# Digital Nomads and Hybrid Work:

A Deep Dive into the Benefits, Drawbacks and Possible Ways to Improve Uptake of Digital Nomad Visa Programmes

Business advisory group | on migration

FRAGOMEN

# Executive Summary

This paper will explore the concepts of remote work, hybrid work and digital nomad routes – including examples of how these concepts can assist long-term business strategy. We address, in particular, the benefits, challenges and opportunities of these arrangements, including increased access to talent, boosts to local economies, potentials for innovation, and valuable addendums to employers' Environmental, Social and Governance frameworks. Various downsides to the remote working landscape are also addressed. Examples will be shared of several current and pending Digital Nomad Visa schemes and how such routes can feature in national growth strategies. The paper will also consider how governments can support Digital Nomad Visa programs via strategic and tangible approaches, noting related challenges and suggestions around regulation.

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The Business Advisory Group on Migration, which is housed at the International Organisation of Employers, brings the voice of business to the GFMD and to international debates on migration. Established in 2015, it is open to all companies and business associations that share its goal of promoting more transparent, effective and humane labor migration policies.

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# 'Non-traditional' work: Remote, hybrid, and digital nomad workers

The concept of a 'remote worker' is broad. At its core, it captures the idea of a worker who provides services while not physically present in their employer's office *and* where such remoteness is not a necessary function of their role (compare the employee who assists a client offsite, or temporarily attends an event or forum). This paper focuses on three types of remote worker:

1. The in-country remote worker;
2. The hybrid worker; and
3. The digital nomad.[i]

## Summary table – types of remote workers

| Remote Worker Type | Work and Residence Circumstances |
|---|---|
| In-country remote worker | - Resides in the same country as their employer.<br>- Never (or rarely) works in the office. |
| Hybrid worker | - Resides in the same country as their employer.<br>- Splits time between working in the office and working remotely. |
| Digital nomad | - Resides in a different country from their employer, and often a third country from their nationality.<br>- Works purely in a telework fashion. |

## In-country remote workers and hybrid workers

The in-country remote worker is an employee who works or provides services remotely but for an employer located in the same country, and who never (or almost never) ventures into the employer's office. Conversely, there are hybrid workers, who split their time between working off-site and in an office.

During COVID-19, many employees engaged in pure in-country remote work. Post-COVID-19, however, several employers have begun pushing back against pure in-country remote work arrangements, increasingly (re)introducing mandatory work-from-work arrangements. Some employers have pressed for a complete return to the

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i        For the purposes of this white paper, we use the term 'digital nomad', while other sources may refer to the same group of individuals as remote workers.

office; others are simply shifting the balance more toward the office than home – resulting in increased hybrid working arrangements.[ii]
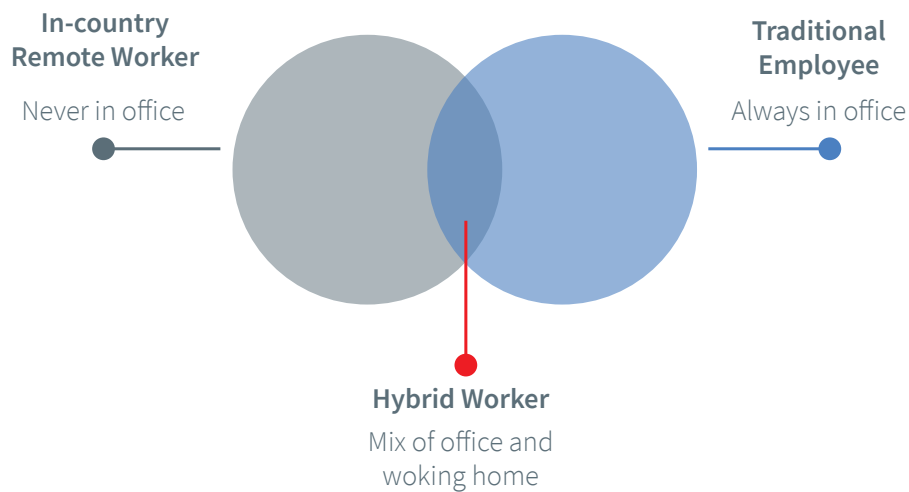


## Digital nomads and Digital Nomad Visas

As a general rule, digital nomads are individuals who stay and work in a foreign country for a limited period of time, provided that their employers or clients are located outside of that country and they do not otherwise enter the local labour market or provide any goods or services to local businesses (as required under most countries'Digital Nomad Visa rules).
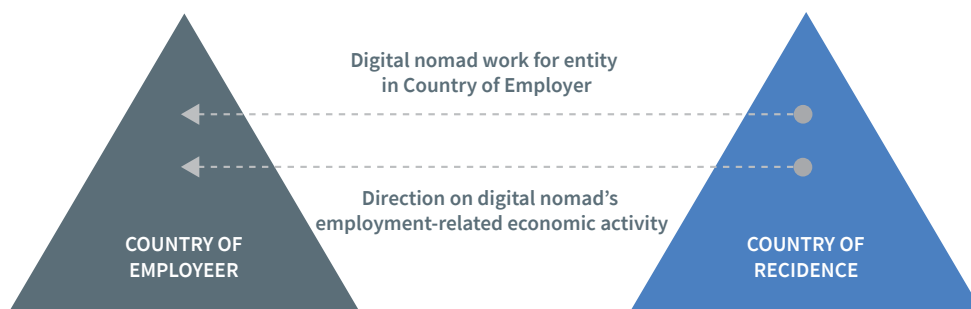


Digital Nomad Visa regimes often vary according to:

- **Visa type.** Some countries provide digital nomad rights via their tourist or visitor visa regimes; other countries, meanwhile, employ devoted Digital Nomad Visa or permit systems.

- **Visa validity period.** Depending on relevant visa arrangements, digital nomads are generally allowed to stay in a country for a period of between one month to two years (with some countries allowing renewals).

ii        **We Asked Workers Why They're Not Coming Back to the Office**, The Wall Street Journal (May 31, 2023) available at https://www.wsj.com/articles/we-asked-workers-why-theyre-not-coming-back-to-the-office-186b7565?mod=article_inline; **Will workers return to the office?** The Economist (June 6, 2021) available at https://www.economist.com/graphic-detail/2021/06/06/will-workers-return-to-the-office; How "Digital Nomad" Visas Can Boost Local Economies, Harvard Business Review (December 21, 2022) available at https://hbr.org/2022/05/how-digital-nomad-visas-can-boost-local-economies; Digital Nomads – State of Independence: Nomadism Enters the Mainstream, MBO Partners (August, 2023) available at https://info.mbopartners.com/rs/mbo/images/2023_Digital_Nomads_Report.pdf.

- **Limited eligibility.** Further, some programs may only be eligible for nationals of certain countries; while others may only be open to individuals who work in certain industries.

Digital Nomad Visa programs grew significantly during COVID-19. Approximately 41 countries and territories[iii] throughout the world have launched Digital Nomad Visas to date, with Caribbean and European nations particularly prominent. Furthermore, some countries (for instance, **Canada**) have been considering the inclusion of Digital Nomad Visa programs as part of broader national growth strategies.[iv] That said, the number of jurisdictions offering, or expanding, these regimes has ultimately leveled off in the last year, with some instances of programs being suspended.

Data shows a significant growth of digital nomads themselves, with the number of U.S. digital nomads increasing from 7.3 million in 2019 to 10.9 million in 2020.[v] Despite the significant growth and spread of Digital Nomad Visas, figures for the actual annual uptake of such regimes are often low. For instance, in **Estonia** (considered the first country to launch a specific digital nomad visa category), 242 applications were filed in 2022 (with 49 refusals); and 198 applications were filed in 2023 (with 59 refusals).[vi]

As a rule, digital nomads rely on digital technology and the Internet for their work, and tend to work in fields such as information technology; creative services; education and training; sales and marketing; finance and accounting; and consulting, coaching, and research.[vii] **A large proportion of digital nomads would classify as skilled or highly skilled labour**, which can assist in mitigating talent shortages (as discussed below).[viii]

## Variations

Alongside the core digital nomad-related definitions and conditions, it is worth noting these additional immigration law-related concepts:

- **Parking.** This refers to the practice of employees either teleworking from their home country, or working in a third country where they have a right to work (effectively, as a digital nomad), while they await completion of visa or permit processing for entry into their employer's country. This is often relevant where there is a significant visa processing backlog (such as has occurred in the period following COVID-19).

- **Employers of record** or **global employment organizations** employ an individual

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iii       According to independent Fragomen research, Albania, Anguilla, Antigua and Barbuda, Argentina, Aruba, Barbados, Belize, Bermuda, Brazil, Cape Verde, Colombia, Costa Rica, Croatia, Curacao, Cyprus, the Czech Republic, Dominica, Ecuador, Estonia, Greece, Hungary, Iceland, Kyrgyzstan, Latvia, Malaysia, Malta, Mauritius, Montenegro, Montserrat, Namibia, Panama, Peru (legislation passed, but expected to come into effect in 2024 at the earliest), Portugal, Romania, Seychelles, Spain, Sri Lanka, St. Lucia, Thailand (under the Long-Term Resident Visa), the United Arab Emirates and Uruguay (under expansion of short-term visa). Note that given variation in how researchers define a digital nomad program, studies often produce different figures for the total number of digital nomad programs in the world at any given moment.

iv       As discussed further in the appendix, under Canada's **Tech Talent Strategy**, Immigration, Refugees and Citizenship Canada (IRCC) is collaborating with public and private partners to determine whether additional policies to attract digital nomads to Canada would be beneficial to the country.

v       **Digital Nomads: Advances in Hospitality and Destination Attractiveness**, Tourism and Hospitality (June 30, 2023), available at https://www.mdpi.com/2673-5768/4/3/30, p. 487.

vi       As provided by email by the Estonian Police and Border Guard Board, November 1, 2023.

vii       **Digital Nomads – State of Independence: Nomadism Enters the Mainstream**, MBO Partners (August 2023), available at https://info.mbopartners.com/rs/mbo/images/2023_Digital_Nomads_Report.pdf; **Digital Nomads: Advances in Hospitality and Destination Attractiveness**, Tourism and Hospitality (June 30, 2023), available at https://www.mdpi.com/2673-5768/4/3/30

viii       **Digital Nomads – State of Independence: Nomadism Enters the Mainstream**, MBO Partners (August 2023), available at https://info.mbopartners.com/rs/mbo/images/2023_Digital_Nomads_Report.pdf; **Digital Nomads: Advances in Hospitality and Destination Attractiveness**, Tourism and Hospitality (June 30, 2023), available at https://www.mdpi.com/2673-5768/4/3/30

on behalf of an employer in a different country – managing and resolving the compliance, payroll, and tax issues that arise regarding the employee. Such regimes, which are becoming increasingly subject to regulation, help employers manage their remote and cross-border workforce. This concept is beyond the scope of thisreport.

# Benefits of remote, hybrid and digital nomad working arrangements

Remote, hybrid and digital nomad working arrangements provide various positives including (among other benefits) increased access to broader and more diverse labour markets, talent acquisition and retention dividends, boosts to local economies, and opportunities for innovation. However, they can also present downsides, including instability for existing industries and increased overhead costs and cyber security risks for businesses, as well as new management challenges. Digital nomads may also face, and cause, unique economic challenges. These issues, among others, are examined in depth below the discussion of positive factors.

## A wider labour pool

The International Labour Organization notes that '18 percent of workers work in occupations and live in countries with the infrastructure that would allow them to effectively perform their work from home',[ix] with this figure increasing to 30 percent for North America and western Europe.[x] The European Commission, meanwhile, suggests that approximately 37 percent of occupations in the European Union could

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ix      **Working from Home: Estimating the worldwide potential**, ILO Policy Brief (April 2020), available at https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/briefingnote/wcms_743447.pdf, p. 2.

x      **Working from Home: Estimating the worldwide potential**, ILO Policy Brief (April 2020), available at https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/briefingnote/wcms_743447.pdf, p. 4. The figures, however, drop off to 23 percent for South America, 18 percent for eastern Europe, 8 percent for South Asia, and 6 percent for sub-Saharan Africa.

be performed at home.[xi] With so many roles and tasks open to remote workers, employers facing talent shortages may want to begin considering how remote workers can plug the gaps.

