

# **E-GOVERNMENT IN KAZAKHSTAN: CHALLENGES FOR A TRANSITIONAL COUNTRY**

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## **ABSTRACT**

This paper critically examines implementation of e-government policy in Kazakhstan. In particular, the paper illustrates positive signs of e-government development and gives examples of e-government projects as well as identifies some of the challenges faced by Kazakhstan in implementing e-government policy. The Kazakhstani government put high expectations on e-government policy as a panacea for public service failures and corrupt system, and made significant investments in the e-government projects. It is argued that e-government implementation in Kazakhstan has been mainly constrained by the political regime, public sector culture, lack of customer-orientation and digital divide.

**Key words:** e-government, Kazakhstan, public service delivery

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This paper will be presented at the 18<sup>th</sup> NISPAcee Annual Conference “Public Administration in Times of Crisis” in Warsaw, Poland, 12-14 May 2010 and revised on the basis of the feedback of the conference participants.

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## **1. INTRODUCTION**

The aim of this paper is to critically analyse the evolution, progress and promise of e-government policy implementation in Kazakhstan and investigate the challenges facing e-government initiatives. The promises of e-government such as faster access government services, lower costs for administrative services, greater public access to budgets and documents and increase in transparency and accountability of government actions (Accenture, 2002; Basu, 2004; OECD, 2003) have captured the imagination of policy makers in many developed and developing countries including Kazakhstan. It may be not difficult for citizens of developed countries to imagine online interaction with government 24 hours a day, 7 days a week, without waiting in lines. However, to achieve similar level of efficiency and flexibility for a transitional country such as Kazakhstan is going to be far more difficult. Being a large geographical country which is equal in size to the Western Europe, Kazakhstan is facing much more diverse socio-economic and technological conditions than many successful e-government countries with relatively small territorial entities (for example, the Baltic states). There are significant variations in Internet availability, usage, affordability and reliability between large cities and rural areas. Given the disparity of the population across the country, low level of computer literacy and limited Internet access, customer service through physical One Stop Shops (or Customer Service Centers) rather than online communication still remains a vitally important access point to the public services for Kazakhstanians, particularly in the case of vulnerable groups and rural inhabitants (Janenova, 2009a, 2009b).

There are many definitions of e-government which range from the provision of efficient, convenient and transparent services by government departments and agencies to citizens and businesses (Tandon, 2005) to “the use of information and communication technologies and particularly the Internet, as a tool to achieve better government” (OECD, 2003: 22) to “the use of technology to enhance the access to and delivery of government services to benefit citizens, business partners and employees” (Deloitte and Touche Consulting, 2000). While early conceptions of e-government have largely focused on electronic service delivery as the key feature of the phenomenon, a close examination suggests a more complex set of circumstances. E-government is more than a technological phenomenon. It is transformative in nature affecting the management of human, technological, and organizational resources and processes (Grant and Chau, 2006). The transformation agenda focuses on the need for governments to more effectively manage inputs, processes, and outputs of public administration organization, and covers broad classes of institutional reform (Osborne and Gaebler, 1992; Rais Abdul Karim, 1999) such as increased efficiencies in government operations; decentralization of services and administration; increased accountability and improved resource management. Changes and transformational efforts are often a reflection of the unique political, social and economic needs and capacities of the hosting nation or government administration (Grant and Chau, 2006: 77). Corrocher and Ordanini (2002) suggest that different patterns (asymmetric and symmetric) of development exist, depending on the particular economic and administrative situation of the nations in question. In some nations e-government development has a market and efficiencies emphasis (OMB, 2009). In others, increasing citizen awareness and access to services are given priority, for example, in Malaysia and South Africa.

Although there are many studies on e-government development in developed and developing countries, the current scholarship on e-government implementation in Kazakhstan is still not satisfactory. This paper aims to reduce this gap and make a contribution to the scholarship focused on e-government in post-Soviet countries. In order to evaluate the progress of e-government implementation in Kazakhstan achieved so far, this paper: 1) analyses the background to the introduction of e-government policy; 2) describes the overall development of e-government; 3) identifies the challenges facing the e-government policy implementation; and finally, 4) summarizes lessons learnt from the Kazakhstani experience. In short, the focus of this paper is to provide critical reflection on the e-government policy implementation in Kazakhstan. This paper is particularly beneficial for academics and practitioners from other post-Soviet countries which share many of the challenges and problems facing e-government implementation in Kazakhstan.

