driven merger; Survival merger	No changes	--	Voluntary mergers	Changes in organization structure by integration in other founding body	Transfer of ownership between two for-profit companies
2015	Decree-Law No. 227/2015, of October 9	Creation and operation	#N/D	4011; 4010	Split-off	--	Similar academic profiles	Expansion of the group activities	Creation of New Entity (new establishment, with the nature of polytechnic higher education institution.	--	--	Although it is an autonomous entity, the new HEI [NID 4011] begins its activity by adopting the legacy and facilities of its founding umbrella entity [NID 4010], whose study programmes had	--

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												already been authorised to operate in the same location.	
2015	Decree-Law No. 228/2015, of October 9	Change of nature and name	PT0062	4354	Institutional Restructing	--	--	--	Changes the nature from auniversity school to polytechnic institution.	University education to Politechnic	--	New denomination and modification of operating requirements to align with the specificity of the new status.	--
2015	Decree-Law No. 229/2015, of October 9	Change of localization	PT0133	4460	Institutional Restructing	--	--	Expansion of the activities	--	--	--	New localization	--
2016	Notice No. 912/2016 (2nd series), of January 27 (corrected by Rectification Declaration No.	Voluntary closure	PT0050	4290	Voluntary closure (non-profit)	--	--	--	--	--	--	--	--

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	138/2016, of February 12)												
2016	Notice No. 2386/2016 (2nd series), of February 25	Voluntary closure	#N/D	4099	Voluntary closure (non-profit)	--	--	--	--	--	--	--	--
2016	Notice No. 4739/2016 (2nd series), of April 8	Change of name	PT0114	4141	Institutional Restructing	--	--	Rebrand	New name	--	--	--	--
2016	Order No. 6006/2016, of May 5	Conversion (Change of Nature)/ Split-off	PT0072	2700	Institutional Restructing	--	--	--	Conversion of an University into a non-integrated university school	Loses the multi nature (university + polytechnic). The educational offer becomes exclusively of a university nature.	Forced by regulatory requirements	The conversion implied the loss of an organic unit. It loses scale and the educational offer of a polytechnic nature. Reduces the level of requirements for accreditation and operation	--

			PT0148	4590; 2700		--	--	--	Conversion of an organic unit (polytechnic higher school) of a university into a polytechnic higher education institution.	Strengthening of the polytechnic nature.	Forced by regulatory requirements	Gains institutional autonomy, becoming an independent institution from the university. Becomes an autonomous institution and is required to meet the requirements for accreditation and operation as a new institution.	--
2016	Decree-Law No. 25/2016, of June 9	Change of nature and name	PT0101	4097	Institutional Restructing	--	--	Rebrand	Become a polytechnic higher education school	Modification of its educational project to polytechnic higher education school, dedicated to teaching, applied research, and providing services in	--	New denomination and modification of operating requirements to align with the specificity of the new status and fields of study.	--

										the field of health.			
2016	Order No. 14278/2016 (2nd series), of November 11	Compulsory Closure	PT0047	4120	Compulsory Closure (non-profit)	--	--	--	--	--	--	--	--
2016	Notice No. 15192/2016 (2nd series), of December 5.	Change of name	PT0128	4298	Institutional Restructing	--	--	Rebrand	New name	--	--	--	--
2017	Notice No. 3194/2017 (2nd series), of March 28	Voluntary closure	PT0119	4160	Voluntary Closure (non-profit)	--	--	--	--	--	--	--	--
2017	Notice No. 3199/2017 (2nd series), of March 28	Voluntary closure	#N/D	4079	Voluntary Closure (non-profit)	--	--	--	--	--	--	--	--
2017	Notice No. 5789/2017 (2nd series),	Compulsory Closure	PT0047	4120	Compulsory Closure (non-profit)	--	--	--	--	--	--	--	--