## Statistics on Remote Work and the battle for talent



**66%**
Workers who would start looking for a new job if remote work options cease

**39%**
Workers who would quit if remote work options cease

**37%**
Amount of roles in EU that could be performed at home
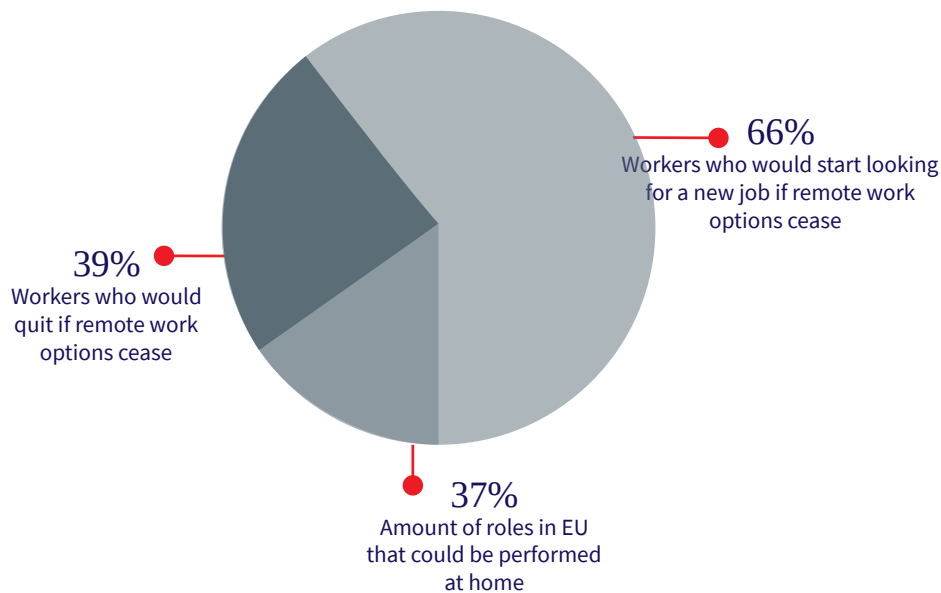
These figures are based on various surveys and data collected and cited in this report

Remote work arrangements (including Digital Nomad Visa regimes) offer employers the significant value-add of access to new and diverse talent pools, both domestically and internationally. Critically, this includes labour markets outside traditional demographic spheres or geographical areas. The below points discuss the various ways in which a wider labour pool can benefit employers facing difficulties in hiring talent:

- **Labour and skills shortages.** Access to a broader and more diverse work force – both domestically and internationally – offers employers a pathway to mitigate current labour and skills shortages in certain industries.[xii] Digital nomads, for instance, represent a large pool of often skilled or highly skilled talent.[xiii]

- **Geopolitical pinch points.** During times of war or political volatility,[xiv] employers may find it challenging to maintain a steady workforce. War causes workers to leave countries sometimes with little or no notice, and geopolitical tensions may cause hiring blocks in certain parts of the world. Critically, digital nomad populations can

xi        **Science for Policy Briefs, Who can telework today? The teleworkability of occupations in the EU**, European Commission (2020), available at https://joint-research-centre.ec.europa.eu/system/files/2020-11/policy_brief_-_who_can_ telework_today_-_the_teleworkability_of_occupations_in_the_eu_final.pdf.

xii       **The cross-border pitfalls of 'working from anywhere'**, Financial Times (April 14, 2021), available at https://www.ft.com/ content/8d3685d5-2fe5-4351-bacb-99cf153defda; **The War For Talent In The 'New Normal'**, Forbes (July 8, 2022) available at https://www.forbes.com/sites/forbesbusinesscouncil/2022/07/08/the-war-for-talent-in-the-new-normal/?sh=75c22d6e689e; **Digital nomads versus work from home: The dichotomy of localism and globalism**, Investment Monitor (March 17, 2022), available at https://www.investmentmonitor.ai/features/digital-nomads-work-from-home-covid/?cf-view.

xiii      **Digital Nomads – State of Independence: Nomadism Enters the Mainstream**, MBO Partners (August 2023), available at https://info.mbopartners.com/rs/mbo/images/2023_Digital_Nomads_Report.pdf; **Digital Nomads: Advances in Hospitality and Destination Attractiveness**, Tourism and Hospitality (June 30, 2023), available at https://www.mdpi.com/2673-5768/4/3/30

xiv       **Shaping the future of borderless work: Towards a new model for cross-border remote working**, City of London and EY (2022), available at: https://www.cityoflondon.gov.uk/supporting-businesses/economic-research/research-publications/ shaping-the-future-of-borderless-work, p. 7.

help fill the gaps caused by such situations, often on short notice. For example, Dubai's Remote Working Visa Scheme was utilized by Russian nationals who left Russia for various reasons following Russia's invasion of Ukraine.[xv] Further, the ability to work as a digital nomad can allow some displaced populations to be employed, especially where they face legal, social, or capacity barriers to working in their host country.

- **Talent acquisition and retention.** The opportunity for remote work has become an important differentiator for prospective candidates (along with more traditional factors like salary, hours, and career opportunities).[xvi] A 2022 McKinsey analysis notes that 75 percent of respondents preferred hybrid working (over traditional in-office options);[xvii] while 87 percent of surveyed employees actively take up remote work opportunities and work from home an average of three days a week.[xviii] Remote work is also critical for talent retention. A 2022 Global Workplace Analytics report noted that 66 percent of surveyed workers would immediately start looking for new employment if their current employer revoked remote working opportunities.[xix] Meanwhile, 39 percent of surveyed workers would quit their job if denied the ability to engage in remote or hybrid work.[xx] Ultimately, remote work is a preference that cuts across gender, ethnicity, age, education, and income and wealth divides.[xxi]

- **Dependents and labour migration.** Remote working can assist the dependents of migrating talent to continue accessing employment after their move, especially if the partner's existing employer has no office in the new host country (thus requiring the partner to effectively become a digital nomad). Remote working can thus make it easier for employers to attract and retain talent. A 2022 study by Permits Foundations (which gathered feedback from international employers and the partners of highly-skilled international employees) observed a 'clear expectation among global mobility professionals that virtual or remote working will strongly feature in in the new way of working, including for partners of international employees'.[xxii] The survey further observed that 60 percent of global mobility

xv    See Appendix, Case Study on Dubai's Remote Working Visa Scheme
xvi   **Gone for now, or gone for good? How to play the new talent game and win back**, McKinsey (March 9, 2022), available at https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/gone-for-now-or-gone-for-good-how-to-play-the-new-talent-game-and-win-back-workers; **Americans are embracing flexible work—and they want more of it**, McKinsey (June 23, 2022), available at https://www.mckinsey.com/industries/real-estate/our-insights/americans-are-embracing-flexible-work-and-they-want-more-of-it.
xvii  **Hybrid work: Making it fit with your diversity, equity, and inclusion strategy**, McKinsey Quarterly (April 20, 2022), available at https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/hybrid-work-making-it-fit-with-your-diversity-equity-and-inclusion-strategy.
xviii **Gone for now, or gone for good? How to play the new talent game and win back**, McKinsey (March 9, 2022), available at https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/gone-for-now-or-gone-for-good-how-to-play-the-new-talent-game-and-win-back-workers; **Americans are embracing flexible work—and they want more of it**, McKinsey (June 23, 2022), available at https://www.mckinsey.com/industries/real-estate/our-insights/americans-are-embracing-flexible-work-and-they-want-more-of-it.
xix   **State of Remote Work 2022**, Global Workplace Analytics and Owl Labs (2022), available at https://globalworkplaceanalytics.com/whitepapers
xx    **State of Remote Work 2022,** Global Workplace Analytics and Owl Labs (2022), available at https://globalworkplaceanalytics.com/whitepapers
xxi   **Americans are embracing flexible work—and they want more of it**, McKinsey (June 23, 2022), available at https://www.mckinsey.com/industries/real-estate/our-insights/americans-are-embracing-flexible-work-and-they-want-more-of-it. Certainly, there is some variation: millennials show a particularly pronounced interest; while women want remote working options slightly more than men.
xxii  **International Dual Careers Survey Report 2022 – Part 1: Feedback from Global Mobility Professionals**, Permits Foundation (June 2022), available at https://www.permitsfoundation.com/wp-content/uploads/2022/07/2022.06.30_HR_Survey_Final_Report.pdf, p. 21

professional respondents had been asked by international employees about the right of their partner to work virtually;[xxiii] and 30 percent of partner respondents said they would like to work remotely for an employer based in another country.[xxiv]

- **More diverse cultures and ideas.** Remote working arrangements allow employers to engage with a broader pool of talent, both from within the same country and globally. This includes cutting across socio-economic, cultural, and national barriers (both at the national and international level). This ensures that businesses can be more inclusive in their hiring practices, which can bring a rich diversity of viewpoints, attitudes, perspectives and solutions.[xxv] Ultimately, diverse workforces tend to outperform less-diverse equivalents – often by a significant margin.[xxvi]

Shrewd employers – battling to attract the best talent in a worker-friendly labour market – are well advised to offer, retain, and **even expand, remote working opportunities and frameworks. This includes not only seeking out** new remote working employees (including digital nomads), but also actively allowing and supporting existing employees to pursue remote working lifestyles (including digital nomad arrangements).

## Economic effects

Remote working arrangements may also catalyze other economic benefits, variously assisting countries, or businesses.

### Positives: Countries

- **Boosting local economies.** Remote workers – including digital nomads – can help boost local economies. In fact, the goal of several of the Digital Nomad Visas developed in the last two years was namely to help improve the country's economy.[xxvii] Given they have reduced daily commuting obligation, in-country remote workers often move to different parts of a country. This can help boost regional and non-urban economic zones.[xxviii] For instance, Tulsa, Oklahoma's **Tulsa Remote** program actively targets remote workers as part of a broader project of boosting Tulsa's local economy

*'In total, for every dollar spent on the remote worker incentive itself, there has been an estimated $13.77 return in new local labor income to the region.'*

Economic Innovation Group analysis of Tulsa Remote Program in Oklahoma

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xxiii    **International Dual Careers Survey Report 2022**, Permits Foundation (June 2022), available at https://www.permitsfoundation.com/wp-content/uploads/2022/07/2022.06.30_HR_Survey_Final_Report.pdf, p. 16.
xxiv    **International Dual Careers Survey Report 2022 – Part 2: Feedback from Partners of Highly-Skilled International Employees**, Permits Foundation (October 2022), available at https://www.permitsfoundation.com/wp-content/uploads/2022/10/Oct_13_2022_Partner_Survey_Report_Final.pdf, p. 16.
xxv    **The Sustainability Benefits of Remote Work**, Green Business Bureau (March 25, 2021), available at https://greenbusinessbureau.com/topics/sustainability-benefits-topics/the-sustainability-benefits-of-remote-work/.
xxvi    **How virtual work is accelerating innovation**, McKinsey (June 6, 2022), available at https://www.mckinsey.com/capabilities/operations/our-insights/how-virtual-work-is-accelerating-innovation.
xxvii    See Appendix, Case Studies for Brazil, Dubai
xxviii    **In a Work-from-Anywhere World, How Remote Will Workers Go?**, Harvard Business School Working Knowledge (June 3, 2022), available at https://hbswk.hbs.edu/item/in-a-work-from-anywhere-world-how-remote-will-workers-go.

(attracting outside talent with comparatively low costs of living).[xxix] Analysis by the Economic Innovation Group suggests that every dollar spent on the program creates USD 13.77 in economic activity.[xxx] Other U.S. states have similar programs.[xxxi] Digital nomads, meanwhile, can bring foreign currency into often slow or stagnant regional, national or sub-national economies.[xxxii] They can also help hedge against the 'feast and famine' seasonality of tourism,[xxxiii] with the presence of sizeable digital nomad populations not being related to standard tourism periods. Robust and comprehensive data on the economic benefits of digital nomads specifically remains elusive.[xxxiv] That said, some isolated data points offer insight:

- In 2021, **Mexico** City's government stated that remote workers (many from the United States) added USD 523.4 million to the city (15 percent of what tourism brought in that year).[xxxv]

- Government officials from Madeira, **Portugal** (a digital nomad hot spot) estimated that the average digital nomad spends USD 2,100 a month in the local economy.[xxxvi]

- **Barbados** has claimed that within the first ten months of commencing its 'Welcome Stamp' regime (a one-year remote worker visa), the country earned USD 6 million in fees and USD 100 million in tourism revenue.[xxxvii]

- **Fees and tax.** Digital Nomad Visa programs may improve national economies through fee revenue related to Digital Nomad Visa applications, as well as taxation. Of course, fee reductions and tax-exemption status can be used to make a Digital Nomad Visa regime more attractive and competitive, and, ultimately, both fees and taxes are likely to only add a marginal contribution to revenue generation.

