Value choices in a mixed economy of care: how politics shapes the implementation of complex social policies

Abstract

While new social and public policy recognises the diversity of actors and processes occurring in the implementation of policy and the organisation of public service delivery, the analysis of the role of value pluralism in implementation remains underdeveloped. This paper contributes to a more nuanced understanding of the relationship between value pluralism and organisational responses to value conflict by exploring the effect of politics on the value choices of senior public servants involved in the design and implementation of Australia's National Disability Insurance Scheme. Our analysis shows that politics may play an essential role in facilitating implementation of a complex social policy that contains a number of incommensurable values because successful politics allows these incommensurable values to co-exist and adaptation to take place, thereby avoiding the creation of a blocked hybrid.

Introduction

Over the last fifteen years there has been a resurgence of interest in policy implementation studies (Barrett 2004; Exworthy and Powell 2004; Hill and Hupe 2009; Carey Dickinson & Olney 2017; Schofield 2001, 2004). In part, this has emerged from a range of high profile policy implementation failures in OECD countries (OECD 2010). This revival has occurred as public administration and management begins to transition into a new phase, albeit through a range of processes and driving logics (Head and Alford 2015). It has recently been argued that we are entering a new stage of government-policy network relations – termed New Public Governance (Osborne 2010). New public governance (NPG) is said to recognize better the diverse range of actors as well as the diverse range of processes occurring in any one time in policy systems and sub-systems (Osborne 2010; 2006). In a challenge to claims of a definite boundary between phases or stages of policy-making, NPG scholars stress continuity and pluralism both in the processes of public policy-making and the implementation of public policy and organisation of public service delivery.

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While public administration scholars describe a significant shift in governance forms, the core insight from historical institutionalism is that older forms of governance continue to exist alongside newer forms to create complex, policy-making service delivery structures (Dickinson,2016:41; Beland and Powell 2016; Beland, Rocco and Waddan (2016). The social policy sector is no exception. As governments contract out the provision of care to the non-government sector while simultaneously encouraging delivery by the market, the result is "an ever more hybrid and variegated mixed economy of care where private and public, market and state, paid and unpaid, formal and informal become inextricably intertwined" (Glucksman,2006:62). In a world characterised by a greater diversity of actors in policy-making and implementation processes, the challenge of balancing and negotiating betweenvalues, some of which are incommensurable, becomes increasingly important (Dickinson,2016:55).

Traditionally, politics has been regarded as the "authoritative allocation of values for society" (Easton,1965:3), yet the role of politics within the policy implementation literature remains under theorized (Barret and Fudge,1981; Moe,1989; Patasnik,2008). The interplay of politics and implementation has fallen between political scientists concerned with bureaucratic politics and public administration researchers interested in the organisation of public sector structures. Yet choices about bureaucratic structure are "not matters that can be separated off from [politics], to be guided by technical criteria of efficiency and effectiveness" (Moe 1990, p. 268). Others have argued that the structure of government is a p[olicy instrument itself as well as a question ofimplementation. Barzelay (2006) introduces the notion of public management policy to describe the process of political choicesabout the structure of government, with its implications for shaping policy implementation across a range of sectors.

The particular contribution of this paper is to highlight a dimension of pluralism that, although acknowledged by NPG scholarship (Osborne 2010, p.11), is underdeveloped in terms of understanding policy implementation: value

pluralism. In many ways value pluralism and its role in policy and administration scholarship is a hardy perennial (see, for example, Spicer 2010), but its critical role in policy implementation in a new public governance era has yet to be adequately explored. This paper redresses this gap by investigating the relationships between value pluralism and organisational responses to value conflict by engaging with the recent promising insights provided in Skelcher and Smith (2015).

Disability care regimes

Internationally there have been significant shifts from directed social welfare delivery to mixed models – many of which utilise market principles. Ostensibly this shift has occurred with the aim of addressing fiscal and social issues (Osborne, 2010). Increasingly these models depend upon public sector markets (i.e. markets that are funded by the public sector, but delivered by providers from a range of sectors) (LeGrand, 2007). Public sector markets is an umbrella term; in reality there are diverse arrangements in place internationally which can fall within this conceptualization. For example, governments create 'markets' through contracting and tendering processes or by individualized care budgets (i.e. where individuals are given money to purchase services that meet their needs) (LeGrand, 2007; Needham and Glasby, 2015; Williams and Dickinson, 2015). This has occurred in the UK, Germany and the Netherlands to name a few (Anttonen, 2012).