## **2. METHODOLOGICAL APPROACH**

The research findings and conclusions are primarily based on the use of the secondary sources: first, academic journal and newspaper articles; second, reports published by the international organisations and relevant government bodies; and finally, examination of the content and usage of e-government portal and web-sites of the government departments in Kazakhstan.

### 3. KAZAKHSTAN: COUNTRY BACKGROUND

Kazakhstan is emerging as the most dynamic economic and political actor in Central Asia (Dave, 2007). It is the second largest country of the former Soviet Union, after the Russian Federation, and has rich natural resources, particularly oil and gas reserves, which are being exploited through massive foreign investment. Despite remarkable economic transformation under the leadership of President Nursultan Nazarbayev, in 2008 the overall poverty rate was estimated to be 15 percent of the population, exceeding 60 percent in some oil-rich rural regions (World Bank, 2008a). One of the significant challenges for Kazakhstan in improving public service quality at lower cost is its small population size (15.4 million people) spread over a vast territory which is equal in size to the Western Europe (1 million square miles), with nearly half of the citizens, 43 percent, living in the remote rural areas.

The political system of the country raises serious concerns among the academic community and is criticized for monopolizing political power, clanism and nepotism (Cummings, 2005; Emrich-Bakenova, 2009; Perlman and Gleason, 2007; Schatz, 2004). The World Bank survey indicates that households are not satisfied with their interactions with public officials (World Bank, 2002b). General public dissatisfaction with the poor quality of public services delivered by the government bodies and public sector organisations (hospitals, schools, traffic police, tax bodies etc.) has resulted in the formulation of a negative image of the government (Jandosova et al., 2002; Jandosova et al., 2007).

Kazakhstan is under growing pressure by the international community to engage in political reforms which include a modernisation agenda to improve quality of public services (Knox, 2008). This is particularly significant in light of the present chairmanship of Kazakhstan in the Organisation for Security and Cooperation in Europe (OSCE) since January 2010, although serious concerns were raised that Kazakhstan could undermine integrity of the OSCE's human-rights principles (Kucera, 2009; Lillis, 2009). Many regional experts continue to assert that Kazakhstan does not adequately represent the OSCE's democratic values, and, therefore, does not deserve to chair the organisation. The Kazakhstani government endorsed a number of non-democratic legislative acts which include adoption of the law that restricts freedom of expression via Internet, and passing a draft law that restricts disclosure of information about the personal lives of the public figures (Marat, 2009). These examples present a snapshot of the authoritarian political system in Kazakhstan which is important to understand in order to follow analysis of the challenges faced by e-government policy implementation in the transitional context.

The high level of corruption in Kazakhstan is confirmed by the *Worldwide Governance Indicators* survey (Kaufmann et al., 2009) and *Corruption Perception Index* (CPI) report (Transparency International, 2009). According to Kaufmann et al. (2009) the control of corruption in Kazakhstan (16 score out of 100) is much lower than in Baltic states (Estonia – 79, Latvia – 65, Lithuania – 63). The situation with the control of corruption in Kazakhstan is similar to the situation in Russia (16) and other Central Asian states (Tajikistan – 15, Kyrgyzstan – 13, and Uzbekistan – 11). According to the CPI survey report Kazakhstan is ranked 120<sup>th</sup> among the most corrupt countries in the world (Transparency International, 2009). The political

leadership has placed high expectations on the e-government policy as a panacea from public service failures and corruption.