- **Digital nomad-specific induWstries.** Along with bringing foreign funds into a local economy, digital nomads can also instigate the growth of digital nomad-specific

xxix      **Tulsa Remote**, Tulsa Remote (2023), available at https://tulsaremote.com/; **How Tulsa Remote Is Harnessing the Remote Work Revolution to Spur Local Economic Growth - Lessons from a Leading Remote Work Incentive in Tulsa, Oklahoma**, Economic Innovation Group (November 2021), available at https://eig.org/wp-content/uploads/2021/11/Tulsa-Remote-Report.pdf; **Tulsa's Big Bet on Remote Workers**, Harvard Business Review (January 13, 2023), available at https://hbr.org/2023/01/tulsas-big-bet-on-remote-workers.
xxx       **How Tulsa Remote Is Harnessing the Remote Work Revolution to Spur Local Economic Growth - Lessons from a Leading Remote Work Incentive in Tulsa, Oklahoma**, Economic Innovation Group (November 2021), available at https://eig.org/wp-content/uploads/2021/11/Tulsa-Remote-Report.pdf, p. 5.
xxxi      **In a Work-from-Anywhere World, How Remote Will Workers Go?**, Harvard Business School Working Knowledge (June 3, 2022), available at https://hbswk.hbs.edu/item/in-a-work-from-anywhere-world-how-remote-will-workers-go; **Tulsa's Big Bet on Remote Workers**, Harvard Business Review (January 13, 2023), available at https://hbr.org/2023/01/tulsas-big-bet-on-remote-workers.
xxxii     **Portugal: The canary in the digital nomad coal mine?**, The New European (March 5, 2023), available at https://www.theneweuropean.co.uk/portugal-the-canary-in-the-digital-nomad-coal-mine/
xxxiii    Digital Nomads: Advances in Hospitality and Destination Attractiveness, Tourism and Hospitality (June 30, 2023), available at https://www.mdpi.com/2673-5768/4/3/30, p. 490.
xxxiv     **Should OECD countries develop new Digital Nomad Visas?**, OECD: Migration Policy Debates (July 2022), available at https://www.oecd.org/migration/mig/MPD-27-Should-OECD-countries-develop-new-Digital-Nomad-Visas-July2022.pdf, p.6. Some sources refer to digital nomads providing a global economic value of USD 787 billion per year (see for instance, **Digital Nomadism: Transnational Economic Relations in the Emerging Economies**, Harvard International Review (October 27, 2023), available at https://hir.harvard.edu/digital-nomadism-transnational-economic-relations-in-the-emerging-economies/ and **Portugal: The canary in the digital nomad coal mine?**, The New European (March 5, 2023), available at https://www.theneweuropean.co.uk/portugal-the-canary-in-the-digital-nomad-coal-mine/). However, this figure appears to come from the following non-peer reviewed analysis, the robustness of which is unclear: **63 Surprising Digital Nomad Statistics**, A Brother Aboard (2023), available at https://abrotherabroad.com/digital-nomad-statistics/.
xxxv      **How Do Digital Nomads Affect Mexico's Economy?**, Bloomberg (March 3, 2023), available at https://www.bloomberglinea.com/english/how-do-digital-nomads-affect-mexicos-economy/.
xxxvi     **Why Europe is a great place for digital nomads**, The Economist (October 2, 2021) available at https://www.economist.com/europe/2021/10/02/why-europe-is-a-great-place-for-digital-nomads.
xxxvii    **Should OECD countries develop new Digital Nomad Visas?**, OECD: Migration Policy Debates (July 2022), available at https://www.oecd.org/migration/mig/MPD-27-Should-OECD-countries-develop-new-Digital-Nomad-Visas-July2022.pdf.

industries. This includes hotels and hostels tailored to the digital nomad lifestyles; co-working spaces (often linked with accommodation);[xxxviii] innovation hubs; and digital nomad-specific health insurance and financial service providers.[xxxix]

## Positives: Businesses

- **Reduced salary burdens.** Remote workers – both the in-country and digital nomad variants – can opt to live in less expensive areas or countries,[xl] with cheaper real estate and lower general living costs. This can reduce employers' salary burdens.

  - **Digital nomad lifestyle as a non-pecuniary benefit.** The ability to work from anywhere can function as a non-pecuniary benefit.[xli] Surveys aplenty show employees willing to take pay cuts in order to enjoy some degree of remote working.[xlii] Unsurprisingly then, 2023 MBO Partners survey data showed that digital nomads reported a proportionally higher degree of satisfaction with their income compared to traditional workers.[xliii] This situation allows employers to reduce their salary overheads (or at least curtail their growth), while still providing sufficiently enticing benefits packages.

  - **Geo-arbitrage.** Digital nomads in particular often engage in a pronounced form of income geo-arbitrage: receiving a standard high-wage labour market income, while potentially living in a lower-cost country.[xliv] This is likely to keep income satisfaction comparatively higher, ensuring that the digital nomad portion of an employer's workforce will represent a proportionately smaller salary burden in the long-term.

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xxxviii    **Digital nomads have billions to spend. Entrepreneurs are cashing in**, BBC (October 3, 2023), available at https://www.bbc.com/worklife/article/20231002-digital-nomads-have-billions-to-spend-entrepreneurs-are-cashing-in; **The New Trend Of Wanderlust**, Work-From-Anywhere Digital Nomads, Forbes (June 20, 2021), available at https://www.forbes.com/sites/jackkelly/2021/06/20/the-new-trend-of-wanderlust-work-from-anywhere-digital-nomads/?sh=7e60c73c7ddd; **Digital nomads seek sun, sea and sustainability as remote work booms**, The Japan Times (July 30, 2022), available at https://www.japantimes.co.jp/news/2022/07/30/business/digital-nomad-trends/; **Global Coliving Space Outsite Debuts In The Caribbean, In Beautiful Bathsheba**, Forbes (January 13, 2021) https://www.forbes.com/sites/bazdreisinger/2021/01/13/global-coliving-space-outsite-debuts-in-the-caribbean-in-beautiful-bathsheba/?sh=1e98cc6022d2; Is co-living the new Airbnb for millennial nomads?, The Guardian (March 2, 2019), available at https://www.theguardian.com/money/2019/mar/02/is-co-living-the-new-airbnb-for-millennial-nomads.

xxxix    **Digital Nomads – State of Independence: Nomadism Enters the Mainstream**, MBO Partners (August 2023) available at https://info.mbopartners.com/rs/mbo/images/2023_Digital_Nomads_Report.pdf, p. 25; **Digital nomads have billions to spend. Entrepreneurs are cashing in**, BBC (October 3, 2023), https://www.bbc.com/worklife/article/20231002-digital-nomads-have-billions-to-spend-entrepreneurs-are-cashing-in.

xl    **The New Trend Of Wanderlust**, Work-From-Anywhere Digital Nomads, Forbes (June 20, 2021), available at https://www.forbes.com/sites/jackkelly/2021/06/20/the-new-trend-of-wanderlust-work-from-anywhere-digital-nomads/?sh=7e60c73c7ddd; **Companies Are Starting To Pay People The Same If They Live In New York City, San Francisco Or Buford, Wyoming**, Forbes (December 29, 2020), available at https://www.forbes.com/sites/jackkelly/2021/12/29/companies-are-starting-to-pay-people-the-same-if-they-live-in-new-york-city-san-francisco-or-buford-wyoming/?sh=45d13b637b06; **Digital nomads versus work from home: The dichotomy of localism and globalism**, Investment Monitor (March 17, 2022), available at https://www.investmentmonitor.ai/features/digital-nomads-work-from-home-covid/?cf-view.

xli    **Work-from-anywhere: The productivity effects of geographic flexibility**, Prithwiraj (Raj) Choudhury, Strategic Management Journal (October 27, 2020), available at https://onlinelibrary.wiley.com/doi/10.1002/smj.3251; **Digital nomads versus work from home: The dichotomy of localism and globalism**, Investment Monitor (March 17, 2022), available at https://www.investmentmonitor.ai/features/digital-nomads-work-from-home-covid/?cf-view.

xlii    **Remote Work Statistics and Trends In 2023**, Forbes (June 12, 2023), available at https://www.forbes.com/advisor/business/remote-work-statistics/.

xliii    **Digital Nomads – State of Independence: Nomadism Enters the Mainstream**, MBO Partners (August 2023) available at https://info.mbopartners.com/rs/mbo/images/2023_Digital_Nomads_Report.pdf, p.9. Complicating this analysis, however, is the fact that many (though not all) digital nomads work in high-demand and highly-qualified sectors – for instance, the information technology sector. This can result in a proportionately higher degree of income satisfaction unrelated to the fact of a digital nomad lifestyle.

xliv    **Digital Nomads – State of Independence: Nomadism Enters the Mainstream**, MBO Partners (August 2023) available at https://info.mbopartners.com/rs/mbo/images/2023_Digital_Nomads_Report.pdf; **The real point of digital nomads**, **Financial Times (November 29, 2022)**, available at https://www.ft.com/content/652c2393-edfb-4132-9e93-32d812ff30e8

- **Reduced office space overheads.** Remote workers, including digital nomads, can help reduce the need for office space, garnering savings. For instance, Sun Microsystems' telework policy helped save the company USD 64 million per year in real estate costs and USD 2.5 million in electricity.[xlv] Certainly, some employers may need to provide allowances to account for the costs of establishing and running a home office;[xlvi] while fully remote employers may still need to arrange temporary office spaces for ad-hoc meetings and workforce interactions.[xlvii] Nonetheless, by reducing salary burdens and potential office rent, business savings are likely to often outweigh these costs.

> *'Combining low-cost living with higher expat income, allows them to take advantage of income/living cost geoarbitrage.'*
> MBO Partners - 2023 Digital Nomads Report

- **Improved client outcomes.** The client base of many businesses and companies is global, or at least spread across one or two regions. Critically, a business located in one country may have clients in other countries. A wellspring of remote workers peppered throughout the world, including digital nomads, may therefore provide businesses with the opportunity to improve their proximity to their client base (for instance, being on the same time zone), which can help client relations and project outcomes.[xlviii]

- **Potential innovation benefits.** By allowing the co-lWocation of geographically diverse talent in a third country, digital nomads can help employers access new information, ideas, networks, and resources. Digital nomads exist in a latticework of multi-national networks, acquiring insights from both their fellow community and their host country.[xlix] This can catalyze innovation and new business opportunities.[l] Research has highlighted the innovation dividends accrued by the analogous situation of intra-firm mobility across international borders.[li] Government policy can support such 'innovation amplifying' scenarios, including through establishing, promoting or subsidizing general co-working spaces. The Tulsa Remote program in

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xlv    **Working from home: how Yahoo, Best Buy and HP are making moves**, The Guardian (March 10, 2014), available at https://www.theguardian.com/sustainable-business/working-from-home-yahoo-best-buy-hp-moves.

xlvi    **IOE Position Paper on Remote Work beyond Covid-19**, IOE (September 2021), available at https://www.ioe-emp.org/index.php?eID=dumpFile&t=f&f=156041&token=2c6ea1790944f78b7509114fdc59f237a2e0cd0e, p. 11, 19.

xlvii    **Digital nomads versus work from home: The dichotomy of localism and globalism**, Investment Monitor (March 17, 2022), available at https://www.investmentmonitor.ai/features/digital-nomads-work-from-home-covid/?cf-view.

xlviii    **How virtual work is accelerating innovation**, McKinsey (June 6, 2022), available at https://www.mckinsey.com/capabilities/operations/our-insights/how-virtual-work-is-accelerating-innovation.

xlix    **How "Digital Nomad" Visas Can Boost Local Economies**, Harvard Business Review (December 21, 2022) available at https://hbr.org/2022/05/how-digital-nomad-visas-can-boost-local-economies; **Is co-living the new Airbnb for millennial nomads?**, The Guardian (March 2, 2019), available at https://www.theguardian.com/money/2019/mar/02/is-co-living-the-new-airbnb-for-millennial-nomads.

l    That said, the Organisation for Economic Co-operation and Development (OECD) has noted that not all digital nomads engage in innovative activities. Some common digital nomad roles (for instance, copy editing) are unlikely to result in innovation dividends either within a company, or within the local economy. Separately, even for high-innovation roles, it may not always be apparent that the digital nomad lifestyle played any role in causing a given innovation. *See* **Should OECD countries develop new Digital Nomad Visas?**, OECD: Migration Policy Debates (July 2022), available at https://www.oecd.org/migration/mig/MPD-27-Should-OECD-countries-develop-new-Digital-Nomad-Visas-July2022.pdf, p. 6.

li    **Innovation Outcomes in a Distributed Organization: Intrafirm Mobility and Access to Resources**, Prithwiraj Choudhury, Organization Science (March-April 2017), available at https://www.hbs.edu/faculty/Pages/item.aspx?num=52163; **Return migration and geography of innovation in MNEs: a natural experiment of knowledge production by local workers reporting to return migrants**, Prithwiraj Choudhury, Journal of Economic Geography (May 2016), available at **https://academic.oup.com/joeg/article-abstract/16/3/585/2364677?login=true**

Tulsa, Oklahoma, for instance, provides USD 10,000 grants, while also subsidizing access to local co-working spaces as well as providing support in finding accommodation.[lii]

## Negatives

As patterns and behaviours change, remote working arrangements can cause economic negatives. These changes – which variously affect countries and businesses – include the following:

- **Instability for existing industries.** Retail and hospitality industries may suffer with fewer office-based customers.[liii]

- **Real estate impacts.** Commercial real estate may decline as demand for office spaces falls.[liv] Residential real estate markets may undergo significant changes, with previously affordable non-urban areas becoming more expensive, while urban residential markets decline.[lv] Although such market instability is likely to produce winners, it will also result in losers.