This article uses the case of the Australian Disability Insurance scheme – a market based on individuals care packages and budgets. By enabling choice and control, proponents believe that personalized budgets and care markets improve wellbeing (LeGrand, 2007); rather than utilizing a 'one size fits all' service, citizens can (in principle) choose services that meet their needs.

While personalisation of care services has been applied in a number of countries including the United Kingdom(Exworthy et al., 1999; Needham and Glasby, 2014), the most ambitious national implementation of the approach to date is in Australia (Dickinson & Needham, Forthcoming, Carey et al). The Australian National Disability Insurance Scheme (NDIS) commenced national rollout in mid 2016. The national scale, quantum of funding and complexity of the resulting

care market structure under the NDIS is unprecedented (Dickinson & Needham, Forthcoming, Carey et al).

Under the NDIS, approximately 460 000 individuals who have a significant and permanent disability will receive personalized funding budgets (Australian Productivity Commission, 2011; Collings et al., 2016). By providing choice and control, the Scheme is expected to deliver benefits to these individuals, their carers and families – extending the potential benefits of the scheme to hundreds of thousands more individuals (Australian Productivity Commission, 2011).

The scheme will be fully implemented across Australia by 2019, including in urban, rural and remote localities and across a diverse range of disability types (Australian Productivity Commission, 2011; Collings et al., 2016). Under the new 'personalised' model individuals are given funding packages, determined by their level of need and self-defined goals, with which to purchase services (Australian Productivity Commission, 2011). This is anticipated to secure choice and control for the person with a disability. The Australian Productivity Commission argue that the NDIS will replace a piecemeal and inequitable disability services system (Australian Productivity Commission, 2011). Thus the NDIS represents a shift from a fragmented block-funded system, to a personalised model whereby individuals are given funding packages determined by their level of need and self-defined goals (Australian Productivity Commission, 2011; Collings et al., 2016).

Implementation of the NDIS commenced in 2013 with broad public and political support after a highly effective community-led campaign (Thill, 2015). Soon after, the Commonwealth Labor Government was voted out, leaving implementation in the hands of a (conservative) Liberal National Party (LNP) Coalition Government that, while ostensibly committed to the reform, was not the architect of the NDIS (Bonyhady 2014; Cary and Matthews,2016; KPMG

2014). The combination of strong community support, a change in government, complex governance and funding arrangements, and an implementation process that involves transitioning existing State and Territory programs into an entirely new national scheme makes the NDIS what Yin (2014) calls a 'critical' case through which to explore and advance the ways in which politics shapes implementation.

Implementation

The policy implementation literature has traditionally viewed implementation as a process of "assembling numerous and diverse program elements" (Patashnik 2008, p. 5), with public administration and management scholars focusing on administrative issues and the capacity of bureaucracies and/or policy networks engaged in policy implementation. In doing so it has largely side-stepped questions of how politics drives or disrupts implementation, leaving questions of politics in the hands of political scientists who have focused on bureaucratic politics rather than the politics of structural organisation and implementation (Moe 1990; 1989). With the exception of scholars such as Moe (1990; 1989) and Patashnik (2008), in the American context, this has led to a serious gap in understanding how politics shapes implementation.

Values

An important element of politics is how we value things; in alternative terms, reaching public political positions on how we should judge the goodness of things such as actions, situations, outcomes. In the conclusion to his foundational text *The New Public Governance*, Osborne (2010, p. 419) argues that as public administration moves toward a new paradigm, it is important to understand the diverse sets of values that underpin specific modes of service provision because values orient political action and serve as the basis for choice (Stewart 2009, p. 23). In other words, if you want to understand the effects of politics, you need to understand the values that structure both means and ends.

This is particularly true for the delivery of social policy which encompasses complex human services. Here, different systems of provision operate at the

same time, and the diverse logics underlying these different principles of provision may oppose rather than reinforce each other (Glucksman 2006, pp. 62-63; Knijn 2000,p. 232 Indeed, one of the core insights of Richard Titmuss' pioneering work in social policy was that the means, and not just the ends, of delivering human services was a value-laden undertaking). Klijin *et al.* (1997) note that there are often differences between values at the institutional level and values at the operational level. For example, institutional level values may operate around long-term goals while operational level values might centre on speed and/or efficiency. Irrespective of how these values differ, the point is well made that within a networked environment a plurality of values will inevitably exist and these will at times be convergent, divergent, productive and unproductive.

