



Digital Nomad Report

A recent Fragomen report, prepared in collaboration with the Business Advisory Group to the Global Forum on Migration and Development, unpacks remote work, hybrid work and digital nomad pathways – offering insights into how these options can assist long term business strategy.

A wider talent pool

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.

Talent acquisition and retention

The opportunity for remote work has become an important differentiator for prospective candidates:

- ▶ **75%** of respondents preferred hybrid working over traditional in-office options (2022 McKinsey analysis).
- ▶ **87%** of surveyed employees actively take up remote work opportunities and work from home an average of three days a week (2022 McKinsey analysis).
- ▶ **66%** of surveyed workers would immediately start looking for new employment if their current employer revoked remote working opportunities (2022 Global Workplace Analytics report).
- ▶ **39%** of surveyed workers would quit their job if denied the ability to engage in remote or hybrid work (2022 Global Workplace Analytics report).

Digital Nomads and the Economy

- ▶ **USD 523.4 million:** how much Mexico City's government said remote workers added to the city's economy in 2021.
- ▶ **USD 2,100:** the amount government officials from Madeira, Portugal estimated the average digital nomad spends in the local economy each month.
- ▶ **USD 100 million (tourism revenue) and USD 6 million (fees):** what Barbados said it earned within the first ten months of its 'Welcome Stamp' regime (a one-year remote worker visa).

Innovation and ESG

- ▶ **Innovation dividends.** By allowing the co-location of geographically diverse talent in a third country, digital nomads can help employers access new information, ideas, networks, and resources.
- ▶ **Helping the 'social' side of the ESG ledger.** 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.

85%:

Remote work made balancing work and life easier

Halved:

Daily expenditure when working from home

80%:

Digital nomads highly satisfied with their work

Challenges



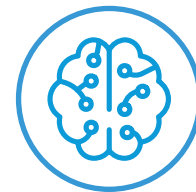
Email, instant message and even video-conferencing can lack the nuance of face-to-face interaction.



Managing workload and team dynamics can be harder when remote; so too managing occupational health and safety risks.





The more socially isolated work experience can have pronounced effects on mental health. The itinerant digital nomad lifestyle can be particularly unstable.





Remote work can reduce opportunities to learn by osmosis, build networks, and develop fruitful mentoring relationships.


A checklist of Digital Nomad program recommendations


-  Source **better, clearer, and more accessible data**.


-  Determine whether **short-term or long-term Digital Nomad Visa** programs are preferable.


-  Establish **more lenient digital nomad application pathways**.


-  Establish pathways for **long-term residency options** via Digital Nomad Visas.


-  Allow **family members** to be included as dependents (with work rights) under Digital Nomad Visa programs.

-  To encourage innovation, create and support free or subsidized **co-working spaces or accommodation villages**.

-  Ensure **internet infrastructure** is sufficient.


-  Improve **data privacy and data security protocols** and infrastructure.


-  Establish an **integrated administrative framework** for digital nomad employers and individuals.


-  Establish or update **bilateral and multilateral arrangements** to resolve compliance issues.


Deep Dive


The paper dives further into five Digital Nomad Visa programs:

-  **Brazil**

-  **Croatia**

-  **Estonia**

-  **Portugal**

-  **The United Arab Emirates (Dubai)**

GFMD Call Out

This paper has been prepared under the auspices of the Business Advisory Group (BAG) to the Global Forum on Migration and Development (GFMD) for presentation at the 14th GFMD Summit, held in Geneva in January 2024. Fragomen LLP was the paper's principal author.