- **Potential harm to public transportation revenue.** With fewer daily commuters, public transportation revenue may decline. Furthermore, the economies of scale that support public transportation in the context of centralized urban areas may be harmed, as remote working arrangements decentralise work-day movement. Longer-term, this may negatively affect a country's public transportation network.[lvi]

- **Increased overheads.** Businesses may need to incur additional overheads in establishing the information technology infrastructure and support necessary for a large remotely working staff. Relatedly, remote workers can pose a greater cyber security risk, meaning businesses may be more prone to incidental, cyber-attack related costs.[lvii]

- **Questions around productivity.** Most workers feel they are more productive – or, at the very least, no less productive – when working remotely.[lviii]  However, the data on whether remote work actually improves productivity is mixed. Some research on the subject has suggested significant productivity gains for certain industries, noting also particular benefits for 'working from anywhere' (staff who enjoy total

lii      **Tulsa Remote**, Tulsa Remote (2023), available at https://tulsaremote.com/; **OECD Local Economic and Employment Development (LEED) Papers 2020/10 - Exploring policy options on teleworking: Steering local economic and employment development in the time of remote work**, OECD (November 17, 2020), available at https://www.oecd-ilibrary.org/urban-rural-and-regional-development/exploring-policy-options-on-teleworking_5738b561-en, p. 49.
liii     **IOE Position Paper on Remote Work beyond Covid-19**, IOE (September 2021), available at https://www.ioe-emp.org/index.php?eID=dumpFile&t=f&f=156041&token=2c6ea1790944f78b7509114fdc59f237a2e0cd0e, p. 18, 19.
liv      **How Remote Work Has Affected Real Estate Values**, Forbes, (March 5, 2023), available at https://www.forbes.com/sites/adigaskell/2023/03/05/how-remote-work-has-affected-real-estate-values/?sh=3c20c5ba1229; **Working From Home and the Office Real Estate Apocalypse**, University College London - The Bartlett School of Sustainable Construction, (February, 2023), available at https://www.ucl.ac.uk/bartlett/construction/real-estate-breidge/working-home-and-office-real-estate-apocalypse
lv       **How Remote Work Has Affected Real Estate Values**, Forbes, (March 5, 2023), available at https://www.forbes.com/sites/adigaskell/2023/03/05/how-remote-work-has-affected-real-estate-values/?sh=3c20c5ba1229;  **The Remote Work Revolution: Impact On Real Estate Values And The Urban Environment**, National Bureau Of Economic Research - Working Paper 30662 (November 2022), available at https://www.nber.org/system/files/working_papers/w30662/w30662.pdf
lvi      **Working From Home for Some Threatens Mass Transit for All**, Bloomberg (May 12, 2021), available at https://www.bloomberg.com/news/features/2021-05-12/working-from-home-has-fewer-commuters-on-buses-and-trains; **Remote work is straining public transit — and many agencies are stuck**, Politico (May 3, 2023), available at https://www.politico.com/news/2023/05/03/public-transit-office-workers-00094999
lvii     **The Hidden Cost Of Remote Work**, Forbes (March 30, 2021), available at https://www.forbes.com/sites/forbestechcouncil/2021/03/30/the-hidden-cost-of-remote-work/?sh=70efd5b56947
lviii    **Will workers return to the office?** The Economist (June 6, 2021) available at https://www.economist.com/graphic-detail/2021/06/06/will-workers-return-to-the-office; **How virtual work is accelerating innovation**, McKinsey (June 6, 2022), available at https://www.mckinsey.com/capabilities/operations/our-insights/how-virtual-work-is-accelerating-innovation.

flexibility to determine their work location).[lix] However, other analysis has tempered this idea, even suggesting productivity declines.[lx] Such general productivity concerns are then amplified when considering the risk of reduced teamwork outcomes in remote working situations. As discussed further below, remote working can result in intra-team communication challenges[lxi] and weaker social ties between colleagues, alongside diminished company loyalty and motivation.[lxii] Unless addressed through good management and governance practices, these cumulative factors risk harming a team's overall productivity.

- **New management challenges.** More generally, employers may also face new talent management challenges. This includes novel occupational health and safety issues, mental health concerns, social security compliance challenges, and the risk of blurring the lines between employer and contractor. These, and other employer-specific issues, are addressed in sections further below.

**Digital nomad-specific issues.** Meanwhile, digital nomads specifically may both cause, and face, unique economic challenges.

- **Country of residence backlash.** Some analyses of digital nomads also note the issue of political backlash – with local populations pushing back against an influx of digital nomads and governments urged to present a strong business case for Digital Nomad Visa regimes and to address the collateral issues arising from such arrangements:

  - **Inflation.** Digital nomads may harm the economic circumstances of local populations, namely via inflation. For instance, locals on the isolated Portuguese island of **Madeira** and citizens of the sprawling capital of **Mexico** have complained about real estate prices spiking and local commodities getting more costly as more digital nomads have arrived.[lxiii] Many Digital Nomad Visa regimes require applicants to earn significantly above local wages – a factor which can cause an increase in real estate prices as digital nomads crowd out the local real estate market (especially rentals).[lxiv] This is illustrative of the double-edged sword of digital nomads: they are courted for their foreign funds, which likewise can have inflationary effects on local economies.

  - **Gentrification.** Furthermore, locals may also chafe against the perceived loss of their city's character, accusing digital nomad communities of causing the

lix    **Work-from-anywhere: The productivity effects of geographic flexibility**, Prithwiraj (Raj) Choudhury et al., Strategic Management Journal (October 27, 2020), available at https://onlinelibrary.wiley.com/doi/abs/10.1002/smj.3251.

lx    **The working-from-home illusion fades**, The Economist (June 28, 2023), available at https://www.economist.com/finance-and-economics/2023/06/28/the-working-from-home-delusion-fades; **Will workers return to the office?**, The Economist (June 6, 2021), available at https://www.economist.com/graphic-detail/2021/06/06/will-workers-return-to-the-office; **IOE Position Paper on Remote Work beyond Covid-19**, IOE (September 2021), available at https://www.ioe-emp.org/index.php?eID=dumpFile&t=f&f=156041&token=2c6ea1790944f78b7509114fdc59f237a2e0cd0e, p. 21.

lxi    **Digital nomads versus work from home: The dichotomy of localism and globalism**, Investment Monitor (March 17, 2022), available at https://www.investmentmonitor.ai/features/digital-nomads-work-from-home-covid/?cf-view.

lxii    **Working anytime, anywhere: The effects on the world of work**, Eurofound – Research Report (February 15, 2017), available at https://www.eurofound.europa.eu/en/publications/2017/working-anytime-anywhere-effects-world-work, 37.

lxiii    **The real point of digital nomads**, Financial Times (November 29, 2022), available at https://www.ft.com/content/652c2393-edfb-4132-9e93-32d812ff30e8; **Welcome to Digital Nomadland**, Wired (December 16, 2022), available at https://www.wired.com/story/digital-nomad-village-madeira-portugal/.

lxiv    **Welcome to Digital Nomadland**, Wired (December 16, 2022), available at https://www.wired.com/story/digital-nomad-village-madeira-portugal/; **Remote working: how a surge in digital nomads is pricing out local communities around the world**, The Conversation (March 31, 2023), available at https://theconversation.com/remote-working-how-a-surge-in-digital-nomads-is-pricing-out-local-communities-around-the-world-200670; **Portugal: The canary in the digital nomad coal mine?**, The New European (March 5, 2023), available at https://www.theneweuropean.co.uk/portugal-the-canary-in-the-digital-nomad-coal-mine/.

growth of 'sterile neighbourhoods' which prioritize '"Instagrammable" cafés with fast WiFi and fancy coffee'[lxv] in lieu of local authenticity.[lxvi] Ultimately, governments need to convince local populations about the economic benefits of digital nomads. In this regard, governments face a persistent issue: the economic data around this group remains elusive.[lxvii] Any strategy to grow Digital Nomad Visa regimes requires first sourcing and promulgating better, clearer, and more accessible data regarding the expected and existing economic and social impact – both good and bad – of digital nomads.

- **Effect on the labour market of the country where employer is located.** Although digital nomads, by definition, should not affect the labour market of their country of residence (as many countries' Digital Nomad Visa rules require that Digital Nomad Visa holders not work for, or provide services to, local employers); the same cannot be said about their effect on the labour market of the country where their employer is located. In particular, given the potentially lower salary burden of digital nomads, employers may prioritise hiring this type of worker at the exclusion of comparable local hires.

- **Exploitative employer practices.** Conversely, digital nomads may find themselves the subject of unscrupulous employers who take advantage of potentially weaker labour laws in the digital nomad's host country or otherwise exploit the digital nomad's more informal work arrangement, as well as their reduced ability to formally organize as a single political entity (the prospects of national, regional or global 'digital nomad' unions are low).[lxviii] For example, the employer may knowingly fail to provide commensurate salary, employment or social security benefits. This risk of such abusive behaviour provides an impetus for countries to actively codify and manage their digital nomad landscape.

lxv        **The real point of digital nomads**, Financial Times (November 29, 2022), available at https://www.ft.com/content/652c2393-edfb-4132-9e93-32d812ff30e8.
lxvi       **The real point of digital nomads**, Financial Times (November 29, 2022), available at https://www.ft.com/content/652c2393-edfb-4132-9e93-32d812ff30e8.
lxvii      **Should OECD countries develop new Digital Nomad Visas?**, OECD: Migration Policy Debates (July 2022), available at https://www.oecd.org/migration/mig/MPD-27-Should-OECD-countries-develop-new-Digital-Nomad-Visas-July2022.pdf, p.6.
lxviii     **Digital Nomads: Employment in the Online Gig Economy**, Beverly Yuen Thompson, Glocalism: Journal of Culture, Politics And Innovation (2018), available at https://glocalismjournal.org/wp-content/uploads/2020/06/Thompson_gjcpi_2018_1.pdf, 20-21.

# Environmental, Social, and Governance effects

The Environmental, Social, and Governance (ESG) effects of remote work are fast becoming a crucial consideration for governments, employers and employees. Remote working (including digital nomad arrangements) provides potential benefits regarding both environmental and social pillars. A business's ESG framework may benefit from incorporating at least some remote work systems.

## ESG: Environmental

Remote working is often portrayed as offering environmental benefits. Any such assessment, however, is not straightforward, with contextual factors affecting the appraisal.

### Positives

- **Daily commuting.** By precluding the need to regularly travel to an office (if ever), remote working can reduce daily commuting figures. This is often trumpeted as the clearest and most significant environmental benefit of remote working. Spanish modelling from 2021 suggested that reduced commuting can

> *'The overall energy saved as a result of less commuting is still around four times larger than the increase in residential energy consumption.'*
>
> International Energy Agency 2020 study into remote working

significantly improve air quality, with nitrogen dioxide concentrations potentially decreasing between four to 10 percent.[lxix] A 2020 International Energy Agency study concluded that: 'during an average year, the overall energy saved as a result of less commuting is still around four times larger than the increase in residential energy consumption.'[lxx] Meanwhile, a 2020 review of 39 studies noted that the majority of studies observed positive environmental dividends (although the more rigorous studies were more ambiguous in their conclusions).[lxxi]

Context, however, is critical. The degree of environmental benefit turns on the regions, countries and cities in question. Environmental gains will be highest in areas where private, combustion-engine vehicles are the main method of commuting, as opposed to places where commuting primarily occurs via public transport, or non-combustion private vehicles (for instance, bicycles). Additionally, average commuting distances can affect the appraisal, as will variation in the types of private vehicles being used,[lxxii] and in how they are driven and how they are used (for instance, use of air conditioning).[lxxiii] Further, one also has to

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lxix     **A take-home message from COVID-19 on urban air pollution reduction through mobility limitations and teleworking**, Alba Badia et al., npj Urban Sustainability (2021), available at https://www.nature.com/articles/s42949-021-00037-7.
lxx     **Working from home can save energy and reduce emissions. But how much?**, IEA (June 12, 2020), available at https://www.iea.org/commentaries/working-from-home-can-save-energy-and-reduce-emissions-but-how-much (emphasis added).
lxxi     **A systematic review of the energy and climate impacts of teleworking**, Andrew Hook et al., Environmental Research Letters (August 19, 2020), available at https://iopscience.iop.org/article/10.1088/1748-9326/ab8a84/meta.
lxxii     **How Eco-Friendly Is Remote Working?**, Forbes (October 21, 2021), available at https://www.forbes.com/sites/adigaskell/2021/10/21/how-eco-friendly-is-remote-working/?sh=5083b56f186
lxxiii     **Working from home can save energy and reduce emissions. But how much?**, IEA (June 12, 2020), available at https://www.iea.org/commentaries/working-from-home-can-save-energy-and-reduce-emissions-but-how-much.

consider a country's energy production systems: if a country's power plants are environmentally friendly, then the work-from-home environmental dividends are increased.[lxxiv] In short, remote work may often bring environmental benefits, but it is not a simpleone-for-one analysis.

- **Other environmental benefits** include the following:

  - **Less air travel** – with remote working reducing the need for ad hoc business travel (with corporate travel a significant source of carbon emissions).[lxxv]

  - **Less food-related waste** – with less wasteful 'single-use' food-purchasing practices.[lxxvi]

  - **Optimised office space usage** – with remote working reducing (or even wholly precluding) the need for office space. Office-related heating, cooling and general electricity usage can decline in turn.[lxxvii]

## Negatives

Conversely, remote working can also bring environmental detriments.

- **More travel and consumption?** New remote work-related conduct and travel can undermine green benefits. This includes:

  - **Changed movement and living habits.** Given the change in circumstances, remote workers (or their family members) may use their private vehicles for non-work-related travel during the workday that otherwise would not have happened.[lxxviii] Meanwhile, remote workers may decide to live further from their employer given less need for daily commutes. For hybrid workers in particular, this means that the environmental impact of each commute is greater, therefore reducing the total environmental benefit of this work arrangement.[lxxix]

  - **Doubled consumption.** Especially relevant to hybrid working scenarios, remote working can cause doubled consumption. Hybrid workers may require the duplication of a main office and an equivalently well-stocked home office. Laptop, office chair, and office desk sales spiked significantly during COVID-19.[lxxx] Homes may be expanded for the new home-office – thus consuming more energy.[lxxxi] Furthermore, there may be a wasteful double-use of energy resources as both office spaces and home-offices are lit, heated or cooled at the

lxxiv    **Working from home can save energy and reduce emissions. But how much?**, IEA (June 12, 2020), available at https://www.iea.org/commentaries/working-from-home-can-save-energy-and-reduce-emissions-but-how-much.
lxxv    **ESG is the key to unlocking the future of corporate hospitality**, Amro Partners (December 17, 2021), available at https://www.amropartners.com/2021/12/17/esg-is-the-key-to-unlocking-the-future-of-corporate-hospitality/.
lxxvi    **Environmental Benefits of Remote Work**, Green Journal (July 25, 2022) https://www.greenjournal.co.uk/2022/07/6-environmental-benefits-of-remote-work/.
lxxvii    **Working from home can save energy and reduce emissions. But how much?**, IEA (June 12, 2020), available at https://www.iea.org/commentaries/working-from-home-can-save-energy-and-reduce-emissions-but-how-much.
lxxviii    **How Eco-Friendly Is Remote Working?**, Forbes (October 21, 2021), available at https://www.forbes.com/sites/adigaskell/2021/10/21/how-eco-friendly-is-remote-working/?sh=5083b56f186.
lxxix    **How Eco-Friendly Is Remote Working?**, Forbes (October 21, 2021), available at https://www.forbes.com/sites/adigaskell/2021/10/21/how-eco-friendly-is-remote-working/?sh=5083b56f186.
lxxx    **How Eco-Friendly Is Remote Working?**, Forbes (October 21, 2021), available at https://www.forbes.com/sites/adigaskell/2021/10/21/how-eco-friendly-is-remote-working/?sh=5083b56f186.
lxxxi    **How Eco-Friendly Is Remote Working?**, Forbes (October 21, 2021), available at https://www.forbes.com/sites/adigaskell/2021/10/21/how-eco-friendly-is-remote-working/?sh=5083b56f186.

same time.[lxxxii] 'Smart office' systems and strategies may be able mitigate such wasteful double-consumption outcomes – though only at an administrative cost.[lxxxiii]

- **Air travel.** The digital nomad lifestyle – with its penchant for movement – may cause increased air travel in many instances. [lxxxiv]

# ESG: Social

Remote work, including digital nomad arrangements, offer significant benefits on the 'social' side of the ESG ledger. Critically, it can make employment more equitable and inclusive.