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	of May 24												
2017	Notice No. 6557/2017 (2nd series), of June 9	Voluntary closure	#N/D	4303	Voluntary Closure (for-profit)	--	--	--	--	--	--	--	--
2017	Notice No. 6558/2017 (2nd series), of June 9	Voluntary closure	PT0093	4095	Voluntary Closure (non-profit)	--	--	--	--	--	--	--	--
2017	Notice No. 6948/2017 (2nd series), of June 23	Change of name	PT0133	4460	Institutional Restructing	--	--	Rebrand	New name	--	--	--	--
2017	Notice No. 11716/2017 (2nd series), of October 3	Voluntary closure	#N/D	4299	Voluntary Closure (non-profit)	--	--	--	--	--	--	--	--
2017	Decree-Law No. 155/2017, of December 28	Change of name	PT0099	4089	Institutional Restructing	--	--	Rebrand	New name	--	--	--	--

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2017	Decree-Law No. 155/2017, of December 28	Change of name and localization	#N/D	4309	Institutional Restructing	--	--	Expansion of the activities (concentration in Lisbon municipality)	--	--	--	New name and localization	--
2017	Decree-Law No. 155/2017, of December 28	Change of nature and name	PT0053	4260	Institutional Restructing	--	--	--	Reclassified as a university institute and renamed	--	--	New denomination and modification of operating requirements to align with the specificity of the new status.	--
2018	Notice No. 14910/2018 (2nd Series), of October 17	Voluntary closure	PT0086	4068	Voluntary Closure (non-profit)	--	--	--	--	--	--	--	--
2019	Decree-Law No. 4/2019, of January 14	Change of status and integration as an organic unit of a Polytechnic Institute.	PT0149	4600; 4077; 4309; 4102	Merger/ Absortion/ Consolidation	Twin mergers	Similar academic profiles and localization	Efficiency-driven merger; Market-driven merger	Creation of New Entity (new establishment, with the nature of Polithecnic Institute)	--	Voluntary mergers	The higher schools cease to exist autonomously and are integrated as organic units of the	--

		Closure (by merger/integration)	PT0095	4077	Closure (by merger/integration)	--	--	--	It loses autonomy and transitions from a higher education school to an organic unit of a polytechnic institute. The nature of a education school remains unchanged.	--	--	polytechnic institute. All study cycles and authorizations are transferred to the new higher education institution (HEI).	
		Closure (by merger/integration)	#N/D	4309	Closure (by merger/integration)	--	--	--		--	--		
		Closure (by merger/integration)	PT0107	4102	Closure (by merger/integration)	--	--	--		--	--		
2019	Decree-Law No. 4/2019, of January 14	Conversion (Change of Nature)	PT0148	4590	Institutional Restructing	Single HEI (no new HEI)	Same academic profiles and localization	Survival or continuity strategy	Conversion of an organic unit of the University into a non-integrated higher education polytechnic institution	University education to Politechnic education and Vice Versa	Forced by regulatory requirements	Reduces the level of requirements for accreditation and operation	--
2019	Notice No. 4460/2019 (2nd Series), of March 18	Voluntary closure	PT0131	4305	Voluntary Closure (non-profit)	--	--	--	--	--	--	--	--

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2019	Decree-Law No. 77/2019, of June 4	Creation and operation	PT0150	4610	New HEI	--	Diverse academic profiles	Expansion of activities	New HEI with the nature of a polytechnic higher education institution, comprising six academic units. Authorized to provide study programs accreditaed by the A3ES to NID 4275	The new institution inherits the legacy of operating authorizations and study programs from two polytechnic higher education institutions (NID 4104 and NID 4275), expanding its scope across various fields of specialization within its academic units.	--	New HEIs with six organic units	--
2019	Order No. 7111/2019 (2nd series), of August 9	Compulsory Closure	PT0113	4125	Compulsory Closure	--	--	--	--	--	--	--	--

