DIGITAL NOMAD SCANNER

Who are the location-independent digital professionals that choose Belgrade?

powered by the UNDP Accelerator Lab
The Serbian ICT industry is the leading industry in the country, accounting for 6% of GDP. Being a dominantly export-oriented industry, it is clear that further promotion and internationalization of this industry can only help it grow faster. And on several segments:

- As per ODI, 1% of global digital workers come from Serbia — expanding their connections with international digital workers might drive new opportunities for those workers and higher wages,
- Local tech companies are employing digital talent from Western Europe and the US and have stated that the reputation of the country is making this process more difficult for them,
- Diversification in the ecosystem and local coworking spaces will bring new knowledge, experience, and connections, thereby driving better opportunities for various stakeholders.

Belgrade has already proven its potential in this segment, but it seems that the number of digital nomads who are visiting the Serbian capital is still much lower than it could be. Therefore, we wanted to gain knowledge about digital nomads in Serbia, and then use it to create a good baseline for future campaigns and content which will attract them to the city, and also improve their experience once they arrive. We believe that Belgrade can become a central regional hub for digital workers, tech innovation and development. We aspire to increase the number of digital workers coming to Belgrade through better distribution of information and targeted population, and to increase the duration of their stay.
Finally, we hope that this report will inspire institutions to use these existing traits in further promotion of Belgrade as a digital-friendly city.

This report will help to with gain a better understanding of who digital nomads are, why they choose this lifestyle, what their usual professions are, and also to gain additional information on how Belgrade compares to some other digital nomad destinations.

The 2020 edition is the first edition of the report, and it was created as part of a UNDP Accelerator Lab Serbia project called “Belgrade - digital friendly city”. The main goal of this activity is to understand the user journey.

Partners: UNDP Accelerator Lab Serbia

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Methodology notes

Desk research mainly relied on data and information from the Nomad List website, media coverage, and relevant forums and social media groups regarding digital nomads. Also, all the data on foreign digital nomads available in some of the major coworking spaces in Serbia (Nova Iskra, Impact Hub, ICT Hub, Startit Belgrade, Startit Zrenjanin, Startit Novi Sad) were drawn.

Field research comprised of interviews with the major coworking spaces in Serbia, interviews with people who dealt with digital nomads in Serbia in their career, 12 interviews (Annex 1.1 and 1.3) with foreign digital nomads in Serbia (ex and current), and a survey of 32 digital nomads (Annex 1.2) who are working or have been working from Serbia.
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1.1 General Information

Digital nomads are the people who perform their work from a country which is not their country of residence and who do it thanks to a remote nature of their work and through the use of digital technologies. They work in various fields such as programming, digital marketing, gaming, cryptocurrencies, coaching, writing, e-commerce, artificial intelligence, graphic design, web development, etc. The most important factor digital nomads consider when choosing a place to live and work in is a reliable high-speed Internet connection. However, they also take into account numerous other factors - primarily the cost of living, but also culture, climate, crime levels, civil liberties, transport connection, language, beauty of surroundings (both man-made and natural), air quality, and access to nature, beaches or mountains.¹

Some digital nomads prefer to change locations a lot (more than 12 times a year), while others prefer to stay in one country for a few months or even a year. On average, they stay in one country anywhere from 2-3 days to 30-45 days.² Some plan their trips well in advance, while others do it spontaneously, buying only one-direction tickets and deciding when they will leave a certain country on the spot. Also, there are nomads who travel with agencies specifically dedicated to digital nomads. The most famous among these agencies is Remote Year. Such agencies take care of everything, planning every single detail in digital nomads' life and charging quite significant amounts for their services. Since not many nomads can afford such tours and since many also do not want to let others plan their routes, digital nomads usually need easily accessible information about potential destinations.