An overview of the findings of the international survey reports is presented below to contextualize the technological environment of the country in comparison with other post-Soviet countries. Heeks (2003) notes that it is important to examine the technological infrastructure of the country given the significant role of information and communication technologies (ICT) in improving the activities of public sector organisations and their agents. The technological infrastructure in the country can enable or constrain service integration as a means to overcome distance and assist vulnerable groups in remote locations to get access to the public services. According to the Economist Intelligence Unit (EIU) rating 2008 Kazakhstan is positioned in 66<sup>th</sup> place among 70 countries with a score of 3.89 out of maximum 10, which is far below Estonia (7.10), Latvia and Lithuania (6.03), and Russia (4.42). Kazakhstan is the only country in the Central Asia region covered by the EIU, and the report lacks explanation of the reasons for the missing data on the other Central Asian countries. Table 1 shows the overall benchmarking of Kazakhstan’s e-readiness as well as its ranking in specific categories such as the connectivity and technological infrastructure; the business environment; the social and cultural environment; the legal environment; government policy and vision, and finally, consumer and business adoption.<sup>1</sup>

**Table 1: Kazakhstan in “E-readiness Rankings 2008”**

Categories	Weight (%)	KAZ	Highest Score/Country	Lowest Score/Country
Overall score		<b>3.89</b>	8.95 (USA)	3.30 (Iran)
Connectivity and technological infrastructure	20%	<b>3.30</b>	9.60 (Switzerland)	2.25 (Vietnam)
Business environment	15%	<b>5.66</b>	8.65 (Denmark)	4.40 (Iran)
Social and cultural environment	15%	<b>3.80</b>	9.13 (Australia)	3.20 (Azerbaijan)
Legal environment	10%	<b>3.70</b>	9.80 (Hong Kong)	2.20 (Iran)
Government policy and vision	15%	<b>2.85</b>	9.85 (Denmark)	2.50 (Iran)
Consumer and business adoption	25%	<b>4.05</b>	9.70 (Singapore)	2.25 (Iran)

Adopted from “The 2008 E-readiness Rankings – a White Paper from the Economist Intelligence Unit”, <http://www.eiu.com>

<sup>1</sup> *Connectivity and technological infrastructure* measures the extent to which individuals and businesses can access mobile networks and the Internet, and their ability to access digital services through means such as digital identity cards. The *business environment* covers such factors as the strength of the economy, political stability, taxation, competition policy, the labour market, and openness to trade and investment. The *social and cultural environment* measures the population’s literacy and basic education as well as “e-literacy”, i.e. experience using the Internet and its receptivity to it. The *legal environment* reflects those legal frameworks that have a direct impact on the use of digital technology to inform, communicate and transact business. *Government policy and vision* assesses the activities of governments in leading citizens to a future government, which is digital and has a clear roadmap for the adoption of technology. *Consumer and business adoption* looks at the amount that businesses and consumers spend on accessing ICT services and their adoption levels of e-commerce, as well as availability of digital channels for accessing government services.

As is apparent from Table 1, the present state of e-readiness in Kazakhstan is considered to be very close to the lowest score in most of the categories. Only five countries, Azerbaijan, Algeria, Indonesia, Iran and Vietnam were ranked below Kazakhstan. The combination of factors such as lack of clarity in government policy and vision, an inadequate legal environment, low connectivity and technological infrastructure, as well as the social and cultural environment, have posed significant constraints to successful e-government implementation in the country.

Some international reports are more positive in their evaluation of Kazakhstan's progress in developing a technological infrastructure. According to the United Nations "*E-Government Survey 2008: from E-Government to Connected Governance 2008*", Kazakhstan is continuously showing strong progress in improving the overall e-environment. The report ranks 192 countries on their readiness for e-government services based on the composite of Web Measure, Telecom Infrastructure and Human Capital indices. The ranking for Kazakhstan in 2008 was 16 ranks higher than that achieved in 2005 which itself was 18 ranks higher than that achieved in 2003. This report particularly emphasises the improvements made in the government site (<http://www.government.kz>) and the president's site (<http://www.akorda.kz>). Despite this rapid improvement in rankings and the fact that Kazakhstan received very high scores on the Human Capital Index, the level exceeding some developed countries, Kazakhstan is ranked 81<sup>st</sup> out of 192 countries in terms of overall e-government readiness, lagging behind Estonia (13), Lithuania (28), Latvia (36), and Russia (60). In the Central Asia region Kazakhstan is followed by Kyrgyzstan (102), Uzbekistan (109), Turkmenistan (128), and Tajikistan (132).