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2019	Order No. 7515-B/2019, of August 22; Notice No. 18428/2019, of November 19	Compulsory Closure	PT0054	4295	Compulsory Closure (for-profit)	--	--	--	--	--	--	--	--
2019	Notice No. 13641/2019 (2nd series), of September 2	Voluntary closure	PT0096	4078	Voluntary Closure (non-profit)	--	--	--	--	--	--	--	--
2019	Notice No. 13641/2019 (2nd series), of September 2	Voluntary closure	#N/D	4081	Voluntary Closure (non-profit)	--	--	--	--	--	--	--	--
2019	Notice No. 13643/2019, of September 2	Voluntary closure	PT0136	4385	Voluntary Closure (non-profit)	--	--	--	--	--	--	--	--

2019	Notice No. 14027/2019, of September 10	Transfer of ownership and denomination	PT0145	4110	Aquisition/ Transfer of ownership	Single HEI (no new HEI)	--	Market-driven merger; Survival merger	Changes the denomination	--	--	Changes in organization structure by integration in other founding body	Transfer of ownership between two non-profit organization
2019	Order No. 8437/2019 (2nd series), of September 24	Compulsory Closure	PT0088	4074	Compulsory Closure (non-profit)	--	--	--	--	--	--	--	--
2019	Order No. 8723/2019 (2nd series), of October 2	Compulsory Closure	PT0066	4150	Compulsory Closure (for-profit)	--	--	--	--	--	--	--	--
2020	Notice No. 7101/2020 (2nd Series), of April 28	Voluntary closure	#N/D	4380	Voluntary Closure (non-profit)	--	--	--	--	--	--	--	--
2020	Notice No. 7102/2020 (2nd Series),	Voluntary closure	#N/D	4005	Voluntary Closure (non-profit)	--	--	--	--	--	--	--	--

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	of April 28												
2020	Decree-Law No. 45/2020, of July 23	Creation and operation	PT0151	4620; 2750	New HEI	--	--	Expansion of the group activities	Creation of New Entity (new establishment, with the nature of a non-integrated polithecnic institute)	--	--	Although it is an autonomous entity, it begins its activity by receiving a legacy created by the umbrella entity of the group. It is initially authorized to offer polytechnic study cycles accredited by A3ES (Agency for Assessment and Accreditation of Higher Education) and registered by DGES (Directorate-General for Higher Education), previously	--

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												operating within the polytechnic subunits of Universidade Fernando Pessoa [NID 2750] (Fernando Pessoa University).	
2020	Decree-Law No. 65/2020, of September 11	Change of nature and name	PT0147	2710	Institutional Restructing	--	--	--	Changes the name and the nature of the HEI from a university school to university instutue.	--	--	New denomination and modification of operating requirements to align with the specificity of the new status.	--
2020	Notice No. 15197/2020, of October 1.	Change of name	PT0125	4270	Institutional Restructing	--	--	Rebrand	New name	--	--	--	--
2021	Decree-Law No. 61/2021, of July 21	Change of nature and name	PT0051	4358	Institutional Restructing	--	--	Expansion and reinforcement of the university statute and rebrand.	Changes the nature from a university institute to university.	New denomination and modification of operating requirements to align	--	--	--

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			PT0153	4630		--	--			with the specificity of the new status. A new university that inherits the legacy of the preceding university institute [NID 4358]. In practice, it is not a completely new institution but rather an institutional restructuring to achieve a higher recognition status.	--	--	--
2021	Decree-Law No. 61/2021, of July 21	Creation and operation	PT0152	4625; 4101	--	Twin mergers	Similar academic profiles and localization	Efficiency-driven merger; Market-	Creation of New Entity (new establishment, with	A polytechnic institute was created	Voluntary mergers	--	--