² Author’s calculations based on the Survey
Digital nomads usually choose countries on the recommendations of their friends (especially nomad friends) and also based on the reviews they read online. There are not many nomad-targeted websites, but there are certain blogs and social network communities where nomads recommend destinations to each other or try to independently review certain places. The most well-known website that digital nomads use for planning their trips and getting needed information is www.nomadlist.com. This website ranks all places in the world according to votes and ratings of the digital nomads who have already visited these places, but also according to some general information such as the cost of living, air quality, and average Internet speed.

According to a founder of the Nomad List website (Pieter Levels, speech from 2015), the world will look like this in 2035:

- There will be 1 billion digital nomads;
- Average Internet speed will reach 100 GB;
- Less than half of the people in the US will be married;
- As a result of fewer marriages, home ownership rate will drop, which will increase flexibility and nomadism;
- Flights will become way cheaper - e.g. Berlin-London ticket will cost $20 compared to the current $75, while Shanghai-Berlin will cost $150 instead of the current $600;
- Airplanes will fly much faster – Berlin-London flight would take 30 minutes instead of 1 hour and 45 minutes, while Berlin-Shanghai flight would last 4 hours instead of 14;
- Since big cities are more popular for digital nomads, it is cities that will compete for digital nomads on the global level, not whole countries. This will open up an opportunity for cities to claim power and tax from the governments, but also to build their unique brand and identity regardless of the national identity as a whole.
- There will be cities specially designed for digital nomads, offering nomad-tailored content, green areas for leisure and sports, and great infrastructure for remote work. For example, Tianfu Chengdu is a newly designed city in China dedicated to digital nomads. It will have no cars, all buildings will be connected
and the city will have super-fast Internet;

• The children of digital nomads will attend online schools and online universities.

**With such predictions, it seems wise for countries (or rather cities) to purposely design measures for attracting digital nomads and creating offers specifically tailored for them.** Also, there is a considerable space for innovating some of the existing services for this population. Examples of services that could be improved or created are accommodation offers (other than Airbnb), international banking (through liberalizing local financial markets), or special digital nomad vouchers (offering certain facilities for nomads for a certain fee or tax). This project aims to depict the nomad scene of Serbia and set the grounds for proposing such measures.

### 1.2 Digital nomads’ destinations

There is generally a lack of research on digital nomads (DNs), especially when it comes to the reasons why they choose certain destinations and not others. However, more in-depth analysis of both quantitative and qualitative data that exist on digital nomads allows us to draw some conclusions.

Digital nomads choose their destinations based on several factors which influence both living and working in a certain country. The most important factors are the following ones:

• Cost of life (digital nomads usually prefer to go to countries with weaker currencies than to countries where their business is registered so that they can afford a more comfortable life);

• Infrastructure (especially transport infrastructure, because connectivity is one of the most important factors of their lifestyle);
• Transportation costs (to a given destination and then from that destination to a next planned destination);
• Weather conditions/Season and air quality;
• Internet coverage and speed;
• Safety (including a low crime rate, tolerant and open society, low racism, LGBT friendliness);
• Bureaucracy and corruption levels;
• International community, events, and nightlife;
• Culture and architecture;
• Food choices.

The aforementioned website (www.nomadlist.com), which is the gold standard for digital nomads, offers a checklist which nomads can use to easily find destinations which suit their preferences. By using that checklist, nomads can filter out the destinations which suit their needs and wishes.

The results of the survey conducted within this research show us the most important factors nomads consider when choosing a destination, and those factors are as follows: mentality of the people, local culture and attractions, Internet speed, Cost of life, and Safety (Figure 1).
Reasons why some destinations are more attractive for digital nomads correlate to a great extent with reasons why some destinations are more attractive for tourists. That is why places such as Bangkok and Chiang Mai (Thailand), Medellin (Colombia), or Ubud and Canggu (Bali) are the most attractive for digital nomads⁴. These are exotic and naturally distinct places which attract people from all over the world, but especially from the Western countries, due to differences in income and weather conditions. These places

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⁴ Source: Nomad list and interviews
also offer reliable broadband, coworking spaces galore, fabulous cuisine, great beaches, friendly locals, excellent flight connections, and burgeoning online business scenes. Also, places which are famous for cultural heritage, arts and stunning architecture are interesting to nomads, to a similar extent as to tourists. The most prominent of such places are Prague, Budapest, Lisbon, Berlin, London, and New York. Figure 2 shows the top 15 European countries by the number of digital nomads who have visited them. Croatia ranks 15th due to Split, which is one of three locations in Europe where Remote Year currently takes their tours. Serbia ranks 16th, so that is why it is not shown in Figure 2.