In discussing value conflicts, some definitional tidying up is required between values in conflict and incommensurable values. These are two distinct things, and both are relevant to politics in public administration. In the first, things are valued on the same scale but the struggle or conflict is over their distribution. Conventional policy analysis employs the expected theory of utility to provide a guide as to how this conflict should be resolved; it produces a result, even if in practice the political system works less than perfectly in reaching that point.

In this version of value conflict, all goods and actions in the policy analysis are being valued in the same way. The other version of value conflict is about commensurability, and the extent to which values can actually be 'weighed' on the same scale. That is, how can certain requirements of justice and rights, for example, be considered against someone's well-being or welfare?

Policy analysis cannot provide useful guidance on how to balance these sort of conflicting values as they do not allow for a rate of exchange and trade-offs. This creates a serious dilemma of values for the politics of policy implementation in networked and complex policy environments: no policy instrument or organizational design exists to guide or tell what to do. This absence has seriously implications for resolving resolving value conflicts, which emerge from

politics, during implementation. Further, whilst democratic deliberation about policy goals may hold the prospect of people adjusting their values to accommodate a common set of policy goals and objectives, for policy implementation no such option is available. Value conflicts of this type need to be managed both politically and organisationally.

Organisational responses to value conflict

It is practically relevant to distinguish the commensurability problem as a version of value conflict because it connects to questions of organisational hybridity; how organisations are structured to preserve, protect, advance or separate different values in particular situations in order to limit the negative consequences of tensions and conflicts for effective policy implementation. Recent insights from Skelcher and Smith (2015) can be used to develop further the connections between the politics of incommensurable values and policy implementation. Although they take an Institutional Logics Approach, their approach to the term 'plurality of normative frames' is consistent with the value pluralism outlined here. In several ways, the problem of value conflict also mirrors that of multiple rationalities, well-rehearsed in public administration (Hoppe 2002).

Value pluralism is a driver of organisational hybridity (Fossestøl *et al.* 2015, p. 291; Skelcher and Smith 2015, p. 434). Different hybrids are created by the actions of agents who engage in strategies of organisational and institutional 'bricolage' for the purpose of managing value conflicts and avoiding adverse consequences for effective implementation and service delivery, what Skelcher and Smith (2015, p. 442) call a 'blocked' organization. For example, values may be separated by different organisations, or segmented into different compartments within the same organization. Skelcher and Smith (2015) also set out hybrids that blend or assimilate values in conflict, although it is not clear how these types would work for incommensurable values.

Organisational responses to value conflict, a process known as hybridisation, fall into three broad categories. In the first, a core value is selected and asserted as

the mission of an organization at the apex of a hierarchy; second, values may be combined in some way, inter- or intra-organisationally, with an institutional rule in place for arbitrating on conflicts; thirdly, there is a contingency approach where informal and fluid organisations are formed, often temporarily, for the purpose of managing value conflict at a particular stage of the implementation process. These strategies are not mutually exclusive, and critically it is in the nature of the local contexts of any value conflict situation that explains their genesis. Using the case of the NDIS, this paper aims to enhance understanding of hybridisation in public sector organisations by focusing on the impact of politics during the implementation process.

Research Design and Methods

This paper draws on data from a longitudinal study of the implementation of the NDIS (UNSW Human Ethics Grant number G160892). The study aims to investigate implementation with a particular focus on how governance structures enable and/or constrain the sort of policy learning and change that are necessary for successful implementation. The study utilizes a case study research design because it enables us to investigate these changes in-depth and in their real-life contexts (Yin 2014). Specifically, this paper draws on semi-structured interviews conducted with individuals working in the Australian Public Service who played a role in determining the governance structures of the NDIS after the relevant legislation was passed as well as relevant policy documents such as the 2011 Productivity Commission report, *Disability Care and Support.*

