# Digital Nomadism: Trends of European Labor Migration in Low-Cost Countries

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## Abstract

Work activities are becoming increasingly mobile as a result of advancements in information technology. European productivity is changing to more flexible work approaches with internet processes. Many productive-age citizens from European countries with high living costs engage in digital nomadism activities. This research aims to explore the pull and push factors of the digital nomadism process and determine the motives for digital nomadism activities carried out by Europeans. Using netnography analysis tools and qualitative approaches, researchers are attempting to determine what factors influence and how European workers carry out digital nomadic activity patterns in Madeira, Portugal. As a result, researchers bring forth the descriptive outcomes of the analysis. In this article, researchers conclude that digital nomadism is a practice or, more accurately, a new way of life mostly practiced by remote workers with flexible work schedules. The idea of work-life balance is equally important to digital nomads. The growth of digital platforms that increasingly enable work to be done online drives the development of digital nomadism activities. This article will also go into greater detail on several pulls and push elements, as well as numerous issues about activities for digital nomads.

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## Abstrak

Eropa merupakan salah satu kawasan yang memiliki tingkat produktivitas relatif tinggi. Hal ini merupakan salah satu sektor penting untuk pengembangan teknologi dan informasi global. Karena pesatnya perkembangan internet, penduduk Eropa dapat mengubah bidang pekerjaan mereka. Banyak penduduk usia produktif dari negara-negara Eropa dengan biaya hidup tinggi memilih untuk melakukan aktivitas digital nomadisme. Penelitian ini bertujuan untuk mengetahui faktor penarik dan pendorong proses nomadisme digital dan mengetahui motif kegiatan nomadisme digital yang dilakukan oleh masyarakat Eropa. Dengan menggunakan pendekatan kualitatif dan netnografi sebagai metode pengumpulan data, peneliti berusaha untuk menentukan faktor apa saja yang mempengaruhi dan bagaimana pola aktivitas digital nomadisme yang dilakukan oleh para penduduk Eropa di pulau Madeira, Portugal. Hasilnya, peneliti memunculkan hasil analitis deskriptif. Dalam artikel ini, peneliti menyimpulkan bahwa digital nomadisme adalah praktik atau lebih tepatnya cara hidup baru yang banyak dilakukan oleh pekerja jarak jauh dengan jadwal kerja yang fleksibel. Gagasan tentang keseimbangan kehidupan dan kerja (work-life balance) sama pentingnya bagi para digital nomads. Pertumbuhan platform digital yang semakin memungkinkan pekerjaan dilakukan secara daring inilah yang mendorong berkembangnya aktivitas digital nomadisme. Artikel ini juga akan membahas lebih rinci tentang faktor penarik dan pendorong dari aktivitas digital nomadisme di Pulau Madeira, Portugal serta berbagai masalah yang berkaitan dengan aktivitas digital nomadisme.

**Introduction**

Europe is one of the regions with a fairly high level of productivity. This area is a central area for developing technology and information globally. In addition, this region also has the advantage of economic integration in this region. They are making it possible to transfer technology, labor, and uniform policies in the face of intense job competition in Europe (Santacreu et al., 2009). Europe is also the industrial center of the world. This is evidenced by the many offices of large companies in various fields headquartered in European countries. This is one of the factors that has made Europe one of the prima donnas for job seekers to come to mainland Europe (Shawkat et al., 2021).

The modernization of work carried out by most companies in European countries has caused many work sectors to experience modifications in it (Mancinelli, 2020). The combination of human skills, creativity, and modern technology and communication makes the working climate in Europe even more complex. Coupled with the productivity level of the population, which is at the upper average level, the work done by European residents is spread evenly in various fields (Wood et al., 2019). The existence of connectivity between countries in the European Union also spoils workers who have European passports to be able to move from place to place easily and take advantage of communication technology facilities that are increasingly massive.
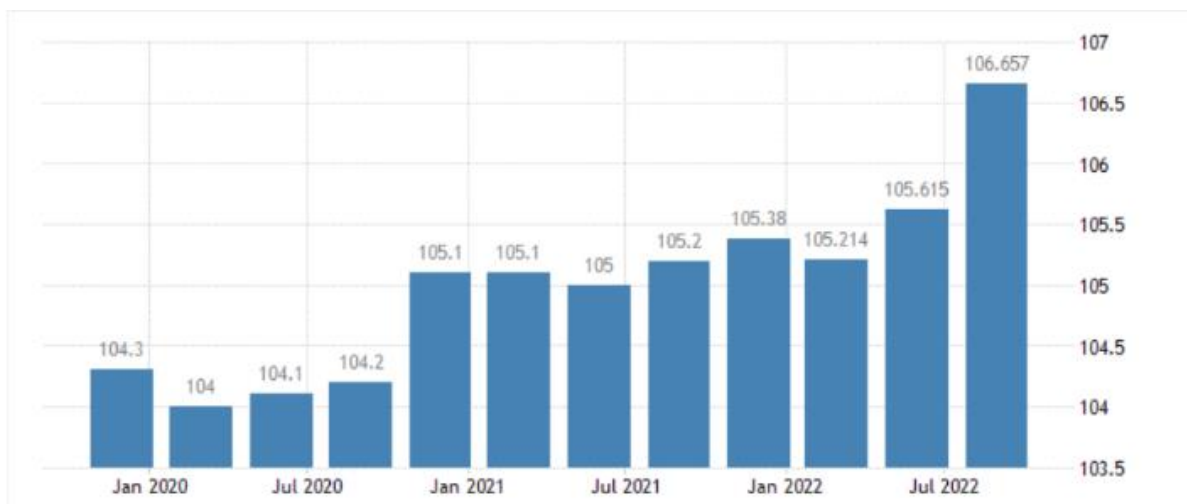