Figure 2. Top 15 European countries most visited by digital nomads (all-year round)
However, even the places which are tourist (and thus easily attract digital nomads) still do invest additional resources in becoming even more convenient for digital nomads. Sometimes, these places do it on purpose, in order to attract more digital nomads (proactive approach), while at other times, they simply have to adapt to a growing number of digital nomads (reactive approach). The former is true for cities like Lisbon (Portugal), Tallinn (Estonia), and Cluj (Romania). For example, Estonia has recently introduced a digital nomad visa in order to attract more digital nomads (expectations are that it will bring approximately 1,400 additional nomads per year), while Cluj is a student city in Romania which has built a few good coworking (CW) spaces and set up a good Internet connection which made it attractive to digital nomads, as this city already had a vibrant life and was known as Romania’s best tech hub due to a large number of talented students who study there. On the other hand, we can see a reactive approach in Asian countries, which have suddenly become highly popular among digital nomads as this population was growing. With such an inflow of digital nomads, these places started building some of the largest coworking spaces for digital nomads. For example – “Hubud” in Bali, opened in 2013, is still one of the best coworking spaces in the world.

There are also places which do not invest much in creating a nomad-friendly environment, but still manage to offer such an environment with little effort (i.e. “low hanging fruits”). The best example of such a place is Lisbon. By cultural heritage, the cost of living, and mentality of the people, Lisbon is quite comparable with Belgrade (beautiful architecture, low cost of life, and warm friendly people). However, Lisbon attracts much more digital nomads than Belgrade. This is to a large extent due to Lisbon’s seaside and warm weather, but also due to the fact that Lisbon invests in “measures” which make the city appealing for digital nomads. For example, Lisbon has an easily reachable and quite a large online international community (Facebook page counts 11k people), along with numerous tailor-made events targeted at digital nomads. For example, there are nomad meet-ups every week, organized through Facebook groups or www.meetup.com, and there is also a digital nomads’ conference (DNX) which takes place every year, enabling nomads to connect with like-minded people. Apart from international events, Lisbon also has cafes which

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5 https://news.err.ee/689308/digital-nomad-visa-could-bring-over-1-400-workers-per-year-to-estonia
6 Erin McElroy (2019). Digital nomads in siliconising Cluj: Material and allegorical double dispossession
7 Source: interviews and Internet research
8 Jessica Beaumont (2019). Digital nomads and sense of place: A case study of Lisbon
9 This conference is also organized in other popular DN destinations: Berlin, Bangkok, Buenos Aires and Barcelona (https://www.dnxfestival.com)
on certain days of the week operate as coworking spaces. What also makes Lisbon stand out is a sense of belonging that this city offers. Digital nomads in Lisbon usually evaluate their free time as “just living in the city” rather than “exercising vocational activities”. What creates this sense of belonging is everything from online digital nomad networks (the most important factor), through social events in English, co-living establishments and international business events, to coworking cafes.

When some places become too popular among digital nomads (i.e. digital nomad hotspots), they often happen to become “victims of their own success”. For example, this has happened to Ubud in Bali and Chiang Mai in Thailand, which have lately become literally flooded with digital nomads. The rise in the number of digital nomads staying at these places has pushed up the local costs of living (to some extent, this has also happened to Berlin, Lisbon and Budapest). Also, it has become very hard to find a space in the coworking hubs in Ubud and Chiang Mai and the entire places have become digital nomad clichés, diluting the local flares. Thus, digital nomads are now trying to find some other places in the world which would satisfy their needs. However, if local governments do not manage to somehow control the effects of large inflow of digital nomads, we can expect these new places to eventually end up being too popular and also kick themselves out of the radar of digital nomads.