We began with purposive sampling of key individuals in charge of an initial NDIS Taskforce established within the Department of Prime Minister and Cabinet in 2013. This was followed by interviews with the NDIS implementation group within the Department of Human Services – the group charged with overseeing and coordinating the implementation of the NDIS at the national level. Participants were identified by the director of the group to provide a wide range of views on the implementation of the NDIS. In total, 26 semi-structured interviews were conducted. Interviews were recorded and transcribed

verbatim. Themes covered in the interviews included: decisions regarding the governance structure of the NDIS; deviations from the structure proposed by the Productivity Commission in their report; and the impact of the new LNP Government on the design and implementation of the NDIS. Data was analysed using a thematic approach (Blaikie 2010). 'Like' data were grouped together to form categories and subcategories. These categories were developed into more substantive themes by linking and drawing connections between initial categories and hypothesizing about consequences and likely explanations for the appearance of certain phenomena (Strauss 1987). This was done through discussion between the team. In the refining of themes for publication, selective coding was carried out, whereby transcripts were revisited with the explicit intent of finding further linkages and connections between the central issue being explored and other themes.

Values embedded in the design and implementation of the NDIS

As noted earlier, value choices structure decisions about both ends and means. For the NDIS, the values that underlie bureaucratic provision (equal treatment, fairness, justice) have shaped broad policy objectives, while values that underlie market provision (efficiency, effectiveness), professional provision (personalisation) and the principal of financial sustainability have shaped, and continue to shape, implementation decisions.

Prior to the introduction of the NDIS, the type and extent of services available to people with disability varied from State to State. A desire to provide all eligible Australians with a consistent level of support regardless of where they lived (equal treatment) was a driving force behind the introduction of what would be a *National* Disability Insurance Scheme (Australian Productivity Commission, 2011).

> Essentially the high level story about the NDIS is almost inarguable. People with severe and chronic conditions have been underfunded and suffered from a disjointed and fragmented service system for years (P6).

> I think the intent is that we'll by and large have national consistency…in decision making around the scheme and what people are able to access…[and] the way in which it's delivered (P2).

The importance of fairness and justice as policy objectives can be seen in statements from design documents for the scheme, such as:

> The current disability support system is underfunded, unfair, fragmented, and inefficient, and gives people with disability little choice and no certainty of access to appropriate supports (Productivity Commission 2011, p. 2).

The more concrete policy objective of lifetime care embedded in the NDIS is an expression of fairness and justice.

While values were commensurate during the legislative process, in implementation divergent values have emerged. This is not unexpected because the logic of political mobilization and the logic of implementation are different (Mosse,2004:663). During the policy development phase, a diverse group of actors may support a particular policy goal (such as more choice and control for service users) for different reasons. In relation to disability services, many people with disability value choice for intrinsic reasons because in choosing they are able to exercise control and agency, and being able to exercise control and agency is valued in itself, regardless of the policy outcome. However many politicians and bureaucrats value choice for instrumental reasons (Nevile,2016:273-275).   For example, in its Inquiry Report, *Disability Care and Support*, the Productivity Commission (2011:357) argued that "an absence of genuine choice tends to result in lower quality and more costly services, less product variety and less innovation" because the ability of service users to act like consumers broadens the scope for competition and hence provides greater pressure for responsive, high quality services. However the implications of differing justifications usually manifest when broad policy goals (more choice) are translated into specific design parameters.

In the case of the NDIS, the values that have influenced decisions about how the scheme will be implemented are a mixture of values underlying market provision (efficiency, effectiveness) and professional provision (personalisation), which in the NDIS is expressed as 'choice and control'. As noted previously, the NDIS is based on an actuarial, or insurance, based approach. This means the principal of financial sustainability that underlies the scheme is linked to

efficiency in that financial sustainability is weakened if costs regularly exceed expected levels.

> One of the things that really struck me is how much that budgeting and finance function drives an awful lot of what happens...because the overall success of the NDIS is very dependent on its financial viability (P6).

This is likely to be a source of considerable value conflict over time.

> Yeah, so… costs were quite high in the early days of the NDIA [National Disability Insurance Agency]. We did a bit of work with them, and some of the reasons for that was they put through their high cost people first. So…some of the things the NDIA can do is have a look at the guidelines of who they're letting in for eligibility and making sure they're…aligned with the policy (P9).

