INNOVATIVE PUBLIC SERVICE REFORMS: WHAT KAZAKHSTAN CAN LEARN FROM CANADA?

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Abstract

This paper analyses the implementation of innovative public service reforms in two countries: Canada and Kazakhstan from a comparative perspective. Both countries have large geographical territories and low population densities which require their governments to put an extra effort to ensure equal access and better quality service delivery across various regions of these countries. This paper analyses how public service reforms have been shaped and implemented in Canada and Kazakhstan, particularly in the context of the current political agenda in Kazakhstan to meet standards of the Organization for Economic Cooperation and Development. Although the progress in public service modernization might vary in these countries, identification of similarities and differences with respect to the challenges and obstacles faced during policy implementation might prove beneficial both for practitioners and the academic community from Kazakhstan and other countries in transition.

Key words: service, integration, one stop shop, e-government, Canada, Kazakhstan

Introduction

Public service reform was launched in Kazakhstan in 2005 with two parallel initiatives: the Public Service Centres (further referred to as the “OSS”) policy and e-government policy. Gradually, both policies have been merged under a single government programme the “Informational Kazakhstan-2020” coordinated by the Ministry of Information and Communication of the Republic of Kazakhstan. The OSS and e-government policies are aimed at improving the quality of public services and reducing administrative corruption. The OSS represent a counter service, in a modern and well-designed space accessible by the citizens that to process citizens’ requests for official documents, payment of registration fees among other public services in a more business-like atmosphere (Knox 2008: 489).

Service Canada (SC) is an integrated service delivery (ISD) network that reflects the Canadian Government’s effort to move from a service delivery model that is focused on individual programmes to one that is centred on citizen needs and fulfilling these needs through a fully integrated and multichannel service delivery modality. SC provides public services on behalf of ministries and departments that belong to federal, provincial and municipal governments. It delivers services through 320 Service Canada Centres, 32 Passport Offices, the “1-800-O-Canada” toll-free call center and the “Canada.ca” web portal. In remote and rural areas that do not have full-time one-stop shop centres, the Agency provides services through 236 Scheduled

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Outreach sites, which are available regularly, however on a part-time basis (Service Canada, 2014).

The purpose of this paper is to examine the implementation of public service reforms in Kazakhstan and Canada from a comparative perspective. Two main research questions are addressed: (1) how have public service reforms been implemented in Kazakhstan and Canada; and (2) what lessons can be drawn for Kazakhstan from the Canadian experience in order to improve public service quality? The first question is addressed by providing a brief overview of the public service modernization effort and the challenges identified in Kazakhstan and Canada. The second question is answered by providing policy recommendations aiming to improve public service delivery in Kazakhstan following good practices from Canada. The analysis that follows is based on interviews with Kazakhstani government officials and desk research and analysis during June to September 2016.

**Challenges for Public Service Integration**

Public service modernization has been driven by the New Public Management (NPM) ideology (Hood, 1991; Pollitt, 1993; Greer, 1994), which view managerial reforms as providing the foundation for the creation of smaller, fast-moving service delivery organizations that would be kept lean by the pressures of competition and that would need to be user-responsive and outcome-oriented in order to survive⁴. However, reformers face a number of challenges in repositioning public service recipients as customers. The limited experience of NPM in transitional states suggests that there are institutional constraints with implications for the capacity of central agencies to manage the process.

Questions are raised whether the new model has sufficient conceptual coherence to provide an alternative to public administration as either a theoretical construct for academic research or an approach to the management of public services (McLaughlin, Osborne and Ferlie, 2002). Furthermore, doubts are raised regarding its universal applicability for both public service and civil society failures (McCourt and Minogue, 2002). Particularly, the applicability of the new model in the developing world has faced many problems, as many developing countries do not fulfil some preconditions for its effective implementation (Larbi, 1999).

There are also socio-cultural constraints in reforming the administrative system along the NPM model. NPM initiatives are difficult to implement where there is social and cultural inertia (Zafarullah and Huque, 2001) and where state-civil society relations remain problematic⁵. Public service integrated delivery has posed a fundamental challenge for a traditional model of administration in Kazakhstan which is characterized as inefficient, costly, corrupt and a patronage-based system (Cummings, 2005; Emrich-Bakenova, 2009; Perlman and Gleason, 2007; Schatz, 2004).