**Figure 1**. Graph of the productivity level of the European people
for the period January 2020 – July 2022
Source: Eurostat, 2022

This graphical data adapted from Eurostat shows that the productivity level of people in Europe has shown an increasingly positive trend since 2020 - 2022. This means European people's productivity level during the Covid-19 pandemic has increased significantly. Changes in work patterns and the presence of a mixture of technological elements, and the role of the internet network, which has formed a new world "system" in the digital environment, led to the emergence of the 5.0 industrial revolution, whose application relied heavily on the role of internet network technology.

The emergence of the 5.0 industrial revolution, which became known as Society 5.0, encouraged human work not only to rely on human biological abilities alone. Work in the era of Society 5.0 is dominated by human mastery of the Internet of Things (IoT) as a new work culture and Artificial Intelligence (AI) to help most human work (Heliany, 2019). In this era, the creativity of ideas generated by humans is valued more than work skills. So this allows the flexibility of workers in carrying out their work. More generally, the existence of Society 5.0 encourages human life to be more centralized (human-centered) with technology as its main basis (technology-based) (Heliany, 2019). So that humans continue to play an important role as a driver for existing technological advances.

The rapid development of the Internet has made it possible for Europeans to modify their type of work. Many new jobs have emerged as a result of the development of the Internet. In addition, this work modification is in the form of remotization of human work, from which initially humans could only work on the spot to make it possible to do it remotely by utilizing technology as a tool for controlling and handling work (Woldoff & Litchfield, 2021). Apart from remotization, the term digitization of work also appears. The digitization of this work is the process of integrating work carried out by humans into the internet frame as a digital means (Primawanti et al., 2022)

Technological developments and the digitization of work have encouraged the emergence of a wave of immigrants from Europe targeting low-cost countries. They often refer to themselves as digital nomads (Hannonen, 2020). Their goal of migrating to low-cost countries is to work remotely and be accompanied by recreational activities. Therefore, besides the low-cost country options, these digital nomads consider several other factors from the recipient country. Among them are the destination country's natural beauty, the friendliness of acceptance, affordability, ease of residence and work permits, and so on (Mouratidis, 2018).

One of the destination countries for digital nomads from Europe is Portugal, more precisely, on the island of Madeira. This country has a lower average cost of living when compared to other European countries. The average cost of living on Madeira Island is around 8,200 Euros per Year. This amount is very far when compared to the standard of living of other European countries such as Belgium, with an average cost of 10,200 - 11,400 Euros, Italy, with an average cost of 12,000 Euros, and Denmark, with an average cost of living of 14,400 Euros.

The emergence of digital nomads is also heavily influenced by transnational actors, one of which is Multinational Corporations (MNCs) (Thompson, 2018). The implementation is to give workers freedom and flexibility to work remotely. Many individuals work to do their work elsewhere while traveling. This is what causes the influence of these transnational actors to be so strong. Apart from that, there is also the globalization factor that encourages the movement of people to take place quite easily and flexibly across national borders so that the behavior of digital nomads is considered a common practice to support work-life balance for flexible freelancers.

The emergence of these digital nomads is often seen as a 'subtitling' of the term migrant because the two are the same, and are only differences are based on the type of work. Digital nomads mostly work in the creative sector and work for their home companies. The work can be done remotely elsewhere by utilizing internet technology. Meanwhile, migrants work more in the rough sector, and work is done on the spot.

The migration flow from digital nomads began when internet technology entered various work sectors in the early 20th century. Most of these digital nomads are dominated by the younger generation. So according to their characteristics, digital nomads have a work style that is flexible and unattached. But still according to the deadline. This is in accordance with the main motivation of the millennial generation in doing work that is not too concerned with money. Rather it is oriented toward work-life balance (Schlagwein & Jarrahi, 2020). So besides working under the pressure of deadlines, digital nomads also balance it with refreshing activities to balance their lives.