Because the principle of financial sustainability is so important, efficiency has driven a number of implementation decisions, such as the decision to outsource audit functions where 'there was a general consensus that outsourcing auditing was going to be more efficient' (P15), the decision to co-locate local NDIA offices with existing Centrelink offices where 'co-location was very much [done] to minimise accommodation costs' (P24), and the decision to outsource Local Area Coordinators which was 'driven by the fact that governments have…a staffing cap that won't be exceeded' (P2). Hence, while values evident at legislation were ones of fairness and equal treatment, early in implementation these began to shift to efficiency.

Managing value conflict

As discussed earlier, tension between the values which shape choices about means and ends are inevitable (Stewart 2009, p. 186) and the NDIS is no exception. One obvious source of tension arises from the desire for equal treatment and a commitment to choice and control for service users. Prior to the NDIS, many State government programs were funded by block grants where money went to a service delivery organisation and the organisation made decisions about how that block of money would be spent. Consequently, 'in New South Wales people could apply for money and they would have a window replaced or their washing machine repaired…and in another State we had dog food being funded and medicines being funded…[none of which are] in the scope of the scheme' (P20).

> [There is a] DSS policy view that the scheme doesn't turn itself into an income support program. It's a lot of money and it's got to buy support that is identifiably related someone's disability needs…So you want some discretion so people can innovate [but it] can't be too discretionary so that the person next to you can buy something that effectively you'd have to buy with your own income (P19).

Hence, value conflict exists around the extent to which choice and control should be allowed under the scheme and the priority placed on ensuring scheme sustainability and budget control. The latter is driven particularly by government agendas and politics, with 'cost blow out' featuring prominently in the Australian media coverage of the scheme (see, for example, Morton 2016; Cullen 2013).

Tensions can also arise between personalisation (choice and control) and efficiency, as occurred in the implementation of participant planning. When the NDIA started the process of drawing up plans with participants in trial sites, they set themselves specific targets in terms of the time taken to process eligible individuals. However the NDIA soon discovered that the majority of participants wanted to spend more time than they had expected thinking about their plans, 'wanting to ensure that their plans are right for them… [Consequently] some of the targets around getting plans signed up sort of trailed off a little' (P2).

Public servants often deal with value conflict through firewalls or structural separation, what Skelcher and Smith (2015, p. 440) characterise as segmented or segregated hybrids. While there are many examples of structural separation, within the Commonwealth Department of Social Services (DSS) and between DSS and the NDIA, there is little evidence that this structural separation is a technique used to manage value conflict. Rather, structural separation is consequence of the complexity of a collective implementation process where 'nobody owns the entire thing' (P6) and nobody has 'the full picture of what's actually happening in the Commonwealth or in the States…but we can work together at executive levels to keep the ship sailing' (P18). Similarly within DSS different units focus on specific issues, such transitioning funding and programs into the NDIS, quality and safeguards, and communications, but these issues are discussed at departmental meetings.

> [Q]uality and safeguards was an issue right from the very beginning…It was a massive piece of work. It was done in a different branch to the one I worked in, but it came to all the meetings, of course (P11).

The only exception is the decision to have the Commonwealth deal with complaints against providers, where it was thought to be more appropriate for there to be a clear organisational separation between the agencies delivering front-line services and the agency with responsibility for reviewing the actions or decisions of those agencies. This decision was taken because it was felt that people with disability whose lives have been controlled by State government agencies for many years wanted 'a certain level of separation of powers so that they'll deal with the agency for their plan and their supports, but they will be able to go somewhere else to make a complaint' (P15). In addition, there will be a separation between the NDIA as the implementation arm and the national regulator which will be located at the Commonwealth level (DSS 2016).

Organisations may also accommodate conflicting values by adopting some of the symbols and practices of one set of values, while a core set of values remain dominant: what Skelcher and Smith (2015, p. 441) characterise as an assimilated hybrid. Alternatively, they may combine elements of two (or more) sets of values to create a new, contextually specific organisational structure and identity: what Skelcher and Smith (2015, p. 442) characterise as a blended hybrid. While questions remain about the extent to which service users will be allowed to exercise choice and control in the NDIS (see, for example, Nevile 2016, p. 275), for the first time, people with disability are able to participate in decisions about what sort of services they will receive, as well as being given a choice about who will provide those services. As discussed in the following section, one value, such as efficiency, does not always dominate. Consequently the NDIS cannot be characterised as an assimilated hybrid. Neither can it be characterised as a blended hybrid because the values underlying design and implementation remain separate and distinct: they have not evolved into a new singular identity.