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⁴ The critics of NPM raise concerns about the potential destabilizing effects of NPM, particularly for transitional countries like Kazakhstan, such as increasing social inequality, corruption and unmanageable change processes that could damage public service provision.

⁵ In this case, civil society has not been able to put sufficient pressure on the state apparatus to implement reforms (Sozen and Shaw, 2002).
One Stop Shops and E-government Implementation in Kazakhstan

The public service modernization in Kazakhstan was driven both by the global trends for managerial reforms and country-specific political, organizational, technological and cultural factors. The global drivers for managerial reforms included globalization, pressure from the international community, public dissatisfaction with the government, and the opportunities offered by the technologies for shifts in service delivery (Janenova and Kim, 2016). A combination of these factors influenced the government to adopt policies and practices leading to integrated public service provision. The OSS policy was initiated by the President of Kazakhstan, Nursultan Nazarbayev in his annual message to the people of Kazakhstan in 2005 (Nazarbayev, 2005) within the context of other administrative reforms taking place simultaneously in Kazakhstan. A range of innovative ideas inspired by the NPM such as performance evaluation, public-private partnerships and decentralization were initiated by young and ambitious members of the government. Moreover, the OSS policy was driven, not only by aims to improve the cost-efficiency of administrative regulations and service quality but also by the political ambition to reduce levels of corruption (Pelizzo, Barish and Janenova, 2016).

Implementation of the OSS policy has started with the division of front-office and back-office operations. Thus, consultation of customers, application submission for different public services was provided at the OSS, while other administrative processes on application review and decision-making remained in the traditional government departments. A single access point at the OSS enabled clients to apply for a range of public services provided by multiple stakeholders in one visit. Therefore, it saves time and reduced costs for customers and avoided facing the bureaucracy while they applied for public services.

To a certain extent, the new Public Service Centres were forced to compete with traditional government departments for better service delivery. The OSS introduced longer working hours, comfortable and modern waiting space for customers and polite front-line staff. All these factors presented a strikingly positive difference compared to the behaviour of the traditional bureaucrats who were generally perceived as indifferent, rude and unethical by the public (Jandosova et al, 2002).

The Government gradually realized that it was necessary to integrate back-office processes and administrative with the front-office ones in order to achieve public service integration successfully. Consequently, the decision was made to merge the two policies, the OSS and e-government into a single government programme. Currently, over 500 public services are provided both through the OSS physical offices and online through an e-government portal. An e-government programme has been in place since 2006 to provide citizens with fast and reliable access to public services on-line. This programme also included the creation of a network of public electronic centres where people without direct access to the internet can avail themselves of on-line services, examples of which are filing tax returns and making tax payments, pension fund contributions, registering property and setting up a business (Knox, 2008).

Both policies, the OSS and e-government, have received strong political commitment and have shown unprecedented progress in improving access and quality of public services. Kazakhstan has climbed from the 81st position in 2008 to the 28th in 2015 out of 192 countries included in the UN e-government index. The OSS were perceived as the most transparent agencies, having the
least administrative barriers among other public service providers (Jandosova, et al, 2007; Civil Alliance, 2011; Zlotnikov and Malyarchuk, 2008). From 2005 to 2015 the number of the OSS has expanded from 4 pilot offices to 300 offices across all regions delivering over 200 public services on behalf of multiple stakeholders. The public services provided through the OSS vary from registration of legal documents, starting up a new business, application for social benefits, e.g. public housing, public nursery, social allowance for unemployed, etc.

In March 2016, the state corporation “Government for Citizens” (further referred to as “G4C”) was created by merging four state enterprises: the Public Service Centres6, the Scientific-Industrial Centre for Land Cadastre, the Property Centre and the State Centre for Pension Payments.7 It is envisaged that land and property registration services, and services for pension payments would be integrated with the public services delivered by the Public Service Centres. Moreover, the land and property registration and pension payment services are perceived by the public as highly corrupt services (Jandosova et al, 2007; Civil Alliance, 2011), thus the intention of the government was to reduce administrative corruption and improve quality of public services by integrating all public services using a single-window approach as a short-term outcome.