The low level of computer literacy is a critical challenge for developing e-government in the country. The number of computer users in 2005 was only 4.5 percent including 2.3 percent of those using Internet (Presidential Decree, 2004a). However, after a series of measures taken by the coordinating government body such as the Agency for Informatisation and Communication (AIC) to improve computer literacy among different groups of population, the number of computer users has tripled within the last five years up to 15 percent including 5 percent of active Internet users (AIC, 2010). Table 2 summarizes key indicators of ICT development in Kazakhstan.

**Table 2: Key Indicators of ICT Development in Kazakhstan**

Indicator	Data (2009)
<b>Infrastructure and accessibility</b>	
Landline telephone access	22.9 per 100 inhabitants
Mobile phone use	102 per 100 inhabitants
Number of computers	5 per 100 inhabitants
Internet access at home	3.8
Number of schools with access to Internet	96.6 %
Number of computers	1 per 20 schoolchildren
<b>Location of individual usage of Internet within the last 12 months</b>	
Household	36.9 %
Work	29.2 %
School/university	14.4 %
Public library	2.7 %
Post-office	0.9 %
Government bodies	0.8 %
Internet-café	5.8 %
Neighbours/friends/relatives	6.0 %
Other location	3.3 %
<b>Usage of Internet by individuals</b>	
Search for information about goods, travel, listening to the radio, watching movies, playing games, downloading pictures, music, video, reading newspapers, job search and applications	71.8 %
Communication (use of e-mail, phone calls, video-conferences)	81.5 %
Purchase or order of goods and services	2.2 %
Internet-banking	2.0 %
Professional development	34.1 %
Interaction with government and public institutions	18.7 %

Adopted from: AIC Report on Key Indicators of ICT Development in Kazakhstan, 2010, retrieved from <http://www.aic.gov.kz/?mod=static&lng=rus&id=49>, last accessed 15 April, 2010

As Table 2 illustrates, while only 22.9 percent of citizens have access to land-line telephone communication, the majority of population is covered by mobile phone technologies. Mobile phone technologies provide good potential to promote online interactions between the government and citizens through mobile communication. 96.6 percent of schools across the country have access to the Internet with an average of 1 computer per 20 schoolchildren. The majority of the Kazakhstani citizens use Internet for communication (81.5 percent) and searching for different types of information and entertainment (71.8 percent). While 34 percent of people use Internet for professional development, less than 19 percent - for interactions with the government, only 2.2 percent of citizens use actively Internet banking and online purchase services.

The significant challenge for Kazakhstan is the continuing and widening digital divide defined by Fink and Kenny (2003: 2) as a gap in access to ICT, the ability to use ICT, actual use and the impact of use. The government has taken several measures to improve computer literacy and popularize Internet usage among the population and public sector employees (Government, 2006a; 2007b):

- Costs for Internet use and computers have been reduced;
- Different channels for Internet access have been made accessible via dial-up phone technology, mobile phones, public access points introduced at the public libraries, One Stop Shops, local municipalities;
- Free classes and “summer computer schools” to improve computer literacy have been provided to the priority groups of population (government officials at all levels of administration, public sector employees, military employees, unemployed, children from orphanages and public boarding schools);
- Free and subsidized “training of trainers” classes have been organized across regions to develop local capacity of trainers who teach computer literacy;
- “National computer” programme has provided people from low-income families with opportunity to purchase computers for a discounted price of 350 USD;
- 100 percent of public schools will be provided with computers and Internet access by the end of 2010;
- National Internet awards competitions are announced on an annual basis with nominations for the best web-site in the official language, best public e-service at the central and regional levels, best public managers promoting e-government, best mass media coverage of e-government project.

Thus, e-government policy was launched in the context of a transitional country such as Kazakhstan characterized by the autocratic political regime, high level of corruption, inadequate level of ICT infrastructure, low computer literacy and limited access to the Internet. The overall conclusion of the reports provided by the international organisations and coordinating government body is that despite positive signs of ICT infrastructure development, e-government readiness of the country remains very low. The progress of e-government implementation is described in the following discussion with presentation of examples of e-government projects from the Kazakhstani practice.