The main destinations for digital nomads are countries that have a low cost of living and beautiful panoramas. This is considered as a contra to migration in general. Because initially, the migrants who incidentally came from poor countries migrated to developed countries to find work. However, digital nomads actually work the other way around. They migrate from their developed countries of origin to developing countries with low living costs (Schlagwein & Jarrahi, 2020).

The number of digital nomads from Europe who migrated to other countries has increased significantly yearly. This will then become a lively discussion in global forums. Many people say that the large influx of digital nomads from Europe is due to most European countries' high cost of living. So digital nomads choose to live in low-cost countries to make savings, and some say that the digital nomads' phenomenon is purely because millennial workers are more concerned with work-life balance than mere economic ego.

Expert opinions regarding this phenomenon are quite diverse, Schlagwein (2018) believes that digital nomadism activities were initially individual activities carried out by individuals to include technological elements in their work (Schlagwein, 2018). Digital nomadism activities do not have the main goal of earning high economic returns (Reichenberger, 2018). However, this activity is actually used to satisfy the desires of the perpetrators in fulfilling their inner needs and creating conditions for balance between refreshing and their work (Thompson, 2018; Orel, 2019; Thompson, 2019). The flexibility obtained by digital nomads is defined as freedom of workspace and accommodating connectivity that can support work effectiveness (Büscher, 2014; Demaj et al., 2021).

Meanwhile, according to Thompson (2021), the emergence of digital nomadism activities is a combination of individual movements and companies that give their workers the authority to work remotely (Thompson, 2021). The development of digital nomadism activities was initiated by three things: technological advances, operational cost savings, and the desire to achieve work-life balance (Mancinelli, 2020; Thompson, 2019; Chevtaeva & Denizci-Guillet, 2021). Choosing destination countries that are mostly low-cost countries is an effort made by digital nomads to reduce the cost of living (Hall et al., 2018; Mancinelli, 2020). Digital nomadism is also formed based on transnational networks, which are initiated by interactions between individuals who are connected to each other in digital networks so that the fulfillment of needs can be mutually covered within the network (Mancinelli & Jennie Germann Molz, 2023).

Through this background, researchers seek to examine the life patterns and motives of digital nomads from Europe who decide to leave their home country and sustainably migrate to other countries. The analysis that the researcher will present will be in the form of a descriptive

analysis that seeks to answer research questions regarding the main patterns and motives of digital nomads from Europe who settled in the Madeira Island region, Portugal.

This article will be divided into five parts. The first part is an introduction, which generally explains the background and research questions contained therein. The second part is the Theoretical Framework, which contains the concepts used to structure the author's arguments in formulating the results. The third part is the method, which contains the method used by the author. The fourth part is Results and Discussions, in this section, all research results are explained comprehensively by the author to answer the formulation of the problem that was determined at the beginning before the research began. The fifth part is the Conclusion, which contains the essence of the research results presented by the author in the previous section.

**Theoretical Framework**
**The Gig and Sharing Economies**

The gig economy is a new professional concept that is considered a win-win solution for workers and companies. The term gig economy refers to a system that allows companies to contract freelance employees to work in one or several jobs. However, in a short time, it does not bind the team member's personnel. Gig economy workers work flexibly, in one-time jobs, and require little social contact (Wood & Burchell, 2018). The gig economy is becoming a trend due to the increasingly massive development of technology, coupled with the increasing number of platforms to support freelance work.

The gig economy can be defined as someone who uses a digital platform to get and do their work (Taylor et al., 2017). The practice of the gig economy was quite popular in the 2000s, especially in the European region. This is evidenced in 2018 when freelancers in the gig economy in Great Britain reached 4.4% - 6.8% of people (Lepanjuuri et al., 2018). In its application, gig economy workers require a work provider platform such as Fiverr, Freelancer.com, and Upwork to promote their expertise (Wood et al., 2019). Globally, there are at least 70 million freelancers registered on the online platform of job providers (Lepanjuuri et al., 2018).

Gig economy workers are boundaryless, meaning that these workers have the potential to work remotely and minimize their physical presence (Storey, Salaman, & Platman, 2005). Gig economy workers have a high degree of autonomy in managing their work (Ainsworth & Hardy, 2008). The gig economy concept was initially developed in high-income countries, and its application in low- to middle-income countries. (Burchell et al., 2014).