In sum, the G4C initiative has been an attempt of the central government to overcome strong resistance from government departments to integrate their services with the OSS and e-government systems8. Another reason for the creation of the G4C was to achieve cost-efficiency. By concentrating all funds for public service provision at one place, the government plans to provide “better quality for less money”9. The new state corporation has over 21,000 staff to deliver 700 public services through extended working hours (08:00 to 20:00) to make it more convenient for customers. A third reason for merging government service providers under one umbrella is the recent tendency of the Kazakhstani government to strengthen centralized control and monopolize the public service delivery. Satpayev refers to the “Trojan Horse of Super Centralised System” with regard to intra- and inter-agency competition and weak synchronisation of the government processes (Satpayev, 2016). As a result, the decision-making centre operates on warped and incorrect data and, therefore it is very likely to make incorrect decisions. In fact, intra- and inter-agency competition is one of the main impediment for public service integration in Kazakhstan.

Overall, however, there have been key positive achievements in public service provision made in a short period of implementation. Janenova and Kim (2016) summarize them as: (1) information about public services has become more transparent; (2) the physical customer service environment has significantly improved; (3) public services have become more accessible both through face-to-face interaction and e-government applications; (4) staff have gained new

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6 Public Service Centres are “Centres obslujivaniya naseleniya” in Russian; “TSON” is an official abbreviation of the Public Service Centres.
8 The President appealed to the state bodies that “they have to provide maximum support to the new state corporation and transfer all their public services to the state corporation by the end of 2017.” Damir Baimanov, 6 January 2016, Zakon.kz, http://www.inform.kz/rus/article/2857192
9 Initially, this new organization will be funded within the limits of the public funds allocated for these four state enterprises.
knowledge and have acquired new skills to deliver a diversity of services in one place and work across different professions and organisations; and (5) the consultation mechanism has become more transparent (involvement of international experts, political parties and business associations).

Nevertheless, implementation of the public service integration reform in Kazakhstan has faced strong resistance from the senior, mid- and low-level managers of the government departments who seem to be concerned about delegating their responsibilities and sharing their budgets and human resources with a new business-like innovative organisation like the OSS. There is still lack of inter-governmental cooperation and mistrust among different professional groups.

Service Canada: Implementation and Challenges

In Canada service integration initiatives date back to 1992 when the first Canada Business Service Centres opened to provide “Single Window” services to businesses followed by Service Canada Centres serving citizens that opened in 2000. These centres were a result of voluntary partnerships between various departments, rather than a comprehensive service integration project. Therefore, they provided a limited amount of services of partnered departments (OECD, 2014). The deep service integration, which characterizes the modern Service Canada, started with the launch of Government Online, Modernizing Services for Canadians and Citizens First initiatives (Tan, 2007). The Government Online (GOL) programme was launched in 1999. Its goal was to achieve a comprehensive delivery of federal government services online by 2004. As a result of this initiative, government services from 34 departments and agencies were consolidated in a single user-friendly e-government portal (United Nations, 1999). The programme was so successful that the Accenture consultancy firm (2005) ranked Canada’s e-government project as number 1 for five consecutive years, from 2001 to 2005 (Information Week, 2004). Nevertheless, despite the government’s desire to provide services solely in through electronic means and the e-government initiative overall success, empirical studies showed that people still preferred to receive some services over the telephone and in person. As Gagnon et al (2010) put it, there was a mismatch between government’s and citizens’ preferences in public service delivery. In order to rectify this mismatch and to take the service integration development to a new level, the Modernizing Services for Canadians (MSC) initiative was launched in 2002.

The MSC team focused its efforts on studying previous service integration practices internationally and across Canada. They also conducted a public opinion survey, which revealed that most public services were still delivered in offices of individual departments and that 96% of people supported the idea of delivering public services through one stop shops (Tan, 2007). Overall, both GOL and MSC laid a solid foundation for Service Canada, which was officially launched in September 2005. In its first year of operation Service Canada re-designed its website and added new interactive services, integrated 24 call centres under the single “1 800 O-Canada” call number, opened new comfortable offices, which have tailored zones for different age groups with appropriate “environment, lightning, music and fittings” (Tan, 2007).