### Positives

- **Immigration-law related barriers.** Many people are from countries which have 'weak' passports: such individuals are likely to face a tougher visa application process – including heightened costs, administrative demands and risks of rejection – due to their country of origin.[lxxxv] Remote work, however, offers a way of leaping over such legal barriers, allowing employers to be more inclusive in their hiring practices.

- **Prohibitive cost of office work.** Remote working opens up work opportunities for individuals for whom daily office work is prohibitively expensive. Office work brings many costs.[lxxxvi] A 2022 Global Workplace Analytics report observed that surveyed employees were likely to spend twice as much when working from the office (USD 862 per month) as opposed to remotely (USD 431 per month), with the commute and lunch costs being the biggest daily expenses.[lxxxvii] Many young families, meanwhile, need to spend extra on child-care, or otherwise require one partner to avoid employment. Meanwhile, there are the time costs, be it commuting or daily pre-work preparation.[lxxxviii]

- **Barriers to living near commercial areas.** Remote work also ensures employers can engage with talent who are unable to live sufficiently close to cities or offices to commute daily. Such individuals may be precluded from paying the higher costs of inner-city or suburban real estate, or face health challenges requiring them to live outside urban centers. Silicon Valley offers a pertinent example: the house price index in San Francisco has increased by 80 percent in the last decade.[lxxxix] Meanwhile, private property prices in Singapore (a city which recently topped

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lxxxii    **How Eco-Friendly Is Remote Working?**, Forbes (October 21, 2021), available at https://www.forbes.com/sites/adigaskell/2021/10/21/how-eco-friendly-is-remote-working/?sh=5083b56f186.

lxxxiii    **Why smart offices are the future of digital built Britain**, Planning, BIM & Construction Today (June 8, 2022), available at https://www.pbctoday.co.uk/news/digital-construction-news/smart-offices-future-digital-built-britain/111589/.

lxxxiv    **Forget digital nomads. Meet the eco-conscious digital 'slomads'**, World Economic Forum (August 3, 2022), available at https://www.weforum.org/agenda/2022/08/sustainability-digital-nomads-eco-conscious/.

lxxxv    **In a Work-from-Anywhere World, How Remote Will Workers Go?**, Harvard Business School Working Knowledge (June 3, 2022), available at https://hbswk.hbs.edu/item/in-a-work-from-anywhere-world-how-remote-will-workers-go.

lxxxvi    **IOE Position Paper on Remote Work beyond Covid-19**, IOE (September 2021), available at https://www.ioe-emp.org/index.php?eID=dumpFile&t=f&f=156041&token=2c6ea1790944f78b7509114fdc59f237a2e0cd0e, p. 18.

lxxxvii    **State of Remote Work 2022**, Global Workplace Analytics and Owl Labs  (2022), available at https://globalworkplaceanalytics.com/whitepapers, p. 20.

lxxxviii    **IOE Position Paper on Remote Work beyond Covid-19**, IOE (September 2021), available at https://www.ioe-emp.org/index.php?eID=dumpFile&t=f&f=156041&token=2c6ea1790944f78b7509114fdc59f237a2e0cd0e, p. 18.

lxxxix    **For programmers, remote working is becoming the norm**, The Economist (August 11, 2021), available at https://www.economist.com/graphic-detail/2021/08/11/for-programmers-remote-working-is-becoming-the-norm.

the 2023 APAC Home Attainability Index)[xc] have increased by around 28 percent between 2020 and 2023.[xci] Remote work allows employers to access talent who simply cannot afford such prices.

- **Office cultures.** Though often overlooked by commentators, workplaces also impose (even unintentionally) certain norms and cultures. Many individuals – for reasons both individual or cultural – may find the norms, interactions and expectations of an office space comparatively more difficult.[xcii] Remote work can help mitigate such issues, ensuring a greater number of workers are willing to enter certain labour markets, or existing employees are better placed to excel in their role.[xciii] McKinsey analysis from 2022 observed that 'nonbinary employees were 14 percent more likely to prefer' hybrid working than other employees; while LGBQ+[xciv] 'employees were 13 percent more likely to prefer hybrid work than their heterosexual peers'.[xcv]

- **Employees with special physical needs.** Employees with special needs (for instance, mobility challenges) may be wholly precluded from accessing office spaces, or otherwise prefer to avoid (or reduce) daily challenges emerging from working in office spaces.[xcvi] Remote working may help overcome some of these barriers. McKinsey analysis from 2022 observed that employees 'with disabilities were 11 percent more likely to prefer a hybrid work model than employees without disabilities' and that such employees were 14 percent more likely to leave jobs which ceased remote work opportunities than employees without disabilities.[xcvii]

- **Non-work responsibilities.** Remote working opens employment opportunities for individuals who have non-work responsibilities that preclude them from leaving their residence during a workday. This might apply to young parents or individuals with carer obligations (for instance, caring for elderly parents).

xc      **Singapore home prices surpass Hong Kong as Asia-Pacific region's most expensive, survey shows**, Reuters (May 30, 2023), available at https://www.reuters.com/markets/asia/singapore-home-prices-surpass-hong-kong-apacs-most-expensive-survey-2023-05-30/.

xci      **With rising private home prices, is climbing the property ladder harder?**, Channel News Asia (July 22, 2023), available at  https://www.channelnewsasia.com/singapore/focus-condo-private-property-housing-prices-social-mobility-3612396.

xcii      Some **Minority Workers, Tired of Workplace Slights, Say They Prefer Staying Remote**, The Wall Street Journal (May 15, 2022), available at https://www.wsj.com/articles/minority-workers-prefer-remote-microaggresions-11652452865?st=a7pcboja0ai0lyi&reflink=desktopwebshare_permalink&mod=article_inline; **Managing Concealable Stigmas at Work: A Review and Multilevel Model**, Kristen P. Jones and Eden B. King, Journal of Management (December 19, 2013), available at https://journals.sagepub.com/doi/10.1177/0149206313515518; **Will Remote Work Undermine Diversity Efforts?**, Society for Human Resource Management – HR Magazine (June 7, 2022), available at https://www.shrm.org/hr-today/news/hr-magazine/summer2022/pages/remote-work-may-undermine-diversity-efforts-.aspx.

xciii      **Some Minority Workers, Tired of Workplace Slights, Say They Prefer Staying Remote**, The Wall Street Journal (May 15, 2022), available at https://www.wsj.com/articles/minority-workers-prefer-remote-microaggresions-11652452865?st=a7pcboja0ai0lyi&reflink=desktopwebshare_permalink&mod=article_inline

xciv      The McKinsey survey separated analysis of sexual orientation and gender identity. Their analysis used the acronym 'LGBQ+' for sexual orientation survey-data analysis; while transgender respondents were captured under separate gender identity survey-data analysis.

xcv      **Hybrid work: Making it fit with your diversity, equity, and inclusion strategy**, McKinsey Quarterly (April 20, 2022), available at https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/hybrid-work-making-it-fit-with-your-diversity-equity-and-inclusion-strategy.

xcvi      **IOE Position Paper on Remote Work beyond Covid-19**, IOE (September 2021), available at https://www.ioe-emp.org/index.php?eID=dumpFile&t=f&f=156041&token=2c6ea1790944f78b7509114fdc59f237a2e0cd0e, p. 18.

xcvii      **Hybrid work: Making it fit with your diversity, equity, and inclusion strategy**, McKinsey Quarterly (April 20, 2022), available at https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/hybrid-work-making-it-fit-with-your-diversity-equity-and-inclusion-strategy.

## Remote Work and Work-Life Balance Statistics

**85%**
Remote work made balancing work and life easier

**Halved**
Daily expenditure when working from home

**80%**
Digital nomads highly satisfied with their work

These figures are based on various surveys and data collected and cited in this report

- **General work-life balance.** Even where employees face none of the above office-related challenges, remote work options ensure employees can craft a more suitable work-life balance (for instance, more time with family, or more ability to engage in non-work activities). This itself is an ESG gain, which may also help productivity– given the link between happier workers and better productivity.[xcviii] In a 2022 Global Workplace Analytics report, 85 percent of surveyed workers said remote work made balancing work and life easier and 81 percent of workers said that such work practices would lower their stress.[xcix] Digital nomads, meanwhile, exhibit a particularly pronounced well-being dividend. A 2023 MBO Partners report observed that 80 percent of surveyed digital nomads were highly satisfied with their work; compared to 59 percent of more traditional workers.[c]

### Negatives

Despite remote work arrangements offering many 'social' dividends, employers need to be aware of potential pitfalls.

- **Mental health.** Remote workers often experience a more socially isolated work experience which can have pronounced effects on mental health. Furthermore, the line between work and 'home' can get eroded, further affecting mental health.[ci] Employers need to be cognisant of the emotional and mental challenges of remote working – especially with respect to isolation, loneliness and associated mental health challenges. Pre-COVID studies[cii] from the Netherlands and Finland have shown an increase in the risk of burnout for remote workers (potentially linked to increased employee isolation).[ciii] The itinerant digital nomad lifestyle can be

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xcviii   **Does Employee Happiness have an Impact on Productivity?**, Saïd Business School WP 2019-13, Oxford (25 April, 2023), available at https://www.ox.ac.uk/news/2019-10-24-happy-workers-are-13-more-productive.

xcix   **State of Remote Work 2022**, Global Workplace Analytics and Owl Labs (2022), available at https://globalworkplaceanalytics.com/whitepapers, p. 25.

c   **Digital Nomads – State of Independence: Nomadism Enters the Mainstream**, MBO Partners (August 2023) available at https://info.mbopartners.com/rs/mbo/images/2023_Digital_Nomads_Report.pdf.

ci   **How Remote Work Can Impact Employees' Mental Health**, Forbes, (July 3, 2023), available at https://www.forbes.com/sites/forbeshumanresourcescouncil/2023/07/03/how-remote-work-can-impact-employees-mental-health/?sh=61b532bb2cf0.

cii   Importantly, these findings are not affected by the unique mental health stressors of the COVID period, which complicate analysis of the mental health challenges of remote work. In particular, any COVID-period analysis of the mental health challenges of remote work faces the challenge of separating mental health factors exclusively caused by remote working per se and mental health issues caused by, or amplified by, the unique circumstances of COVID (including periods of mandatory isolation amid an unprecedented global pandemic).

ciii   **Working anytime, anywhere: The effects on the world of work**, Eurofound – Research Report (February 15, 2017), available at https://www.eurofound.europa.eu/en/publications/2017/working-anytime-anywhere-effects-world-work, 37.

particularly unstable, with digital nomads potentially suffering from a pronounced dearth of deep community or social ties (which can be important for improved mental health outcomes). To counteract these issues, employers can establish open lines of communication (including regular welfare catch-ups) with their remote working staff, including digital nomads.[civ] Additionally, for some employees, the office provides a space to temporarily escape significant stressors and challenges in their home environment.[cv] Accordingly, some remote workers – who are denied this opportunity – may face worse mental health outcomes.

- **Management challenges.** Managers of remote workers may face several new challenges. First, remote working can increase communication challenges: email, instant message and even videoconferencing lack the nuance of face-to-face interaction. Miscommunications and misunderstandings can increase with purely online interactions. Second, managers may face increased challenges in assessing, and therefore efficiently managing, workload capacity amongst team members. Third, divergent work cultures can emerge between the in-office and remote working teams, creating unexpected fault lines and divisions within one team. Fourth, although remote working offers the potential to instrumentalise time differences (with employees in different time zones able to carry tasks across 24 hours), differing time zones can also present coordination challenges (for instance, reducing the available window for whole-team discussions). Novel occupational health and safety issues also emerge (discussed below).

- **Teamwork and mentoring pitfalls.** Office spaces provide employees (especially less-experienced employees) with the opportunity to learn by osmosis, build networks, and develop fruitful mentoring relationships. Remote work arrangements can reduce such possibilities.[cvi] Relatedly, remote working can also harm team building, collegiality and teamwork dynamics. The myriad informal face-to-face interactions of the office space (be it a shared joke, a coffee break discussion, or a chat about the weekend) can build greater collegiality and trust amongst team members. Conversely, studies have found remote workers to experience weaker social ties with their colleagues as well as diminished company loyalty and motivation.[cvii] Many remote workers expressed increased loneliness and missed informal contact with, and emotional support from, colleagues.[cviii] This can in the longer term, cause employee retention issues, or decreased office morale (which itself can worsen talent retention).