The sharing economy is defined as the practice of sharing goods and services. The sharing economy emphasizes the principle of efficient use of resources. Another user can monetize assets that are less usable by one user. The nature of the sharing economy is peer-to-peer (P2P), which facilitates the process of sharing between users. In the concept of modern work that uses much technology, the peer-to-peer process is carried out by utilizing a shared internet network to transfer data.
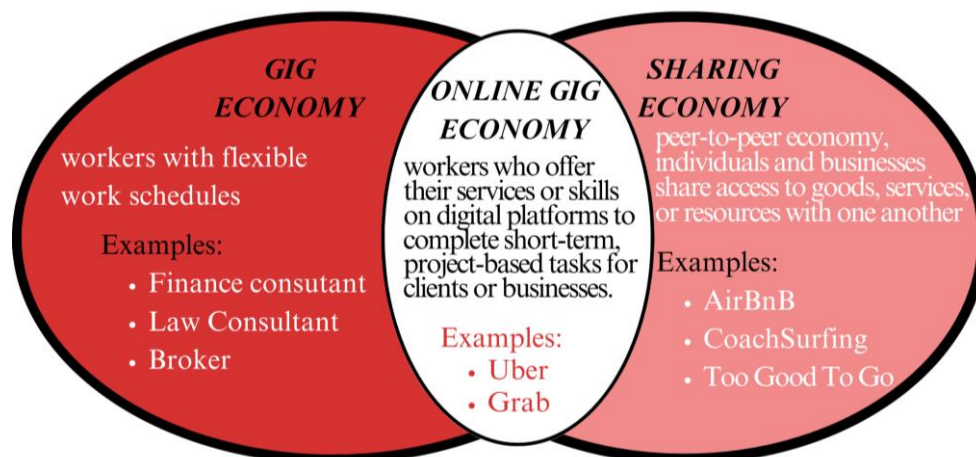
**Figure 2.** Gig and Sharing Economies Illustration
Source: processed by researchers, 2023

The sharing economy creates a new class, namely the privileged middle class. This type of community class is a community that owns strategic assets that can be rented out for sharing with other users. Based on a survey conducted by Schor (2017) states that privileged middle-class people can make more money on platforms like Airbnb when they have decent accommodations to rent – some can earn as much as $30,000 (three to four times the rental income long-term) outside of their regular salary (Schor, 2017).

This concept is used to analyze how economic trends enter and contribute to digital nomadism activities. Gig and sharing economies is a concept that digital nomads often apply in the context of cost efficiency in the traveling process. This concept is actually a combination of two concepts, both of which are interconnected. This concept is used to explain how the digital nomadism phenomenon emerged and became a trend since the introduction of digital work systems supported by technology. This allows individuals to work flexibly without being limited by a certain space.

**Migration**

Migration is a process of moving people from one place to another within a certain period of time. Migration is done by someone to continue their survival. Migration is a long history that has been carried out by humankind since 2 billion years ago to seek areas with abundant natural resources (Harari, 2015). Migration is carried out by humans individually or in groups to gain a sense of security in their lives. Initially, ancient humans carried out migration to find new places with lots of food sources, and they migrated in groups (Harari, 2015). However, in the current digital era, migration activities are carried out not only as a means of finding new areas with better sources of livelihood but also as a form of a new lifestyle adopted by humankind (Dustmann & Glitz, 2011).

Migration can also be identified into several types according to the pattern of activity. Based on the scope of movement, migration is divided into local and international migration. Based on its nature, migration is divided into two, namely voluntary migration and forced

migration. Based on its legality, migration is divided into legal and illegal (Achsin & Rosalinda, 2021).

Migration is seen as an investment activity in human life, just like education (Sjaastad, 1962). Migration is proven to have a positive impact on the welfare of the perpetrators. Migration carried out by individuals aims to change a person's destiny from having a bad life to a better one (Faozanudin & Islam, 2021). The migration process generally has a life-improvement motive for the perpetrators. Life improvement can be viewed in terms of education, economy, to regional security (Dustmann & Glitz, 2011).

Migration is a phenomenon that has pull and push factors (Khotijah, 2008). The main factor that drives migration activity, in general, is economic factors; other factors follow from these economic factors (Dewi, 2016). The decision to do mobility is influenced by personal background, mobility goals, and the advantages of the destination (Keban, 1994). Various driving factors for individuals to migrate include natural disasters, poverty, and encouragement to get a better life in the destination area. While the pull factors for individuals to migrate include the destination area being more prosperous, there are relations in the destination area, and the availability of jobs in the destination area (Khotijah, 2008).

This concept is used in looking at the phenomenon to be studied. Digital nomadism tries to be explained into the concept of migration, which has pull and push factors (Khotijah, 2008). The concept of migration is used to analyze how digital nomadism can change a person's lifestyle through the process of moving between regions continuously by digital nomads. This concept can also be used to see how digital nomads fulfill all their life needs and desires as workers who try to fulfill work-life balance.