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The SC is also constantly upgrading its operations, equipment and services integration. Between 2005 and 2015, the number of visits to Service Canada Centres grew from 7.6 million to 8.2 million, telephone calls fell from 56 million to 2 million and the web portal visits increased from 5.5 million to 82.3 million (Tan, 2007, ESDC, 2016). These numbers demonstrate increased accessibility and ease at using the SC Centres, as well as a dramatic improvement of the web-portal’s functionality, which eliminated the need for millions of additional telephone calls. According to the OECD (2014) the Service Canada is regarded as one of the best integrated service delivery networks among its member states.

Despite its success, the SC also faces considerable challenges. Kernaghan (2005) and Flumian et al (2007) identified the following four broad barriers, which may limit further development of Service Canada: political, structural, operational/managerial and cultural. Political barriers refer to adverse incentive structures, which discourage government departments from investing into shared ISDs because of diluted recognition of efforts. Structural barriers refer to difficulties during collaboration between departments and jurisdictions. Further jurisdictional collaboration may prove especially difficult considering that provinces wish to preserve their autonomy. As Fafard et al (2009) point out some citizens in Canada value federalism higher than efficiencies that are generated from integrated service delivery. Service Canada also has to deal with operational/managerial barriers, which arise when regulations, practices and even technology standards of different jurisdictions and government departments turn out to be incompatible with each other. The SC also needs to be mindful of cultural barriers that can arise from incompatibility of existing practices and value systems of partner departments and jurisdictions (Flumian et al, 2007).

Lessons from Canadian Public Service Reform

Service Canada and Kazakhstan’s Public Service Centres share some similarities. Both organisations were created in 2005 to improve quality and accessibility of public services. Both are also focused on improving citizen satisfaction through extensive networks of comfortable service centres. Moreover, governments of both countries operate in large territories and low population densities, thus, they must put extra effort to ensure service accessibility and quality across their countries. However, there are also major differences. In this paper, we will focus on three key differences, which may guide further development of Kazakhstan’s Public Service Centres. First, Canada’s national service integration system development is evidence-driven. Service Canada heavily relies on findings of a regular national survey, which assesses people’s satisfaction on public service delivery. Second, Service Canada emphasizes multichannel delivery of services. Finally, Service Canada benefits from a culture of collaboration in the Canadian public service.

Evidence-driven development

Since 1998 the Citizen Centred Service Network \(^\text{11}\) has been studying people’s needs and expectations through a comprehensive national survey called Citizens First. The survey identifies people’s satisfaction with specific services such as receiving birth/marriage/death certificates, health card applications, receiving pensions, etc. Because the survey is conducted on a regular

\(^{11}\) An association of public servants from various departments and jurisdictions, as well as consultants and academia.
basis, Service Canada can monitor people’s satisfaction over time. The survey includes an almost comprehensive list of public services from all levels of governments, many of which are not delivered by Service Canada. This allows assessing improvements in services that are delivered by federal, provincial and municipal governments as well.

Moreover, the survey identifies factors or so called “drivers” that shape people’s attitudes towards specific public services. Although the set of “drivers” changes from survey to survey, they seem to form around the initially discovered five elements: timeliness, knowledge and competence, courtesy and comfort, fair treatment and outcome (Erin Research, 1998). The overall survey results show that people mostly value fast service, knowledgeable and polite staff, as well as that they are treated fairly and hoping that they receive affirmative decisions to their applications. Overall, the survey serves as a perfect guide for Service Canada to meet people’s expectations and needs.