It is also clear that tension between the values underlying design and implementation have not led to organisational dysfunction (the blocked hybrid).

> Commonwealth/State negotiations are hard at the best of times, but when you are working on such a huge reform…I think the biggest feat is getting the States and the

> Commonwealth to agree on this and negotiating the trial agreements…It's taken us 18
> months of negotiating to get there and we celebrated last week…because that is amazing
> (P17).

The NDIS does not fit into the five ideal types of hybrids outlined by Skelcher and
Smith. We argue that this stems from the politics surrounding, and interjecting,
in the implementation process. Skelcher and Smith's (2015, p. 445) observation
that the 'likelihood of a blocked hybrid may be moderated by…the *value
commitment* of organizational members' provides a clue as to how this process
works. Hybridity encompasses identity as well as organizational structure
(Meyer *et al.* 2014:863; Mulllins and Acheson 2014, p. 1613). An individual's
social identity derives from membership of a particular social group, such as a
bureaucracy, which provide a set of values that guide action as well as shaping
organizational structures (Meyer *et al.* 2014, p. 863). For public servants, a
fundamental part of their social identity is carrying out the wishes of the
government of the day, which means accepting vertical hierarchy (doing what
the Minister wants) and the necessity of compromise when negotiating with
horizontal authority to progress Ministerial priorities. In other words, in the
case of programs such as the NDIS which are 'incredibly politically sensitive'
(P20), it is politics that determines which value should dominate in situations of
value conflict.

The effect of politics on value choices

An analysis of the impact of politics on value choices in the NDIS reveals that,
while the impact of politics is multi-directional (that is, at times politics will
reinforce a particular value, at other times it will weaken that value), it is never
ambiguous. For example, the *National Disability Insurance Scheme Act* 2013
came into effect six months out from a Federal election and the minority Gillard
Labor Government decided to bring forward the staged roll-out by one year, so
that implementation in certain sites would commence before the 2013 Federal
election.

> The Prime Minister and the Commonwealth Minister wanted to basically have trials and
> launches in place ahead of the election and have it signed off ahead of the election
> (P22).

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In its report, *Disability Care and Support*, the Productivity Commission (2011, p. 928) recommended a start date of July 2014 which it believed was 'tight…but realistic and achievable'. Bringing the start date forward by 12 months placed additional pressure on an already tight timeframe. In talking about the policy work currently being done in the DSS, it was clear that senior bureaucrats were aware of the risks but also understood the political realities.

> [T]he government was forced to make some hasty decisions to get it over the line before an election…[But] if they hadn't done that it might never have got up…If the government had procrastinated and said, 'alright, we can't take this to an election, we've got to get all these things right', I don't know whether it would have got over the line. I don't think it would have to be honest (P17).

In recommending that the NDIS be fully funded by the Commonwealth, the Productivity Commission was motivated by a desire to create a funding stream that was immune from the politics of Federal/State relations (Productivity Commission 2011, pp. 644 & 678). While some States were happy with the prospect of the Commonwealth assuming responsibility for funding disability support services (P22), the Commonwealth Government was not prepared to cut its own spending in other areas while the States, who have constitutional responsibility for disability services, were able to use money previously allocated to disability services on their own policy priorities (P24, P19). Faced with the need to negotiate a joint funding agreement with State and Territory governments in the lead-up to the Federal election, Commonwealth public servants were forced to make decisions that weakened both efficiency and the desire for national consistency. For example, the States, motivated by their own political concerns, would not agree to any deal unless individuals currently receiving assistance under State-funded programs would receive assistance under the NDIS, even if they could not demonstrate the level of need deemed necessary under the original Productivity Commission model (P24).

At other times, political considerations reinforced the importance of efficiency, even at the expense of effectiveness. For example, as part of joint Commonwealth/State funding arrangements, the Commonwealth agreed to fund all of the costs associated with the NDIA during the trial phase and 40 per cent of program costs; that is, the cost of peoples' plans. Concerned about potential cost blow-outs, the Abbott Government

> put a lot of pressure on the NDIA to keep costs down and I think their response to that…was that they did interim plans and they did low cost interventions…So, what they might get is a new wheelchair…what they probably need is homecare, support, someone to get them to work or community participation, all of which is incredibly expensive (P24).