#### **4. PROGRESS OF E-GOVERNMENT IMPLEMENTATION**

The Kazakhstani government has put high expectations on the introduction of e-government for three objectives: to provide fast and quality access to public services; to improve public services’ effectiveness through the widespread use of ICT in the public sector; and to minimize personal contact between customers and government officials in order to reduce administrative corruption (Moskalenko, 2007; World Bank, 2006c). At the initial stage of developing e-government concept a team of the government officials analysed good practices of successful e-government countries such as United Kingdom, United States, Netherlands, South Korea, Singapore etc. The Concept of E-government Programme in Kazakhstan for 2005-2007 was designed (Presidential Decree, 2004a), and then the Programme for Further Implementation

of E-government for 2008-2010 was introduced (Government, 2007b). Kazakhstan launched e-government policy as the first pioneer country in the CIS region. The government allocated approximately US\$ 380 million (World Bank, 2006c) for 2005-2007 to start e-government implementation.

The e-government policy in Kazakhstan includes three key stages (Presidential Decree, 2004a):

- 1<sup>st</sup> stage: development of the basic components of e-government infrastructure such as the e-government portal, a “payment gateway” providing a linkage with the banking system, national identification system, establishment of cross-agency information systems, provision of mainly informational and transactional e-services, promoting Internet use among the citizens and reducing the digital divide;
- 2<sup>nd</sup> stage: expansion of the e-government services (of transactional nature) and comprehensive ICT-enabled re-engineering of government administrative procedures;
- 3<sup>rd</sup> stage: building a fully-fledged information society, provision of e-health, e-education, e-culture, e-democracy and other services.

The e-government portal (<http://www.egov.kz>) was introduced as a government gateway to provide informational, interactional and transactional public services structured around key topics such as health, education, employment, culture, sport, tourism. This portal is tri-lingual: Kazakh, Russian and English, and it contains links to the web-sites of the central level government bodies, regional municipalities and national companies. At the present time over 1000 informational services are being provided to around 4000 registered users (AIC, 2010). Data communication networks have been created and launched in several government bodies, of which the largest are the corporate networks for taxation and customs administration, treasury and pension coverage. Interagency electronic workflow has been recently introduced in the central government bodies with the use of digital signature. Central-level government bodies and regional municipalities participate in the regular meetings led by the Prime-Minister via videoconference technology. All government bodies and regional municipalities were obliged to create virtual reception rooms and personal blogs of the political leaders of these institutions to enable customers to apply with their requests, questions and complaints online. In 2010 over 20 business companies received licenses to provide Internet services using Wi-Fi and Wi-Max systems that can enable to create competitive environment for Internet service providers and reduce costs for Internet access.

Several e-government projects are described below to illustrate practical examples of e-government policy implementation in Kazakhstan and its progress development. The project on *Integrated System for Citizen Service Centers* (IS CSC), which is aimed to improve the quality of One Stop Shops’ and government bodies’ performance in public service delivery through single-window approach, was launched in 2009. This project intends to reduce personal contact between clients and public service providers to a minimum, improve transparency of application review, improve information security mode through special measures on protection against unauthorized access to information. All stakeholders providing services through



single-window approach, regional municipalities and over 300 One Stop Shops across regions will be connected through inter-governmental integrated system which is to be linked with overall e-government system. The pilot project currently enables to provide four e-services to the citizens: 1) application for benefits to families with children under 18 years of age; 2) registration of the place of residence; 3) issuing approval letter for import/export of medicines; and 4) issuing a letter on the property ownership. The latter service such as issuing a document on the property ownership is highly demanded among the population as this document is required for selling the property, queuing for social housing, getting a bank loan. Until recent time it took three days for One Stop Shop to provide this document to the customer while most of the time was spent on postal delivery between the front-office (One Stop Shop) and the back-office (Property Registration Office). Now the citizens can apply for this service online from home or work office or public access kiosk using digital signature and Individual Identification Number (IIN), even if the property is registered in other cities, and get a document within 30 minutes.