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	Closure (by merger/integration)	PT0108	4101	Closure (by merger/integration)	--	--	driven merger	the nature of Politecninc Institute, that absorbs one higher education school).	with two organic units (higher education schools). The newly established Polytechnic Institute is initially authorized to offer study programs and courses accredited by A3ES and registered with the Directorate-General for Higher Education (DGES), via the higher education institutions now integrated into its academic structure.		It ceases to exist as an autonomous institution and becomes part of the new HEI's organizational structure.	--

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2021	Decree-Law No. 61/2021, of July 21	Creation and operation	#N/D	4531; 4640	Split-off	--	Same academic profiles	--	Creation of New Entity (new establishment, with the nature of non-integrated polytechnic higher education institution)	It gives rise to an autonomous institute while inheriting its legacy of courses operating in another location.	--	--	--
2021	Notice No. 15456/2021 (2nd Series), of August 18	Voluntary closure	PT0098	4065	Voluntary Closure (non-profit)	--	--	--	--	--	--	--	--
2021	Decree-Law No. 79/2021, of October 4	Merger/Absortion	PT0077	2400; 20405	Merger/ Absortion	Twin mergers	Comun academic profiles and localization	Efficiency-driven merger	--	The university absorbs an institution that resulted from its own separation. It now operates as a multi-campus institution under a unified framework.	Voluntary mergers	It now operates as a multi-campus institution in Lisbon, Porto, and Vila Nova de Famalicão.	--

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		Closure (by merger/integration)	PT0143	2405	Closure (by merger/integration)	--			--	It ceases to exist as an autonomous entity, being absorbed and becoming one of the campuses of the integrating university.	Voluntary mergers	The organizational structure is absorbed and merged with the receiving university.	--
2021	Decree-Law No. 79/2021, of October 4	Creation and operation	PT0145	4110	Institutional Restructing	--	--	Expansion and rebrand	New name	--	--	--	--
2021	Decree-Law No. 79/2021, of October 5	Creation and operation	PT0115	4107	Institutional Restructing	--	--	Expansion and rebrand	New name	--	--	Institution with multi-campus (multi academic units/ Higher Education Schools)	--
2022	Order No. 11138/2022, of September 7 + Notice	Creation (by integration/merger)	#N/D	2900; 2800; 4032	Merger/ Absorption	Multi-partner mergers: A merger involving three or more	--	Efficiency-driven merger; Market-driven merger	A new entity is formed, absorbing two universities.	--	Voluntary mergers	A new entity is formed, absorbing two universities along with	--

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No. 20579/2022, of October 26	Closure (by merger/integration)	PT0080	2800	Closure (by merger/integration)	institutions.		It ceases to exist as an autonomous entity and becomes part of a multi-campus university.	their study programs and operating authorizations from the integrated HEIs. These institutions continue to operate in the same locations, functioning as campuses (Porto and Lisbon).
	Closure (by merger/integration)	PT0081	4032	Closure (by merger/integration)			It ceases to exist as an autonomous entity and becomes part of a multi-campus university.	

Source: Authors' own elaboration

The analysis suggests that restructurings in HE occur in response to regulatory factors, along with economic and strategic factors. The regulatory factors include: in 2003, Law No. 1/2003, of 6 January, which created the legal regime for the development and quality of HE - RJDQES (which seeks to clarify the different nature of training in the university and polytechnic subsystems); between 2006 and 2007, Decree-Law No. 74/2006, of 24 March, which approved the legal regime for the development and quality of HE: Decree-Law No. 74/2006, of 24 March, which approved the legal regime for higher education degrees and diplomas (RJGDES); Law No. 38/2007, of 16 August, amended by Law No. 62/2007, of 10 September (RJIES); Law No. º 38/2007, of 16 August (RJAES); Decree-Law No. 369/2007, of 5 November, which created A3ES; in 2013 Decree-Law No. 115/2013, of 7 August, which made several updates to the conformation of Degrees and Diplomas; and in 2018 Decree-Law No. 65/2018, of 16 August, which established new requirements for accrediting study cycles, as well as the changes to the basis of higher education funding made by Law No. 37/2003, of 22 August, and Law No. 49/2005, of 30 August.