- **Anti-social workplace issues.** Remote working does not end workplace bullying; rather, anti-social workplace behaviour simply mutates to accommodate its new

civ     **Don't Forget The Downsides Of Remote Work,** Forbes, (August 31, 2023), available at https://www.forbes.com/sites/forbesbusinesscouncil/2022/08/31/dont-forget-the-downsides-of-remote-work/?sh=63c989e96c28.

cv      **Don't Forget The Downsides Of Remote Work,** Forbes, (August 31, 2023), available at https://www.forbes.com/sites/forbesbusinesscouncil/2022/08/31/dont-forget-the-downsides-of-remote-work/?sh=63c989e96c28.

cvi     **Digital nomads versus work from home: The dichotomy of localism and globalism**, Investment Monitor (March 17, 2022), available at https://www.investmentmonitor.ai/features/digital-nomads-work-from-home-covid/?cf-view.

cvii    **Working anytime, anywhere: The effects on the world of work**, Eurofound – Research Report (February 15, 2017), available at https://www.eurofound.europa.eu/en/publications/2017/working-anytime-anywhere-effects-world-work, 37.

cviii   **Working anytime, anywhere: The effects on the world of work**, Eurofound – Research Report (February 15, 2017), available at https://www.eurofound.europa.eu/en/publications/2017/working-anytime-anywhere-effects-world-work, 37.

landscape.[cix] Human resources units and managers need to reappraise their methods in order to adapt to this new work environment. This can be challenging in the remote work environment, where social cues are dampened (or non-existent), and there can be a greater sense of disconnection and isolation amongst remote workers.

## ESG: Governance

In terms of the environmental and social ledger of ESG policy, remote working offers promising pathways. In terms of the 'governance' angle, however, the effect of remote working is less clear. If anything, the 'governance' pillar directs attention to the need for organizations to ensure their internal governance structures are adequate for the particular challenges of remote worker arrangements. Many of these challenges could also be included under the 'social' side of the ledger. These issues include:

- **Occupational health and safety issues.** The legal and reputational risks surrounding occupational health and safety factors do not cease for employers who engage remote workers. Employers need to be aware of this challenge, especially as they have far less (or even no) control over the working environment of their remote working staff. Though legal oWbligations vary across jurisdictions, employers should adopt an attitude of strict due diligence. If possible, employers should conduct risk assessments regarding their remote employees' working spaces. Though in many circumstances this may not be feasible, employers must nonetheless diligently endeavour to train and assist remote workers so that they can autonomously establish and maintain a safe working environment. In addition to information and training sessions, employers may also need to provide additional monetary compensation as part of helping employees to establish, or otherwise lease, a working space which is adequate in terms of occupational health and safety.[cx] For digital nomad hires, employers may want to diligently inquire into the circumstances of where their digital nomad employees are working (including the adequacy of any co-working facilities) and provide further support if the work space is inadequate.

- Ensuring against **unintentionally discriminatory treatment of remote workers.** For instance, employers may use inappropriate performance metrics for remote workers. Alternatively, employers may fail to account for 'proximity bias' and may inadvertently 'punish' a remote worker for their non-presence in the office (for instance, being passed over for promotion due to lack of visibility).[cxi] Such proximity

cix      2**021 WBI U.S. Workplace Bullying Survey**, Workplace Bullying Institute (2021), available at https://workplacebullying. org/wp-content/uploads/2021/04/2021-Full-Report.pdf, 8; **Don't Forget The Downsides Of Remote Work**, Forbes, (August 31, 2023), available at https://www.forbes.com/sites/forbesbusinesscouncil/2022/08/31/dont-forget-the-downsides-of-remote-work/?sh=63c989e96c28; **Hybrid harassment: How to stamp out employee abuse in remote work**, Human Resources Director (November 17, 2022), available at https://www.hcamag.com/ca/specialization/employment-law/hybrid-harassment-how-to-stamp-out-employee-abuse-in-remote-work/427852.

cx      **Maintaining staff health and safety while working remotely**, People Management (January 12, 2022), available at https://www.peoplemanagement.co.uk/article/1745833/maintaining-staff-health-and-safety-while-working-remotely; **Employers' safeguarding duties to remote workers**, People Management (April 27, 2023), available at https://www.peoplemanagement. co.uk/article/1821050/employers-safeguarding-duties-remote-workers.

cxi      **Three important questions for the future of remote work**, McKinsey, (July 10, 2023), available at https://www.mckinsey. com/capabilities/people-and-organizational-performance/our-insights/the-organization-blog/three-important-questions-for-the-future-of-remote-work; **Will Remote Work Undermine Diversity Efforts?**, Society for Human Resource Management – HR Magazine (June 7, 2022), available at https://www.shrm.org/hr-today/news/hr-magazine/summer2022/pages/remote-work-may-undermine-diversity-efforts-.aspx.

bias may actually undermine the diversity and inclusion benefits of remote work arrangements – with those individuals which take up remote work being denied equal career advancement.[cxii]

- Addressing any **cyber-security and data privacy issues** which may be heightened with remote workers, especially where employers have reduced control over the information technology infrastructure and software used by remote workers.

- Ensuring against unintentional erosion of **employee work-life balance**. The division between home and office is dissolved for remote workers, and employers may inadvertently cause (or fail to prevent) remote workers from working well beyond their allotted daily work hours.[cxiii] This can harm mental health outcomes.[cxiv] A pre-COVID study found 41 percent of surveyed remote workers felt stressed compared to 25 percent of office workers.[cxv]

- General **compliance issues**, including tax, social security, and labour law issues (addressed further below).

cxii      **Will Remote Work Undermine Diversity Efforts?**, Society for Human Resource Management – HR Magazine (June 7, 2022), available at https://www.shrm.org/hr-today/news/hr-magazine/summer2022/pages/remote-work-may-undermine-diversity-efforts-.aspx.

cxiii      **How Remote Work Can Impact Employees' Mental Health**, Forbes, (July 3, 2023), available at https://www.forbes.com/sites/forbeshumanresourcescouncil/2023/07/03/how-remote-work-can-impact-employees-mental-health/?sh=61b532bb2cf0; **Don't Forget The Downsides Of Remote Work**, Forbes, (August 31, 2023), available at https://www.forbes.com/sites/forbesbusinesscouncil/2022/08/31/dont-forget-the-downsides-of-remote-work/?sh=63c989e96c28.

cxiv      **Working anytime, anywhere: The effects on the world of work**, Eurofound – Research Report (February 15, 2017), available at https://www.eurofound.europa.eu/en/publications/2017/working-anytime-anywhere-effects-world-work, 36.

cxv      **Working anytime, anywhere: The effects on the world of work**, Eurofound – Research Report (February 15, 2017), available at https://www.eurofound.europa.eu/en/publications/2017/working-anytime-anywhere-effects-world-work, 38.

# How governments can support digital nomads

Any government's strategic vision regarding a Digital Nomad Visa program needs to begin by observing that there is no 'one size fits all' regime. Countries need to ask themselves these and other core questions:

- What problems is the country trying to solve through the program?
- What does the country want to gain from the digital nomads it is trying to attract?
- What types of digital nomads does the country actually want? Anyone with a computer? Information technology specialists? Architects? Designers? Short-term or long-term residents?
- How can a Digital Nomad Visa regime align with, or advance, broader national interests and future goals?
- Would a narrow and targeted Digital Nomad Visa policy better achieve the country's goals? Alternatively, should the country pursue a broader approach?
- Should digital nomads be addressed under existing visa pathways (for instance, retrofitting existing tourism or visitor visa regimes)? Or should a wholly new framework be established for them?

To this end, countries pursuing new Digital Nomad Visa regimes, or otherwise revising or expanding their existing related policies, may want to consider establishing a taskforce to unpack these questions, as well as resolve the data problem earlier discussed. Important practical considerations for such policy development are discussed below.

## Duration of stay

Duration of stay is a critical consideration when pondering the scope of a Digital Nomad program.

- **Short-term program.** A country can target short-term digital nomads – individuals for whom any residency right would be short: perhaps only two to four weeks. This category may be best served by retrofitting existing tourism or visitor visa regimes, namely those that already provide some limited work rights. Attractively, this approach requires less administrative and legislative complexity, as a country does not need to craft a wholly new visa or permit regime. However, this approach poses regulatory concerns, as such visa holders may simply disappear under the cover of standard tourism or visitor visa regimes.

- **Long-term program.** Alternatively, a country may seek to engage with mid- to long-term digital nomads – individuals who would remain in-country for up to six months or more. This approach would likely require establishing specific Digital Nomad Visa or permit regimes (given existing tourism or visitor visa regimes are likely inadequate for the time-period envisaged). In this regard, all Digital Nomad Visa programs considered successful based on our Case Studies offer long-term

stays.[cxvi] The benefit of this approach is that it clearly announces that a country is seeking to actively engage with digital nomads, which can attract highly-skilled foreign workers and in turn boost economies. Furthermore, countries can establish strategic fee arrangements specifically tailored to digital nomad populations.

## Improving visa uptake

Countries with an interest in commencing or advancing their Digital Nomad Visa programs have multiple levers that they can consider.

- **More lenient application and renewal pathways and more relaxed immigration policy**. Countries should look to make the application process more lenient and flexible through immigration-process-related improvements such as:

> *'Almost one third said they would like to work remotely for an employer based in another country.'*
>
> A 2022 Permits Foundation study into the preferences of partners of highly-skilled international employees

  - **Better visa conditions.** Governments can make the core terms more attractive. Fees (both for initial applications and renewals) can be reduced, minimum salary thresholds can be lowered (or even wholly negated), and durations can be expanded. Our Case Studies indicated that high minimum salary rates in Digital Nomad Visa programs (such as the relatively high requirement of EUR 4,500 per month in Estonia) deter people from applying for such programs.[cxvii]

  - **Easier application processes.** Governments should ensure the application process is thoroughly streamlined. Digital processes should be prioritized,[cxviii] simplifying the application process and reducing bureaucratic burden. Our Digital Nomad Visa Case Studies show that successful programs have online applications (Estonia and Dubai's programs, for example).[cxix] This would also allow improved government monitoring of a country's digital nomad population. Document requirements should be as lean as possible.

  - **In-country applications or renewals.** A country can allow individuals who have arrived on a tourist or visitor visa, or under a visa-exempt program, to apply for a Digital Nomad Visa or permit after their arrival. For example, Brazil offers an in-country application option for its Digital Nomad Visa.[cxx] Furthermore, Digital Nomad Visa renewals should be possible in-country as a matter of course – precluding any costly need to leave the country.

  - **Easy renewal.** Streamlined digital renewals are a must, and the process should rely on the information and documents already provided by the

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cxvi     Brazil offers a one-year (renewable) stay; Croatia offers a one-year stay; Estonia offers a one-year stay; Portugal offers a two-year stay (renewable); and Dubai offers a one-year stay.
cxvii    See Estonia Case Study, in Appendix.
cxviii   **Digital Nomads: Advances in Hospitality and Destination Attractiveness**, Tourism and Hospitality (June 30, 2023), available at https://www.mdpi.com/2673-5768/4/3/30, p. 495.
cxix     See Estonia and Dubai Case Studies, in Appendix.
cxx      See Brazil Case Studies, in Appendix.

applicant (assuming they remain valid). Renewal fees can be lowered (or wholly removed); and the right of renewal could even be offered as a matter of course, or with only the lightest of conditions.

- **Long-term residency conversion.** Countries could allow eligible digital nomads to eventually convert their Digital Nomad Visa into a more permanent work visa, allowing for better retention of skilled talent. For example, Digital Nomad Visa holders in **Mauritius** can apply for certain local work and residence permits without first having to leave the country. As noted, a large proportion of digital nomads would classify under immigration systems as skilled or highly skilled labour[cxxi] – a valuable wellspring of talent to help a government address current demographic-driven labour shortages. Eligibility could turn on the applicant accumulating a sufficient period of time in the country, as well as working in certain in-demand fields (for instance, computer science or technology). Countries could potentially further assist digital nomads seeking permanent status by allowing the time spent in country as a digital nomad to count toward the total time in-country required to be granted permanent residency.[cxxii]

- **Families and dependents.** Many digital nomads have families.[cxxiii] Therefore, any Digital Nomad Visa should also grant family and dependents with equivalent residency rights. Furthermore, governments should consider automatic granting of digital nomad work rights to the spouse of the main applicant (as opposed to requiring a separate application). This ensures that digital nomad families can confidently move together and stay together as one unit – as opposed to a scenario where one family member acquires a Digital Nomad Visa while the other remains uncertain about their work rights, potentially delaying (or even precluding) their move.