In 2003 the government started to develop the National Database on Legal Persons (NDLP) and the National Database on Individuals (NDI), other key components of e-Government infrastructure. The NDLP is aimed to introduce identification of legal entities using Business Identification Number, to integrate information resources related to the identification of legal persons owned by different multiple agencies and create a shared centralized database that stores and presents actual and credible information on legal entities. The NDI intends to store data on individuals identified by IIN and integrate all registration systems for individuals from the Civil Registry Offices, passport offices, social security, health care and taxation offices into a shared database. As of January 2010, NDI contained data on 90 percent of all citizens and enabled interoperation with 14 departmental systems in different government bodies and other e-government components such as NDLP, Real Estate Registry National Database, Residential Address Registry.

The policy on building-up and development of unified informational environment of the Kazakhstani segment in the Internet space (Kaznet) was launched since 2008 (Government, 2008c). The current status of the Kaznet content can be characterised as undeveloped and weak for two main reasons: a lack of knowledge and rules to create and develop content on the web-resources, irrelevance of information and delays in updating content. There is still low level of use of the Kazakh language in Kaznet. The majority of web-resources is available in Russian as well as the usage of the English language is gradually increasing.

## 5. CHALLENGES FACING E-GOVERNMENT IMPLEMENTATION

Kazakhstan as a transitional country is facing multifaceted challenges to the successful implementation of e-government. Some of them are identified and described below.

### *Political environment*

Kazakhstan is dominated by a formal political elite and a highly centralised country (Knox, 2008). Cummings (2005) argues that the elite system is a compelling factor behind the emergence and maintenance of authoritarianism in Kazakhstan. In August 2009 new legislation regulating the usage of Internet was enacted in Kazakhstan in order to strengthen government control over public opinion (Presidential Decree, 2009b). According to the new regulation all Internet-resources such as web-sites, chats, online shops, electronic libraries etc. are considered to be “mass media”, all authors of the blogs and comments expressed in the chats are considered to be “journalists” and can be imposed criminal and civil penalty. The new law prohibits sharing information which potentially causes interethnic conflicts, or creates negative image of the country and political management. In case if an owner of the Internet-resource does not eliminate information which is considered to be dangerous for a country, this resource is to be abolished. The OSCE and Human Rights Watch expressed serious concerns regarding government pressure on the freedom of expression in the Internet. Despite public protest of the Internet users who stopped using Internet for an hour within agreed day, critical feedback from the international experts, the law was adopted without any public consultation with citizens and civil society organisations. After recent political changes in Kyrgyzstan, access to many Internet resources including Google and Youtube was unavailable from Kazakhstan for several days in order to prevent exchange of opinions on the Kyrgyz events and potential danger of unification of opposition movements (Mednikova, 2010). Thus, promoting the use of Internet among the citizens has been constrained by autocratic, centralized political regime.

### *Corruption*

Heeks (1998) points out that the level of corruption in the public sector sharply decreases in countries where e-government exists. While promoting transparency and public accountability, e-government policy has posed a serious challenge for the Kazakhstani traditional bureaucrats who perform in the corrupt public sector environment. Corruption is considered to be a part of public sector culture in Kazakhstan (Bhuiyan, 2010; Cummings, 2005; Jandosova et al., 2002; Janenova, 2009a, 2009b; Perlman and Gleason, 2007). After five years of e-government implementation the majority of government bodies still provide informational services at the very basic level despite significant investments in improvement of technological infrastructure, training of the government officials and IT staff. The government believes that problems of corruption can be solved through the acceptance of the special laws against corruption, tightening of punishments which result in massive arrests of government officials, and e-government policy. However, anti-corruption measures seem to fail to diminish corruption and this is demonstrated by the stable position of Kazakhstan among the most corrupt countries in the world according to different international ratings (Kaufmann et al, 2009; Transparency International, 2009). Bribes are regarded as additional revenue for the public employees for performing their functions and make up the main part of their income (Jandosova et al., 2002). Bhuiyan (2010: 40) notes that e-governance “displeases corrupt

political executives and bureaucrats, who in turn, create building blocks to the implementation of e-government programs.” The corrupt culture of the public sector constrains successful implementation of e-government as the government officials are concerned to loose their power, resources and access to the illegal sources of payments from interactions with the customers.