The 2004-2009 and 2015-2019 periods saw the highest peak in HEIs closures, 8 HEIs and 10 HEIs respectively, resulting from A3ES evaluation processes, with the majority of closures being voluntary both in non-profit and for-profit sector of HE.

Merger/Absorption processes also fluctuated in the period observed in waves, involving a total of 14 HEIs. One of the most common restructuring formats observed involves the merger of two or more institutions into a single entity and the absorption of the smaller institution by the larger one. Most of these events took place between 2004 and 2006, indicating a period of accelerated consolidation that restarted between 2019 and 2022.

Acquisition/transfer of ownership processes peaked in 2009, with the data revealing a trend towards the acquisition of small PHEIs by larger educational groups. Many of these processes involved the subsequent merger or integration of the establishments of the receiving HEIs. This suggests a search for greater financial stability and expansion by private HE groups.

The residual Consolidation processes analysed (3) are the result of mergers/integrations of HEIs operated by three large groups: IAD, Jean Piaget and Lusíada University. This type of event occurred in a spread-out pattern over time.

Institutional restructuring is the most recurrent process analysed, with a peak between 2013 and 2017. Most institutions underwent administrative and academic reformulations without formal merger or acquisition changes, with many of these changes being at the level of the name (rebrand), changes in location (expansion or concentration of campuses) and changes to the legal nature of the establishment, mostly by regulatory force. In other words, to adapt the organization’s legal status to meet accreditation requirements. Most of the processes are the result of voluntary acts by the HEIs, except for events classified as reconversion, which are the result of an imposition by the authorities when the accreditation requirements for the registered legal status are not met.

Split-offs are residual. In some cases, institutions that had been absorbed or integrated ended up splitting up again, and others returned to operate in a merged form (e.g. Instituto Superior de Tecnologias Avançadas and universities of the Lusíada group).

The motivations and strategy behind the changes are mostly related to requests for the tutelage to change or reformulate recognition of public interest. There are no disruptive changes to the scope and nature of these processes, insofar as the legal framework restricts them, and the requirements for accreditation and authorisation to operate study cycles cannot be altered. It is clear that the regulatory environment means that M&A in HE requires strategic alignment in terms of academic standards, and HEIs must ensure compliance with the requirements defined by the regulatory bodies in order to guarantee compliance and avoid barriers.

It has also been observed that mergers within the perimeter of the same founding body reflect collective strategy formulations for integration and merger and even split off without compromising identity and values. In the cases observed, there was a full transition of study cycles and authorisations between establishments of the same nature. M&As mostly reflect characteristics of similarity and complementarity.

Nevertheless, there are changes in nature from polytechnic to university education and vice versa, as well as in the degrees of independence and/or autonomy in the M&A processes, which reflect the new legal forms adopted by the merging and receiving organisations.

Finally, M&As are more common between institutions with the same patterns of ownership, i.e. mergers between non-profit HEIs (e.g. between cooperatives, between associations and cooperatives) than between for-profit and non-profit HEIs.

Taken together, these findings suggest that regulatory reforms have had a significant influence on the restructuring of the PHE sector. By imposing compliance requirements, they have influenced the organisational choices available to institutions, thereby urging them to consolidate, integrate and reposition themselves strategically. Nevertheless, this study contributes to the literature in four ways. First, it develops an original longitudinal database of restructuring events in Portuguese PHE. Second, it provides one of the few micro-level analyses of M&A processes in private higher education. Third, it demonstrates how regulatory frameworks shape organisational responses over time. Finally, it advances the concept of constrained adaptation as a lens through which institutional restructuring in highly regulated private higher education systems can be interpreted.

Importantly, the findings suggest M&A should be understood primarily as constrained adaptation rather than strategic expansion, but rather as adaptive responses to systemic constraints. This shifts the analytical perspective from voluntary strategic choice to constrained organisational behaviour, where institutions operate within narrow regulatory and economic margins.