**Digital Nomadism**

Digital nomadism is interpreted as a tourism activity based on novelty or the discovery of new places as its main motivation (Putra & Agirahman, 2016). Meanwhile, Reichenberger (2018) considers that digital nomadism activity is a tourism activity carried out in their free time by workers who actualize it in their work environment. Digital nomadism activities can generally be interpreted as a new form of work and human life activities (Wang et al., 2018). So there is a shift in the traditional employment system, which requires workers to settle in one place to become workers who are more flexible in terms of workplace and have self-control over their work (Orel, 2019).

Digital nomads are individuals who can freely do their work remotely in various places by utilizing portable computing technology and internet networks to support their activities. Their activities combine professionalism, tourism, and recreation in their lifestyle. The search for true meaning for digital nomads is when they can free themselves from jobs that require them to stay in the office and work flexibly while exploring new cultures and places.

The main motivation of these digital nomads is not economic or political but rather their own freedom to enjoy life. So, it is often stated that digital nomads apply the principle of work-life balance. Apart from that, digital nomads also try to find new life alternatives that can be achieved elsewhere. In addition, efforts to avoid the high cost of living in their country of origin motivate digital nomads to travel (Benson & O'Reilly, 2019).

This concept is used to explain the main motives of individuals in carrying out digital nomadism activities. This concept is also used to analyze why digital nomads pursue work-life balance as their main goal in carrying out this activity. Why they choose countries that tend to be tax-heaven or countries that have a low cost of living can also be analyzed using this concept.

## Methods

This research was conducted using a netnography method using a qualitative approach. Qualitative research seeks an in-depth understanding of a phenomenon, reality, and occurring facts. Through this method, the writer will try to connect existing theories with phenomena or case studies that occur in the real world. The type of data used in this research is secondary data. Secondary data has existed before without being collected directly by the researcher. The data used was obtained through a search process or literature study. Information and data can be obtained through books, journals, articles, official documents, and news.

In conducting data searches, researchers used netnography techniques. The netnography approach is a development of the ethnographic process (Sigit, 2021). This research method is carried out by understanding community interactions and cultural patterns formed in cyberspace. So, in carrying out this method, researchers must maximize the potential of the Internet, especially social media, as a means of social life in the digital society. Netnographic techniques are widely used in digital-based social research so that the data tracking process is carried out randomly from various platforms that accommodate the subjects studied.

Netnography was chosen because this method is very suitable to be applied in this research. The data collection process is hampered by distance, and the intensity of direct interaction required between researchers and sources makes the use of this method quite significant. The network of digital nomads who are connected to each other in the digital world makes it easier to implement this method in the data collection process. This allows researchers to enter, interact, and know the pattern of digital nomads through the digital network that has been built between digital nomads.

## Result and Discussion

Digital nomadism is a form of a new lifestyle that supports fast mobility (Hannonen, 2019). The phenomenon of digital nomadism is a new trend that combines the concepts of work and recreation (Nash et al., 2018). Digital nomadism assumes that the ideal job concept is a job that frees workers to be able to express freely using their creative ideas. To explore their creativity, digital nomads carry out nomadic activities by temporarily settling in other places that have certain superior preferences, such as natural beauty, the friendliness of the people, and low living costs. Consequently, digital nomads become "(semi) perpetual migrants" who do not have a home base and are still oriented toward traveling (Nash et al., 2018).

According to experts, human life in the future cannot be separated from cyberspace connectivity. In the end, portable technology will facilitate humans, making it easier for them to do their work even though they are in other places (Makimoto & Manner, 1997). The existence of digital nomads has been previously predicted by Makimoto and Manner, who stated that humans would love the nomadic lifestyle affiliated with technology in the future. Technology will change the way humans work. Technological developments will blur the lines between people's

personal and professional lives. Technological developments in transportation and tourism also encourage these digital nomads to carry out their activities. This means mobility no longer occurs as a response to changes in environmental conditions, as in the past. Rather, displacement results from free choice and the basis of new mobility practices.

Digital nomadism can be classified based on the level of mobility. Toussaint (2009) classifies digital nomads into three different groups. The first is digital nomads, who continuously carry out their mobility from one place to another by adopting a thrifty lifestyle for saving and obtaining funding by opening donations or sponsorships to certain agencies. Second, independent workers who like to travel and get jobs that allow them to do their work while traveling. Third, business travelers who carry out mobility for official agendas and interests to run their business while traveling, such as meeting clients elsewhere and finding a good atmosphere to create a calm environment at work.

Digital nomads have started to develop since the digitalization of work. The wave of digital nomads started from developed countries such as the United States, Britain, and Australia to other European Union countries. The main goal of these digital nomads is to target low-cost countries so that they can enjoy a high standard of living that they will not get in their home country (Reichenberger, 2018). In addition, comfort and natural beauty are added values for the destination countries of these digital nomads. This is because digital nomads can enjoy a luxurious lifestyle they cannot experience if they stay in their home country, which has a high cost of living.