### ***Monitoring and evaluation***

It is necessary to monitor and evaluate e-government to understand demand of the customers and evaluate the effectiveness of e-government projects in meeting their objectives. Evaluation is needed to argue the case for new projects and expenditure, to justify continuing with initiatives, to allocate additional IT funds, to assess progress towards programme goals and to understand impacts (Lau, 2003:15). One of the problems facing the Kazakhstani government is a lack of cost-benefit analysis and performance evaluation of the ongoing e-government projects. Different sources, mainly provided by the international organisations, make different conclusions about the progress of Kazakhstan in e-government, whereas the government bodies lack actions to improve online public service delivery. Being a single driving force for e-government, the coordinating body is not able to push all public service providers to introduce changes in the ways of interactions between the customers and government, and improve quality of e-services. At the present stage evaluation of e-government projects is performed by the coordinating body itself upon request from the central government rather than on a regular ongoing basis.

### ***Lack of customer-focus***

Although customer-orientation has become a popular slogan in the key policy documents and official speeches of the political management in the recent years, the Kazakhstani government often does not know what kind of e-services customers want. There is a lack of consultation with citizens and businesses to identify their needs, preferences with regard to the structure and content of e-services. The decision on the type of e-services is made in most cases by the coordinating body in consultation with public service providers without involvement service users. The development of customer-focus requires close cooperation between the government and customers as well as among public service providers. This requires major cultural changes within public administration.

### ***The digital divide***

The digital divide is an important barrier to e-government that people who have low computer literacy and limited access to the Internet are unable to access online services. In Kazakhstan a growing number of people have improved their computer literacy and have got better access to the Internet due to the government measures to reduce digital divide. However, there are still large numbers of citizens from rural regions, low-income families who have no access to e-services. While e-government can also improve services to citizens through other channels, the inability to provide online services to all citizens can hold back e-government projects (Lau, 2003: 3). It is important for the government to continue policies to reduce the digital divide with specific focus on demanded public services by the groups with low access along with overall marketing of online services.

### ***Technological problems***

The lack of a single centralized methodology for construction of departmental data communication networks entails duplication of the work, incompatibility of ICT systems, reduction of efficiency of resources allocated to building and maintenance of data communication networks. The government intends to address these challenges through creation of a single secure multi-service Intranet for government agencies (Government Intranet). The multi-service single network will enable operating application tasks; providing in-house telephone communication and videoconferencing, and the environment for distance learning of the staff. It will also address the tasks on automatising of the processing of consumers' applications.

## **6. CONCLUSION**

Hence, what is e-government for Kazakhstan? A fashionable slogan of the developed world or is it a new opportunity of re-organising the government and building transparent and accountable system? Probably, the combination of both elements. Kazakhstan has gradually moved from informational to interactional stage. Huge investments are spent to improve communication infrastructure, promote computer literacy and implement e-government projects. Although the number of Internet users is rapidly growing in Kazakhstan, e-government has not become a part of daily life for Kazakhstanians. The government is facing low computer literacy and digital divide between different social groups of population. The majority of population (53.1 percent) is still not aware of any technologies to access Internet (AIC, 2010).

The tendency in the e-government programmes and official speeches of the political management is that e-government policy is not clearly connected with the overall public administration reform. E-government implementation in Kazakhstan has been mainly constrained by the authoritarian political environment, corruption, lack of customer-orientation and digital divide. The Kazakhstani users are reluctant to express their opinions via Internet as their freedom of expression is suppressed by the legislative measures. It is too early to speak about implementation of e-democracy in Kazakhstan which is a key component of the national e-government programme.

In the period of financial crisis when booming of Kazakh oil economy has sharply declined, it is important for the government to continue systematic implementation of e-government along with improvement of public service delivery through face-to-face communication. Major cultural changes in the Kazakhstani public administration are required to build-up transparent, accountable and customer-oriented environment.

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