6. Conclusions

The transformation of PHE in Portugal reflects a combination of regulatory challenges and market pressures. M&A emerge as strategies to ensure the sustainability and competitiveness of HEIs. The findings indicate that HEIs adopt adaptive restructuring strategies, aligning internal governance and academic offerings with evolving accreditation norms and regulatory frameworks, particularly post-Bologna reforms. More broadly, the evidence suggests that M&A has become a central mechanism through which PHEIs adjust to changing operating conditions while maintaining institutional viability and accreditation capacity. However, their organisational consequences remain underexplored.

Findings resonate with international studies, which underline that M&A strategies should not be approached as “one-size-fits-all” solutions. HE frameworks need to recognise the structural and cultural diversity of HE systems and HEIs. In the Portuguese case, the legal framework ensures that M&A initiatives safeguard institutional missions, regional roles, and sectoral diversity. However, while regulatory frameworks act as strong drivers of restructuring, they also risk constraining innovation and institutional strategy.

This study provides one of the first comprehensive, system-level analyses of M&A in Portuguese PHE, offering new empirical evidence on institutional restructuring processes over time. By documenting and classifying restructuring events over nearly two decades, it also contributes to a better understanding of how regulatory and competitive pressures influence organisational change in PHE.

By relating regulatory change with organisational transformation, it demonstrates that M&A are primarily adaptive responses to systemic constraints rather than purely strategic growth mechanisms. These results contribute to the debate on the PHE sector, providing empirical evidence on institutional restructuring and data for comparative longitudinal analyses. Presenting the relationship between different M&A categories and micro-level processes in PHEIs.

The evidence presented suggests that M&A in Portuguese private HE should not be interpreted primarily as instruments of organisational growth. Rather, they constitute adaptive responses to a regulatory environment that simultaneously safeguards quality and restricts the strategic autonomy of institutions. In this sense, restructuring becomes a mechanism through which institutions negotiate survival, legitimacy, and sustainability.

Beyond the Portuguese context, the findings invite broader reflection on the unintended organisational consequences of regulatory expansion in HE systems. Policies designed to enhance accountability and quality may also reshape institutional landscapes by encouraging consolidation, concentration, and new ownership configurations. Understanding these dynamics is therefore essential for policymakers seeking to balance quality assurance with institutional diversity and innovation. Therefore these findings have important implications for policymakers, suggesting that regulatory frameworks not only ensure quality and accountability but also actively shape the structure and evolution of the HE sector.

Future research should move beyond the mapping of legal changes to explore the organisational and performance implications of M&A, particularly in terms of governance, academic integration, and educational outcomes, and the long-term effects of restructuring on PHE sustainability

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AUTHORS' CONTRIBUTIONS (CREDIT)

Conceptualization, MEFF, MLMT; methodology, MEFF, MLMT; software, MEFF; validation, MEFF, MLMT; formal analysis, MEFF; investigation, MEFF; resources, MEFF; data curation, MEFF; writing—original draft, MEFF; writing—review and editing, MEFF, MLMT; visualization, MEFF; supervision, MLMT.

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CONFLICT OF INTEREST

The authors declare no conflict of interest.

DATA AVAILABILITY STATEMENT

An in-depth description of the M&A with chronological and interinstitutional mapping of M&A activities that took place in the PHE sector between 2004/05 to 2021/22 can be provided under request to the corresponding author. Such description focuses on the following characteristics of each M&A: HEIs involved, founding body and institutional changes per legal act.

ETHICS STATEMENT

This study is based exclusively on the analysis of legal acts and publicly available institutional data and does not involve human participants or personal data. Therefore, ethical approval and informed consent were not required. The research was conducted in accordance with relevant institutional and national guidelines for research integrity.

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LLMS DISCLOSURE

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