The emergence of digital nomadism activities is also driven by the role of various MNCs, which have policies regarding freedom of work activities. MNCs provide flexibility to their workers in completing their tasks. This is supported by the touch of technology that is applied in every side of the work. This allows work to be done remotely. There are even MNCs that do not have permanent offices because these MNCs encourage all their employees to work from anywhere (WFA). This is seen as a step by MNCs to make operational budget efficient because every work activity is carried out using an online system and does not gather workers in the same place.

Digital nomads are different from expatriates. Digital nomads work more flexibly and are less physically bound to work for related companies. Digital nomads are freer and more work-life balance-oriented. So, the perpetrators of digital nomads are dominated by the millennial generation who want to work freely. However, they still balance it with self-relaxation, which is expected to reduce stress levels for digital nomads. In contrast, expatriates are more formal and bound. Expats are not oriented to travel. They are only oriented to work in a country only because their original company sends them to work for a partner company in the destination country (Cooper, 2022).

Digital nomads are also different from migrants. Huete (2009) explains that migrants have an orientation to live and settle in the destination country for a long period, even to form a diaspora in the destination country. Meanwhile, digital nomads are more flexible. They move places more often to get the sensation of traveling and have no orientation to settle in a country for the rest of their lives. In fact, these digital nomads tend to be against the economic commitments that are inherent when living in a country, such as consumption costs, property, ownership costs, and taxes that must be paid (Kannisto, 2016). So, digital nomads choose to

carry out multi-residential practices and sustainable mobility to various destinations to avoid these economic commitments.
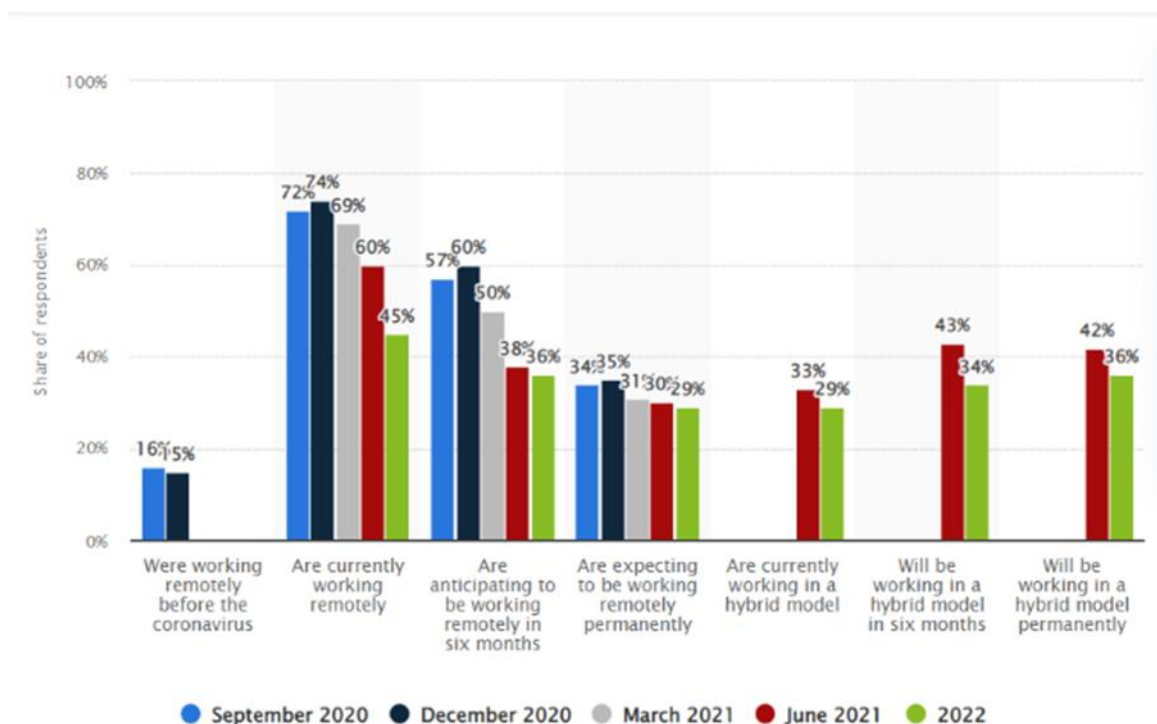


**Figure 3.** Remote work trend data worldwide from 2020 – 2022
Source: Statista, 2022

The graph above is the result of a survey conducted by the Statista Research Department with respondents from 1200 workers throughout the world. This graph shows data regarding the tendency of workers around the world to shift their jobs to remote workers following the COVID-19 pandemic in 2020-2022. The trend to work remotely has increased quite rapidly since Covid-19. This also encourages the phenomenon of digital nomadism to grow rapidly. Since there were regulations regarding Work-From-Home during the COVID-19 pandemic, this habit has continued. Until its peak, when the Covid-19 pandemic subsided, and travel regulations began to be opened throughout the world, the Work-From-Home habit did not end but instead was adapted to a new form, namely Work-From-Anywhere. This is what is causing the digital nomadism trend to grow throughout the world.