Mullins and Acheson (2014, p. 1613) note that hybridisation may entail various adaptive responses, including accepting trade-offs such as the one described above. Our interviews reveal that senior public servants are aware that they are making an adaptive response; that is, they are aware of the need to balance efficiency and effectiveness, while recognising that achieving an optimal balance may only be possible in the medium to long-term because of the political importance of controlling costs. For example, in the discussion about efficient pricing, a senior Commonwealth bureaucrat noted that in moving towards an efficient price the government has to ensure that the efficient market price allows for the provision of high quality services.

> [It] is quite critical that our policy people…ensure that by driving the price down to what [is seen as] an efficient price, that they don't drive shonky activities (P18).

However Commonwealth politicians have not always chosen efficiency over effectiveness. A political desire to avoid poor quality service provision (which reinforces effectiveness) has characterised decision making from the very beginning of the implementation process where the scheme's high political salience has generated correspondingly high levels of political risk. The Productivity Commission believed the Federal Treasurer should be responsible for the NDIS because of 'the critical need to ensure strong cost controls, its insurance characteristics [and] long run sustainability' (Productivity Commission 2011, p. 432), and because

> they were very worried it would get dumbed down and just become another kind of discretionary program where ministers…tell agencies what to do and they really wanted a degree of independence from ministerial direction so what was funded wasn't driven by political considerations (P19).

With the memory of the home insulation disaster (where four young men died while installing ceiling insulation) still fresh in the minds of the public, the Gillard Government was not prepared to once again give policy responsibility to a central agency which had little or no experience of policy implementation (P25).

> We had seen what happens when you've given the Environment Department the home insulation program and they didn't have the expertise to run the program. So I think the government was pretty thoughtful about, 'well where is the capacity to do something of this size?' (P21).

Politics is often seen as weakening implementation efforts (Matland 1995, p. 148). However in the case of the NDIS, politics plays an essential role because it is the mechanism that allows diverse sets of values to co-exist. For the NDIS, successful implementation depends upon organisational hybridity because of the interdependence of incommensurable values. For example, as discussed earlier, the values that lie behind market provision and professional provision are often in conflict, but in the NDIS, choice and control for participants is dependent on market provision.

> [A]t the end of the day we need the market to be there. I mean there is no choice and control for participants if there's no services being delivered in a particular area, and the whole fundamental underpinning is, 'let's improve choice and control' (P2).

Similarly, long- term efficiency and effectiveness are dependent on the level of choice and control given to participants. If participants do not have confidence that the scheme will continue to deliver the sort of supports that they need over their lifetime, they will tend to hang onto the services they currently receive even if their needs change over time. On the other hand, if 'people trusted the scheme and felt more in control of changing their supports around…there would be things that [they] wouldn't need and would be happy to let go, because there were these other things that better served [them]' (P2).

Conclusion

In their discussion of hybridisation of third sector housing and support organisations in Northern Ireland, Mullins *et al.* (2014, p. 1613) argue that 'critical theorisation works best by focusing on dynamic processes of hybridisation rather than static descriptions of hybridity'. Denis *et al.* (2015, p. 285) also call for future research that moves beyond a typology of various response strategies to develop a more nuanced understanding of the processes that shape these responses, highlighting the need for a cross-disciplinary perspective that addresses the gap in organisation studies (a lack of attention to the crucial role of politics) and public administration (a more explicit focus on implementation). In this paper we answer this call by exploring the effect of

politics on the value choices of senior public servants involved in the design and implementation of Australia's National Disability Insurance Scheme. As a scheme designed to provide a guarantee of life-time care for all eligible Australians through development of a mature market in disability services and the introduction of more choice and control for service users, the NDIS is situated in a hybrid public policy field and the values that underlie design and implementation reflect a mix of bureaucratic, market and professional provision.

Our analysis shows that politics plays an essential role in facilitating implementation of a complex social policy that contains a number of incommensurable values because it allows these incommensurable values to co-exist and adaptation to take place, thereby avoiding the creation of a blocked hybrid. Furthermore, in the case of the NDIS, successful implementation depends upon continued co-existence because of the interdependence of these incommensurable values.

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