- **Providing and improving core digital infrastructure.** Any government pursuing an advanced and effective Digital Nomad Visa program needs to ensure it is providing the necessary internet infrastructure.[cxxiv] Digital nomad rankings often include internet speed right alongside tax and income requirements.[cxxv] Countries need to ensure not only that existing infrastructure is stable and sufficient, but they also need to account for future capacity issues. Most countries in our Digital Nomad Visa Case Studies (of programs that are considered 'successful') have good

cxxi    **Should OECD countries develop new Digital Nomad Visas?**, OECD: Migration Policy Debates (July 2022), available at https://www.oecd.org/migration/mig/MPD-27-Should-OECD-countries-develop-new-Digital-Nomad-Visas-July2022.pdf, p.1. See also **IOE Position Paper on Remote Work beyond Covid-19**, IOE (September 2021), available at https://www.ioe-emp.org/index.php?eID=dumpFile&t=f&f=156041&token=2c6ea1790944f78b7509114fdc59f237a2e0cd0e, p. 9.
cxxii    **Shaping the future of borderless work: Towards a new model for cross-border remote working**, City of London and EY (2022), available at: https://www.cityoflondon.gov.uk/supporting-businesses/economic-research/research-publications/shaping-the-future-of-borderless-work, p. 47.
cxxiii    **The rise of digital nomad families**, BBC (June 16, 2022), available at https://www.bbc.com/worklife/article/20220615-the-rise-of-digital-nomad-families.
cxxiv    **Digital Nomads: Advances in Hospitality and Destination Attractiveness**, Tourism and Hospitality (June 30, 2023), available at https://www.mdpi.com/2673-5768/4/3/30, p. 490; **Working from Home: Estimating the worldwide potential**, ILO Policy Brief (April 2020), available at https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/briefingnote/wcms_743447.pdf, p. 2. See also IOE Position Paper on Remote Work beyond Covid-19, IOE (September 2021), available at https://www.ioe-emp.org/index.php?eID=dumpFile&t=f&f=156041&token=2c6ea1790944f78b7509114fdc59f237a2e0cd0e, p. 11.
cxxv    See, for instance, **VisaGuide.World Digital Nomad Index**, VisaGuide.World (2023), available at https://visaguide.world/digital-nomad-visa/digital-nomad-index/.

internet infrastructure.[cxxvi] Relatedly, countries will want to ensure their data privacy and data security protocols and infrastructure adhere to global standards as part of safeguarding digital nomads (and their employers).

- **Unique benefits and experiences.** Countries can provide free or subsidized working spaces or accommodation villages within which digital nomads can live, congregate and work (potentially amplifying innovation dividends). **Madeira**, Portugal's Digital Nomad village (starting in 2021) is a common example.[cxxvii] Meanwhile, the Tulsa Remote program provides grants, subsidized access to local co-working spaces, and support for finding accommodation.[cxxviii] Countries can also look to establish or subsidize curated digital nomad-focused events. The increasingly popular 'digital nomad cruises' offer an example: extended cruise-ship experiences tailored to the digital nomad community.[cxxix]

**Legislative and administrative rigor.** Critically, countries need to approach their Digital Nomad Visa frameworks with legislative and administrative rigor, otherwise the below problems may emerge (if they have not already):

- **Confusion and reduced uptake.** Legislative regimes that lack rigorous coherency create confusion: applicants may be left unsure (and ultimately worried) about whether they are eligible, and what exactly constitutes lawful work. Individuals may fear putting themselves at risk of accidental immigration law noncompliance (with possible fines or other penalties). Uncertainty naturally breeds wariness and will ultimately reduce visa uptake. Many people may take the safe option and simply look elsewhere. Employers of digital nomads likewise do not want to find themselves in a situation of accidental immigration law noncompliance – a situation that risks reputational, legal and sometimes financial repercussions.

- **Undue administrative cost and barriers.** Poorly structured regimes can amplify administrative complexity and inefficiency, causing confusion and administrative fatigue – to say nothing of wasted time and money. Such administrative turbulence is unlikely to increase visa uptake, and may have a particularly damaging effect on renewals, with now-experienced applicants unwilling to go through the same hassles a second time.

cxxvi    See Case Studies, in Appendix
cxxvii   **Digital Nomads – Madeira Islands**, Digital Nomads – Madeira Islands (2023), available at https://digitalnomads. startupmadeira.eu/.
cxxviii  **Tulsa Remote**, Tulsa Remote (2023), available at https://tulsaremote.com/; OECD Local Economic and Employment Development (LEED) Papers 2020/10 - Exploring policy options on teleworking: Steering local economic and employment development in the time of remote work, OECD (November 17, 2020), available at https://www.oecd-ilibrary.org/urban-rural-and-regional-development/exploring-policy-options-on-teleworking_5738b561-en, p. 49.
cxxix    **Digital nomads have billions to spend. Entrepreneurs are cashing in**, BBC (October 3, 2023), available at https://www.bbc.com/worklife/article/20231002-digital-nomads-have-billions-to-spend-entrepreneurs-are-cashing-in.

# Compliance issues

Digital nomad arrangements raise multiple compliance issues, including regarding tax, social security and labour law. In-depth analysis of each of these issues is beyond the scope of this paper. Nonetheless, employers and employees need to be aware of these aspects, and are advised to reach out to professional advisers for further guidance. Key issues include:

- **Income tax.** Remote workers generally, and digital nomads specifically, will be subject to the tax regime of their **country of residence for tax purposes** – which is often the place where they have the centre of their personal, economic, and social interests. Certainly, in some Digital Nomad Visa-offering countries, there are generous tax exemptions. Meanwhile, the issue of double taxation is often prevented through the global ecosystem of double-tax treaty agreements. Nonetheless, taxation questions may arise, especially regarding withholding tax obligations.

- **Corporate tax.** Despite a digital nomad's economic activity not being directed toward the country of their residence, employers may still face corporate tax risks in digital nomad host countries. In particular, digital nomad employees (depending on multiple indicia) may be deemed by the host country as a **permanent establishment** of the employing company. Relevant factors include the type of activity the digital nomad performs (main business activity versus auxiliary functions of the employer), the seniority of the digital nomad within the employer's hierarchy (for instance, the ability to take decisions and sign documents), and the time spent in the host-country (with more than six months of presence often representing a useful rule of thumb).

- **Social security.** As a general rule, social security obligations are linked to the employee's physical workplace. Accordingly, remote work in a third country can have an important effect on the social security profile of an employer or employee (with risks including doubled social security payments or lost accrual of social security benefits). Ultimately, compliance issues will vary depending on the country and region in question – with social security regulations regarding remote workers and digital nomads being largely a new phenomenon. Some regions have multilateral exemptions in place – for instance, Europe's Framework Agreement for cross-border teleworkers;[cxxx] while some countries may allow exemptions under bilateral arrangements (for instance, via use of 'certificates of coverage'). In other instances, certain jurisdictions may unilaterally exempt individuals from domestic social security obligations. Assessment ultimately requires a case-by-case analysis.

- **Labour law.** National, regional and international law around remote workers remains in its infancy, and laws vary across jurisdictions. Nonetheless, as a general rule, the imperative (or public order) labour rules of the host country must be

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cxxx     This framework agreement amongst certain European countries allows workers (in the signatory countries) to apply for an A1 certificate to remain affiliated to the social security system of their employer country, rather than their country of residence or country of stay; provided that less than 50 percent of their total working time is in their country of residence or country of stay. Whilst this provides some solution, it is limited to those working in signatory countries and would not cover individuals working remotely more than 50 percent.

followed, even if the employer and digital nomad employee contractually agree to apply the employment laws of a different state. Examples of imperative labour rules include public holidays, paid annual leave, and maximum working hours.

- **Ambiguity in the concept of employee/contractor.** Government agencies in some countries regulate workers under a binary system where they are either considered an employee or an independent contractor under labour and employment law. For example, this is the case in the United Kingdom[cxxxi], United States[cxxxii] and Chile[cxxxiii], among other countries. The label a worker has can mean the difference between the individual benefiting from worker protection laws (such as minimum pay, maximum work hours, ability to make claims of discrimination against a protected class, etc.), or not. [cxxxiv] On the other end, employers who misclassify workers as independent contractors can face fines and other penalties depending on each country's laws (some examples can include backpay of wages, taxes, social security or other benefits).[cxxxv] Although each country's law can vary, common factors that affect the classification of a worker as an employee rather than an independent contractor include the level of control the employer exerts over the worker, whether the tools or supplies for the work are supplied by the employer, and whether worker is provided benefits.[cxxxvi] Overall, although this dilemma has more frequently been presented in the context of gig workers, similar misclassification risks can arise for employers of digital nomads or remote workers whose contracts or work agreements explicitly term them as independent contractors, or if courts interpret them to be of such a classification. There are ongoing efforts in the courts of several countries where related issues have arisen that are hoped to provide clarity and more protections on both sides of the equation for the growing class of remote workers and digital nomads.

An understandable concern for employers and individuals interested in digital nomad arrangements is the challenge of adequately traversing these compliance concerns, especially as countries often present these issues as isolated and siloed matters, while digital nomad employers and individuals would prefer to address these compliance issues in a single, holistic process.

To that end, governments interested in advancing Digital Nomad Visa arrangements may want to establish an integrated administrative framework which merges this 'multiple-portfolio challenge' into a single administrative experience for any digital

cxxxi    **Navigating Independent Contractor Misclassification Across Borders: A Comprehensive Guide**, Work from Anywhere article (April 27, 2023), available at https://wfa.team/blog/navigating-independent-contractor-misclassification-across-borders-a-comprehensive-guide/.

cxxxii    Jennifer Pinsof, **A New Take on an Old Problem: Employee Misclassification in the Modern Gig-Economy**, Michigan Telecommunications &Technology Law Review (2016), available at https://repository.law.umich.edu/cgi/viewcontent.cgi?article=1220&context=mttlr.

cxxxiii    **The Difference Between Employees and Independent Contractors in Chile**, Borderless.com (December 12, 2023), available at https://www.hireborderless.com/post/the-difference-between-independent-contractors-and-employees-in-chile.

cxxxiv    Jennifer Pinsof, **A New Take on an Old Problem: Employee Misclassification in the Modern Gig-Economy**, Michigan Telecommunications &Technology Law Review (2016), available at https://repository.law.umich.edu/cgi/viewcontent.cgi?article=1220&context=mttlr.

cxxxv    **Navigating Independent Contractor Misclassification Across Borders: A Comprehensive Guide**, Work from Anywhere article (April 27, 2023), available at https://wfa.team/blog/navigating-independent-contractor-misclassification-across-borders-a-comprehensive-guide/.

cxxxvi    **Independent Contractor (Self-Employed) or Employee?**, U.S. Internal Revenue Service (last update November 2023), available at https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee.

nomad employer or individual. This will ensure that employees and digital nomad individuals are not scared away from engaging in digital nomad arrangements by reason of uncertainty about compliance.

Countries should establish a single, online portal that provides information (for instance, outlining core immigration and labour law requirements) and a digital means of facilitating interaction with all relevant government bodies, including for the purpose of filing any necessary information or documentation. Furthermore, the portal could link to a specific Digital Nomad Visa, providing up-to-date information about the relevant digital nomad's current status under immigration law (for instance, visa expiry date), taxation law (whether they are currently considered a resident for tax purposes), and their social security situation (whether they owe any social security contributions to their host country). Such systems are likely to be well received by already tech-fluent digital nomads.

Separately, and on a longer time scale, states interested in pursuing digital nomad arrangements will need to either establish, or update, bilateral and multilateral arrangements in order to better protect against issues such as double taxation or loss of social security benefits for digital nomad populations. Such agreements should seek to address the 'multi-portfolio challenge' of digital nomad compliance **in a unified manner**, providing a holistic regulatory framework which does not simply address one compliance issue (for instance, solving social security but being silent about taxation), but rather resolves each issue in a unified and holistic way.

# Conclusion

Though there are many potential benefits to governments in formally integrating remote work and Digital Nomad Visa regimes into their national strategies, there are several issues that prevent a higher uptake of these programs. The main issues are that:

- **They were created too swiftly** to capture a new wave of migrants during and after COVID-19 in hopes that they would improve economic conditions in the destination country through organic spending in the economy and housing market, but have not been revised to meet the needs of the current labour market;

- **Minimum salary levels are too high** in many countries for the program to be a viable option for many interested workers;

- Some of the programs are merely expansions of existing immigration categories that now include remote workers, and this is **not publicized or published** in a way that attracts attention to the offering;

- **They do not provide a viable path to permanent residency** in many countries, which is something applicants look for as part of their immigration plans; and

- **There is very little data** tracking being conducted to measure success or failure of different aspects of the programs.

Generally, it seems the programs are not as widely used as governments had initially hoped when they were created, and the constraints are too great, and their offerings too little, to create any realistic levels of success (or even ways to cross-compare the success of the programs) at this point.

It remains the case that many remote workers still risk immigration noncompliance by working remotely under a tourist visa. This can expose the employee and/or employer to fines and other administrative penalties, or in some cases, a bar to future entry.

It is hoped that in the years to come, governments improve and streamline Digital Nomad Visa programs and track and publish related data more frequently, so that they become a more viable alternative to working remotely under tourist status.

# Recommendations to governments considering Digital Nomad Visa programs

- Source **better, clearer, and more accessible data** regarding the expected and existing economic and social impact – both good and bad – of digital nomads.

- Determine whether **short-term or long-term Digital Nomad Visa programs are preferable.** This will require assessing what problems the country is trying to solve through its Digital Nomad Visa program, and what type of digital nomads it wants to attract. A country may want to establish a taskforce to unpack these (and other) questions as relevant to the specific context of the country.

- Establish **more lenient digital nomad application pathways**, including through:

    - Extended visa durations.

    - Lower government fees.

    - Lower minimum salary levels.

    - An easier (online) application process, if not already available.

    - An easier (online) renewal process, with in-country renewal as a matter of course.

- Establish **pathways for long-term residency options** via Digital Nomad Visas, including through allowing the time spent in country as a digital nomad to count toward the total time in-country required to be granted permanent residency or citizenship.