The increasingly widespread trend regarding backpacking also causes the development of digital nomads. They actualize traveling to low-cost countries at low and affordable costs. In addition, the target of digital nomads is more towards the luxurious lifestyle that can be obtained when working in other countries with a low cost of living. Remember that digital nomads' main orientation is not money but personal satisfaction to realize their main goal in carrying out digital nomadism activities, namely work-life balance (Hannonen, 2019).

The emergence of digital nomads does not necessarily talk about the economy, mobility, and traveling. Several other aspects of social life have also changed regarding legal

status, culture, and health (Cooper, 2022). First, regarding legal status, digital nomads are foreign citizens who live in a country. So when traveling and stopping, they need a passport and visa to live or work in a country. However, recently, several countries have begun to adopt special visas for digital nomads, allowing them to stay in a country for a relatively short period at a relatively lower price than applying for a work visa. Digital nomads only need to attach proof of work and income when applying for this type of visa. This makes it easier to carry out digital nomadism activities.

Second, regarding culture, digital nomads must adapt themselves to the destination country's culture. This is because digital nomads move between countries. So they have to understand the language, the customs of the people in that country, the food, and the customs of the destination country. Understanding these matters is quite important, considering that digital nomads are guests and they live under laws and regulations that may differ from their country of origin.

Third, regarding health, digital nomads must recognize this aspect. Some related matters include health insurance, health standards that may differ, various papers regarding administrative arrangements required by health institutions in a country, and health costs in a country that cannot be equated. These are some of the possible problems that are part of the consequences of digital nomadism behavior. So, digital nomads must anticipate this by doing much research on these things before they decide to go to their destination country. However, given the recent volume of digital nomadism activity, many private insurance companies have accommodated the needs of these digital nomads. They carry out various collaborations with many health agencies from various countries. So, it facilitates digital nomads for health problems. For example, several private insurance institutions, such as Allianz, Berkshire Hathaway, and AIA, facilitate interstate insurance.

Fourth, regarding aspects of social life, with the rise of digital nomadism activities, the social life of digital nomads also changes. They do not behave individually like what is narrated by various media. Instead, they form a special community of digital nomads in various regions, even countries. Digital nomads from these communities on social networks such as Facebook, Instagram, and various other social media (Kost et al., 2020). The function of the community is as a means for sharing and gig economies. So that they can exchange ideas, give each other recommendations regarding destinations to the dock and information about the destination countries, share space, and share resources together to support their lives in foreign countries (Leepanjuri et al., 2018).

When this phenomenon is linked to the theory of migration, it shows that there are several pull factors and push factors from the desire of digital nomads to migrate to other countries. Even though the role of transnational actors such as MNCs is quite large in encouraging the development of the digital nomads phenomenon, the roles of individuals and the state are also quite significant (Achsin & Rosalinda, 2021). Individuals as actors play an active role in carrying out this activity. Individuals who drive digital nomadism activities move like an unstructured system. However, with no one to regulate their freedom, they instead created their own transnational networks. They create their own work systems and have the freedom to organize themselves. They are free to migrate to other countries to carry out their work activities. This is a form of manifestation of the work-life balance that they set as their goal in carrying out

this activity. Meanwhile, the state also cannot be ruled out. In this case, state actors are divided into two: sending countries and receiving countries. In this case, sending countries in Europe have a high cost of living, while receiving countries have a low cost of living, in this case, Portugal.

Portugal is a country located in Western Europe. This country is one of the countries with a fairly low cost of living in the European region. Portugal has a variety of tourist destinations that are favorites for digital nomads to anchor themselves. One of the destinations is on the island of Madeira. Madeira is Portugal's mainstay tourism island, which is intended to support Portuguese tourism. With its warm weather and government regulations that pamper digital nomads, Madeira is one of the spots for digital nomads to land in Europe.

There are several driving factors for digital nomads from expensive European countries to migrate to Madeira—first, the personal desire of individuals to carry out digital nomadism activities. Second, there is an encouragement for creative workers to seek calm and a new atmosphere in Madeira that supports the emergence of their creative ideas. Third, the high cost of living in the country of origin. Fourth, there are new job opportunities that are more flexible by carrying out recreational activities, such as vloggers, bloggers, and content creators (Nick, 2022).