**Multichannel service delivery**

The Citizens First public opinion studies show that people prefer to contact the government using various channels, either by telephone, by e-mail, through a website or in person. They also tend to use two or more contact modes to receive a service (Erin Research, 2003). This finding was key in establishing multichannel delivery of public services, which is one of the main features of Service Canada. According to its Charter, Service Canada (2013) is committed to providing a choice in the mode of contact, information that is easy to understand and provides services in the official language of a client’s choice. In essence, the SC strives to provide equal opportunity to access services regardless of how citizens want to communicate, e.g. via telephone, regular mail, in-person or via the internet and whether they want to receive services in English or French languages. Attention to the so called Integrated Channel Delivery (ICD) has been emphasized from the very beginning. Consequently, previously fragmented service delivery channels such as e-government, a number of disintegrated call-centres and service points that were run by various government departments have been integrated to deliver a consistent service and experience across the various channels. The well managed ICD also allowed nudging people to use cost-effective contact modes such as e-government modalities without depriving anyone from accessing the services they may require using other modes (Kernaghan, 2005).

In order to maintain high ICD standards, the Ministry of Employment and Social Development of Canada (ESDC), which oversees SC, it sets specific accessibility and quality targets across various modes of contact, annually. In its latest Report on Plans and Priorities the ESDC (2016) set the following targets: by March of 2017 90% of Canadians should have physical access to Service Canada points of service within 50 km from where they live, ensure that 100% of 1,500 government websites integrate into a single Canada.ca website and achieve 95% response rate to the single “1-800-O-Canada” call centre number.

**Networked government**

The Service Canada has to cooperate and find service integration solutions not only with other departments within the federal government, but also with various public entities in all 10 provinces. The SC has been successful in accomplishing this task. In the very first year of
operations it managed to open a Service Centre in cooperation with governments of Ottawa city and Ontario province, which delivers services of all three levels of government. For example, Ontario residents can receive provincial birth certificates and Federal Social Insurance Numbers in one application. In order to achieve such a level of coordination, public servants managed to develop informal and formal networks, which cut through departmental, jurisdictional and other formal barriers. The formal networks include arrangements such as the Public Sector Service Delivery Council (PSSDC), the Public Sector CIO Council (PSCIOC) and the Citizen Centred Service Network (CCSN), which bring together civil servants, academics and experts from various ministries and jurisdictions. These associations, which were created in the late 1990s, played a major role in Service Canada’s establishment and development. In fact, the first service counters with “Service Canada” brands were established based on voluntary partnerships between several departments (OECD, 2014).

**Points for practitioners: improving public service quality in Kazakhstan**

**Establish a service performance measurement survey** similar to the *Citizens First* in Canada. Ideally the survey should inquire about people’s satisfaction with a wide range of services that are delivered by OSS and also by individual ministries, municipalities, police, hospitals, etc. For quality and benchmarking purposes the survey can utilize the Common Measurements Tool (CMT), a set of questionnaires and methodology, which were developed by the Canadian Institute for Citizen-Centred Service.

**Strengthen multichannel service delivery** that would improve service accessibility through the internet, in-person and over the telephone. In Kazakhstan, people are accustomed to receiving services in-person regardless of their type (getting information, conducting a transaction or applying for benefits). It is possible to ease the workload of physical OSS by improving both quality and awareness about the availability of online services and over the telephone phone consultations. As mobile phone penetration in Kazakhstan has reached 100% and access to the internet has been considerably improved with a corresponding reduction in its cost, public service delivery using mobile technologies has a good potential for successful implementation.

**Improve cooperation among ministries and agencies** to achieve greater service integration. This can be the toughest goal to achieve as ministries and even departments within individual ministries are accustomed to working in silos. Changing this situation will require a long-term shift in organizational culture. However, in the short-term cooperation can be improved through the measurement of the degree of openness and cooperation of individual ministries and agencies. The Agency of Civil Service Affairs could launch an online survey among public servants and relevant OSS employees, which would rate openness and cooperation of public bodies to which they are exposed (similar to the 360-degree feedback tool). Training in network management and teambuilding sessions for different groups of professionals from various

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12 More discussion on policy recommendations are available in the case study “One Stop Shop Public Service Delivery Model: the Case of Kazakhstan”, UNDP Regional Hub of Civil Service in Astana, http://www.regionalhub.org/international-journal/e-library#reading-mode

13 The CMT is used by *Citizens First* and other surveys in Canadian provinces. It is also used in New Zealand, Singapore, Kenya, Namibia, the U.A.E and Australia (Government of Victoria, 2010).
government departments would be beneficial in helping to build trust and increase communication among front-office and back-office staff.

References