- Allow **family members to be included as dependents under Digital Nomad Visa programs,** and as a bonus, allow them to work as digital nomads as well (or provide work authorization rights under their status automatically).

- As part of encouraging innovation, **create and support free or subsidized co-working spaces or accommodation villages** within which digital nomads can live, congregate and work.

- Ensure the Digital Nomad Visa framework is established with **sufficient legislative and administrative rigor to prevent confusion and uncertainty**, and potential accidental immigration law noncompliance.

- Ensure this data is **publicly distributed** as part of a project of promoting digital nomad arrangements to local populations.

- Ensure **internet infrastructure** can sufficiently handle application volume and additional internet activity by incoming digital nomads.

- Improve **data privacy and data security protocols** and infrastructure to ensure global standards are met as part of safeguarding digital nomads (and their employers).

- Establish an **integrated administrative framework regarding compliance issues** which merges this 'multiple-portfolio challenge' into a single administrative experience for any digital nomad employer or individual. As part of this, consider establishing a **single online portal** for digital nomads (and their employers) that

provides relevant information and a means of interacting with all key government bodies, including for the purpose of filing any necessary compliance-related information or documentation.

- On a longer time scale, states interested in pursuing digital nomad arrangements will need to either establish, or update, **bilateral and multilateral arrangements** to resolve digital nomad-related compliance issues. These agreements should seek to address the 'multi-portfolio challenge' of digital nomad compliance *in a unified manner*, providing a holistic regulatory framework.

# Appendix – Case Studies

## Overview

This is a survey of five Digital Nomad Visa programs globally – those based in **Brazil**, **Croatia**, **Estonia**, **Portugal** and the **United Arab Emirates (Dubai)**. The research in this survey is based on input from Fragomen SMEs, government agencies, Fragomen's trusted third-party vendors that process these applications on Fragomen's behalf, and anecdotal evidence from Fragomen partners and stakeholders.

While originally intended to identify the most 'successful' digital nomad visa programs, this study revealed that the governments of the surveyed countries are not adequately tracking application rates, rejection rates, stay times or other factors that could help those researching these programs determine or rate the programs' success (or lack thereof). This led to a selection of five visa programs, which, based on anecdotal evidence from the sources above, demonstrates that they are in one way or another, relatively successful (though importantly, the measure is purely anecdotal).

## Case study Digital Nomad Visa programs

### Brazil – Digital Nomad Visa

**Program overview and requirements**

- Allows foreign nationals who are employed outside Brazil or who provide services outside Brazil to reside in and work remotely from Brazil for up to one year (renewable), without local employer sponsorship.

- Foreign nationals must submit a declaration that they will be able to continue their economic activity abroad through information technology channels.

- Minimum monthly income of USD 1,500 or an available bank balance of at least USD 18,000 at the time of the application. Applicants must be able to prove the income comes from sources outside of Brazil through an employment or services agreement or similar documentation.

- The applicant must also have medical insurance valid in Brazil and a clean criminal record.

**Purpose of program/other background**

- To attract travellers to the country and improve the economy.

**Related statistics**

- From Q1 and Q2 2023, there have been 207 applications submitted in Brazil[cxxxvii] (note though, that most applications for this visa are submitted from outside Brazil through consulates, and these numbers are not available).

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cxxxvii  Ministry of Justice data, as provided by Fragomen Brazil partner Diana Quintas

**Brazil** – Digital Nomad Visa

### Qualities that make this program successful

- The minimum income is significantly lower than the average in other countries.

- The diversity of Brazilian tourism, with each state having its own cultural and natural identity, makes Brazil appealing because digital nomads have the opportunity to experience various cultures without leaving the country.

- The Rio de Janeiro Tourism Secretariat (SETUR) has created a program to attract digital nomads to the city through a website on which partner companies can receive a seal and promotes its work on the SETUR **website**.

- There are **other national initiatives** to attract digital nomads, such as the Nomad Village in Pipa.

### Challenges and issues

- Relevant statistics that would paint a picture of application rates over time, rejection rates over time, stay times under the visa, or other measures/standards of success as determined by the government, are lacking.

- Generally, Brazil lacks decent infrastructure in terms of public transportation, safety, and, in more remote areas, connectivity. Progress in this regard would help stimulate the arrival of more digital nomads.

**Croatia** – Digital Nomad Visa

**Program overview and requirements**

- Foreign nationals can apply for a temporary stay permit valid for up to one year, without local company sponsorship.
- Applicants must submit proof of health insurance and a police clearance certificate, among other documents required for temporary stay permit applicants.

**Purpose of program/other background**

- Croatia seeks to attract long-term visitors and to increase local economic activity.

**Related statistics**

- Our research did not identify application volumes.
- Online statistics from informational app CitizenRemote.com **suggest** that around 30% of applications have been suspended or rejected – the reasons for suspensions/rejections, and accuracy of this information is unclear.

**Qualities that make this program successful**

- Relatively low minimum salary compared to other European countries' digital nomad visa requirements (2.5 times the net average salary in Croatia the previous year).

**Challenges and issues**

- Relevant statistics that would paint a picture of application rates over time, rejection rates over time, stay times under the visa, or other measures/standards of success as determined by the government, are lacking.
- Only valid for one year without extensions. The immigration law requires the individual to leave the country when their permit expires and not re-enter for six months.
- It is not possible to transfer to a different type of residency permit or tourist visa.
- Unlikely to offer a path to permanent residence, which usually requires five years of continuous residency.
- No local work allowed.

**Estonia** – **Digital Nomad Visa**

**Program overview and requirements**

- Allows foreign nationals to stay for up to 90 days under a short-term application process, or up to one year under a long-term application process, while continuing to work for a foreign employer or as a freelancer.

- Applicants must be under home country employment contract, must earn at least EUR 4,500 per month, must hold shares in or provide services primarily to foreign companies or hold shares in a company registered in Estonia. Freelancers must have mostly foreign-based clients. A local intermediary must guarantee accommodation and bear costs of stay, departure and/or deportation.

**Purpose of program/other background**

- Estonia was the first country to create a Digital Nomad Visa.

- The government seeks to promote Estonia's reputation as a tech-friendly, forward-thinking country for skilled foreign nationals.

**Related statistics**

- 242 applications in 2022 (49 refusals); 198 applications in 2023 (59 refusals)[cxxxviii]

**Qualities that make this program successful**

- Relatively easy 15-minute online application in English

- Country's proximity to diverse locations

- Quality of life in Estonia is highly-rated[cxxxix]

- Availability of several digital nomad villages

**Challenges and issues**

- Relevant statistics that would paint a picture of application rates over time, rejection rates over time, stay times under the visa, or other measures/standards of success as determined by the government, are lacking.

- The most common reason for denial is not meeting the high monthly income requirement of EUR 4,500 per month.

- Visa does not provide the right of citizenship or permanent residence in Estonia.

- Those staying for more than 183 consecutive days are considered taxable residents and must pay taxes.

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cxxxviii  As provided by email by the Estonian Police and Border Guard Board, November 1, 2023.
cxxxix    Numbeo, a crowd-sourced global database of statistics, has ranked Estonia 12th in the world for the quality of life in its 2022 index, see https://estonianworld.com/life/numbeo-ranks-estonia-12th-in-the-world-for-the-quality-of-life-2/

## Portugal – Employment-based visa based on remote work or self-employment abroad

### Program overview and requirements

- Allows a 120-day cumulative stay with two entries, renewable for a further 90 days; or a temporary residence card for longer stays (this is initially valid for two years and renewable twice for three years on each occasion, provided the employer's contract remains valid).

- Applicants present proof of residence, employment/contractual engagement, and an income equivalent to EUR 2,820 per month (plus 50% for accompanying family over 18; plus 30% per accompanying family member under 18).

- Processing times are currently up to 60 days.

### Purpose of program/other background

- Introduced after COVID-19 to allow foreign nationals to live in Portugal for longer periods than allowed under a visa exemption or under Schengen Area rules.

- This visa program opens the door for foreign remote workers to legally reside in the country based on self-employment, whereas previously, they had to apply for a D7 visa based on stable passive income or D2 visa for service providers.

### Related statistics

- Reportedly, 2,600 applications were granted from October 2022 through November 2023, though there are no official statistics published by the Ministry of Foreign Affairs.

### Qualities that make this program successful

- Portugal has been considered a top destination for digital nomads, placing sixth in the **Global Remote Work Index** regarding the "Top ten remote work destinations."

### Challenges and issues

- Relevant statistics that would paint a picture of application rates over time, rejection rates over time, stay times under the visa, or other measures/standards of success as determined by the government, are lacking.

- Since Portuguese authorities recently announced the closure of the much-favoured 'non-habitual residence tax regime for new entrants' in 2024, this may lead to an influx of digital nomads seeking to benefit from the current regulations. This tax regime gives internationals the opportunity to benefit from reduced tax rates on income for a period of ten years.

- Banks may make it difficult for digital nomads under this visa to open bank accounts.

- Higher scrutiny levels for applicants under this visa have been observed.

**United Arab Emirates (Dubai)** - **Remote Working Visa Scheme**

### Program overview and requirements

- Allows foreign professionals, entrepreneurs, business owners who earn at least USD 3,500 monthly to work remotely for up to one year in Dubai.

- Applicants must provide a certificate of employment from their current employer with a minimum contract validity of one year, most recent pay slips covering a period of one month, an official bank statement from the last three months, and proof of health insurance valid in the United Arab Emirates.

- Business owners must provide proof of company ownership for a minimum of one year, instead of an employment contract.

### Purpose of program/other background

- The government has sought to improve the economy through this visa program and to encourage eligible professionals to remain in the UAE for a longer period after their visa expires, to either work and/or invest in Dubai's economy.

### Related statistics

- Our research did not identify application volumes or rejection rates.

### Qualities that make this program successful

- Streamlined online application, straightforward requirements

- Dubai's tax policies, including zero income tax and low corporate taxes, are particularly appealing to digital nomads seeking to optimize their financial situation while working remotely.

- The Dubai government has shown proactive support for remote work initiatives. Policies and programs have been developed to attract and retain remote workers, demonstrating the government's commitment to this initiative.

- Dubai's strategic location provides easy access to both regional and international markets, which is advantageous for remote workers engaged in various industries.

- Dubai is renowned for its cultural diversity and inclusiveness. The city welcomes individuals from various backgrounds, creating a vibrant and cosmopolitan atmosphere.

- The United Arab Emirates leads the Arab world in digital transformation, having ranked first in the Arab world and 13th globally in the 2022 UN Online Service Index, according to the **UN EDGI Report** covering 193 countries.

- The internet speed, quality of life, climate, air quality and connectivity are some of the key factors that attract talent to Dubai.

- This policy benefited companies who needed to move their Russian employees out of Russia following the invasion of Ukraine.

**United Arab Emirates (Dubai)** - Remote Working Visa Scheme

## Challenges and issues

- Relevant statistics that would paint a picture of application rates over time, rejection rates over time, stay times under the visa, or other measures/standards of success as determined by the government, are lacking.

- Cannot perform work for a local employer in Dubai or provide any services to any person or entity carrying out business in Dubai.

# Forthcoming programs[cxl]

## Canada
**(Digital nomad plan implementation timeframe not clear):**

- **Current rules.** Under current Canadian immigration rules, digital nomads can relocate to Canada for up to six months at a time under visitor status, provided they perform their job for a foreign employer, do not form a nexus to the Canadian economy while in the country, and there is no benefit to a Canadian company.

- **What is known about forthcoming related rules.** The government expects some digital nomads who initially enter Canada to work remotely for a foreign employer to ultimately seek work opportunities within Canada for domestic employers and apply for a work permit and/or permanent residence. In line with this expectation, under the country's **Tech Talent Strategy**, Immigration, Refugees and Citizenship Canada is collaborating with public and private partners to determine whether additional policies to attract digital nomads to Canada would be beneficial to the country, potentially leading to specific immigration pathways for digital nomads and remote workers (no further information has been published or is available in this regard).

- **Aims of forthcoming program.** The government's **welcoming policy towards immigrants to encourage economic growth** would expand with a digital nomad program, as it would be a way for the country to combat skills shortages, especially in the tech sector.

## Japan
**(Digital Nomad Visa to be implemented around March 2024, though delays are likely):**

- **Current rules.** Japan does not have a special program dedicated to digital nomads or remote workers. Foreign nationals who enter Japan on a temporary stay/visitor status may not work remotely for their home employer/themselves. Since remote work remains a gray area under Japanese immigration law, there is no specific guidance for this type of situation.

- **What is known about forthcoming related rules.** The government's national strategy documents (available from Fragomen upon request), mention a digital nomad visa program. However, few details are known about the government's intentions with the program at this time.

- **Aims of forthcoming program.** According to government statements, Japan plans to become Asia's largest startup hub and seeks to attract highly-skilled professionals and improve its immigration system to become a center for global knowledge exchange.

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cxl    These are only three of the known digital nomad visa programs that are upcoming in legislation around the world. Others include Grenada, Indonesia, Italy, Slovakia and Sri Lanka.

### South Africa
**(Digital Nomad Visa implementation timeframe not clear):**

- **Current rules.** South Africa does not have a special program dedicated to digital nomads. There currently is no formal legal guidance regarding remote work in South Africa. Foreign nationals who enter South Africa on a temporary stay/visitor status may not work remotely for their home employer/themselves. Foreign nationals who intend to work remotely in South Africa require work authorization.

- **What is known about forthcoming related rules.** The government missed the originally-planned implementation date of June 2023 to implement a Digital Nomad Visa. Few details are known about related government intentions.

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