Meanwhile, there is also a pull factor for digital nomads to carry out their activities in Madeira. First, the cost of living in Madeira is cheaper than in the digital nomads' home country. Second, relaxed regulations on Madeira Island for tourists who stay temporarily there. Third, beautiful natural conditions, warm weather, and friendlier people than the country of origin. Fourth, digital nomads avoid annual economic costs such as taxes. Fifth, digital nomads also have the opportunity to have a luxurious lifestyle in a new country with a low cost of living (Nick, 2022).

Madeira Island, one of the tourism destinations in Europe, has implemented several indulgent regulations for digital nomads. In fact, one of the villages in Madeira, namely Ponta do Sol Village, has established itself as a digital nomad village in Europe. This makes the existence of Madeira Island as a digital nomad-friendly area even more famous. Some facilities provided by Ponta do Sol Village include free Wi-Fi network facilities in various corners of the place from 8 a.m. to 10 p.m. Then, the spread of working spaces in multiple places, and the biggest one is in the John do Passos cultural center, Madeira.

The Government of Madeira has also responded to the rise of digital nomads who have made their area their destination to settle down. The efforts made by the Government of Madeira are facilitating digital nomads by collaborating with several start-ups to promote several points in Madeira. Apart from Ponta do Sol, there are many other digital nomadism spots in Madeira, including Porto Santo, Jardim do Mar, Santa Cruz, Machico, and Funchal. The Government of Madeira, through one of the digital nomads' start-ups initiated at https://digitalnomads.startupmadeira.eu/, is trying to promote Madeira Island with the target of making Madeira Island the main digital nomadism destination in Europe.

Regarding regulations governing digital nomads, the Government of Portugal even ratified a special digital nomadism passport on October 30, 2022, with a stay period of three months, one year, and up to five years. The only requirements that need to be submitted to the Portuguese Government are proof of income (bank statements) for the last three months, tax

domicile documents, and work contracts or proof that they are self-employed. This regulation is considered quite easy compared to having to apply for work and residence visas, which require quite a large fee and a variety of quite complicated requirements.

Acceptance of digital nomads has many positive impacts on a country. In this case, Portugal has benefited from the presence of these digital nomads. Among them, there is a transfer of technology between European communities, especially from countries that understand the latest technology, such as France, Germany, and England. Second, an increasingly significant economic turnaround locally and internationally, especially on the island of Madeira, which was only considered a poor and remote island in Portugal. Third, encourage the emergence of innovation and digitization of jobs in Portugal because of the various needs and influences of digital nomadism activities.

In addition to the various positive impacts generated by digital nomads, there are also various negative impacts if these digital nomads are not managed properly by the Government of Madeira. The potentials include the rise of illegal immigrants acting in the name of digital nomads, the risk of digital nomad visas being misused into ordinary work visas, and the dominance of the private economic sector on Madeira Island by digital nomads.

**Conclusion**

Digital nomadism is an activity or a new lifestyle mostly carried out by digital workers with flexible working hours. Digital nomadism is mostly practiced by productive age groups who are trying to achieve work-life balance, namely a vision of life that seeks to balance work and recreational activities as a means to maintain psychological emotions. The emergence of digital nomads is considered one of the new networks that work behind virtual life that allow one to interact in the digital sphere. The background to the development of digital nomadism activities is the development of digital platforms that are increasingly modern and accommodate jobs that can cut the bureaucratic process in work. This means that with the emergence of the digital platform, digital workers can be more flexible in doing their work, such as the freedom to determine their place, living expenses, and accommodation.

The factors for emerging digital nomads, especially those from high-living-cost European countries, are quite diverse. They chose Portugal, especially the island of Madeira because it is located relatively far from the capital city of Lisbon, making the cost of living in Madeira cheaper than in other regions in Europe. The second factor is the availability of tourism, which has tropical characteristics. The geographical conditions of Madeira Island, which has warm beaches, make this island the main destination for European tourists for recreation. The third factor is the avoidance of annual economic costs such as taxes. The fourth factor is that digital nomads also have the opportunity to have a luxurious lifestyle in a new country with a low cost of living.

The presence of digital nomads automatically brings many positive impacts to the recipient countries, including the transfer of technology, driving the digitization of jobs, and improving local residents' economic conditions. So if the Government of Madeira can take advantage of the presence of digital nomads by arranging regulations properly and neatly, it is not impossible for Madeira Island to become a favorite destination for digital nomadism activities in Europe and even in the world.

For further research, the author suggests that future researchers expand the scope of research, not just limited to Europeans. In addition, the destination areas for digital nomadism activities should be mapped more completely and compared between one area and another. The next suggestion is to sharpen the role of the state government in viewing digital nomadism activities because the state is the actor that oversees the activities of digital nomads, both as a home country and a host country.

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