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10 Online webinar: “Learning from Digital Nomads” held on March 27, 2020.
Attracting digital nomads to a country is one thing, but retaining them is another, and the ones who stay are the ones who have "the real impact" on the country’s economy.

Back in 1997, McKinsey defined “war for talents” as an “increasingly fierce competition to attract and retain employees”. The current war for talents is depicted in the way

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that many countries are implementing policies and developing strategies for attracting talents and tech workers to come, but also settle down in the country. These measures are especially pronounced in countries which are not so touristy, but rather technological and focused on long-term tech development, innovation and talent retention. By doing so, these countries want to boost their pools of talents and build a certaination.

Examples of countries which have special startup visas and programs for attracting foreign entrepreneurs are Finland, Estonia, Belgium, Germany, Spain, Italy, Ireland, UK, Lithuania, Denmark, Sweden, and France. In order to make it easier for foreign entrepreneurs to start up and scale up, Finland offers a startup permit for two years with an option for renewal. Italy’s startup visa makes it easier for non-EU entrepreneurs to move to Italy if they want to establish an innovative startup, bringing about a drastic simplification of the standard rules for the issuance of self-employment visas. On the other hand, Denmark offers an all-in-one package for potential foreign entrepreneurs, offering them the following:

- A two-year work/residency permit;
- Access to various programs and subsidies including free counseling in public business development centers;
- Access to most welfare benefits including healthcare and education (this also applies to accompanying spouses and children).

Portugal’s government has gone even further – apart from introducing a Startup Visa initiative which not only grants foreign entrepreneurs a residence permit, but also guidance through a special incubator – Portugal has also introduced low personal taxation to EU citizens and a Golden Visa program allowing Schengen freedom to those not from the EU but who buy property for at least 500,000 euros.

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13 https://dispatcheseurope.com/forums/topic/finland-offers-nw-startup-visa/
14 https://www.italianvisa.it/start-up-visa-program/
15 https://startupdenmark.info/why-denmark
16 https://nomadcapitalist.com/2019/07/19/portugal-golden-visa/
1.3. Serbia vs. other European countries

Comparing Serbia to three comparable countries (Croatia, Romania and the Czech Republic) in certain factors that are important to digital nomads (Figure 4) shows that Serbia ranks worse in almost all of the factors. **Serbia particularly lags behind these three countries in tolerance for minorities, efficiency of air transport services and airport connectivity. The only factor in which Serbia is better is attitude towards entrepreneurial risk.**

Figure 4. Comparison between Serbia and comparable countries regarding factors that are important to digital nomads
Since large cities attract digital nomads the most, it is of no surprise that almost all nomads who come to Serbia actually come to Belgrade. Thus, comparing Belgrade to some European cities which are comparable to Belgrade in terms of climate (i.e. not comparing it to seaside cities for example) is relevant. Figure 5 shows the top 20 European “urban” cities (by Nomad list ranking) compared in terms of average stay of nomads, average air pollution, return rate of nomads, average Internet speed, and the number of Nomad List members who performed their check-in in a certain city. We can see that nomads stay in Belgrade much longer than in other top 20 European cities (except Tbilisi). We do not know the reason for that, but we suppose it could be due to the fact that Serbia is out of the Schengen area (so nomads come there to spend some or all of their required time out of the Schengen area), the fact that Serbia has a lower cost of life or it may be that more digital nomads who decide to come to Serbia have some personal connections to Serbia (a partner or a relative, so they decide to stay longer in Belgrade than in other European cities). However, the return rate is slightly lower than in the top 20 cities on average, but it is still higher than in 11 of these cities, including even some that rank higher on the Nomad list. Air pollution in Belgrade is considerably higher than in other large European cities, while the average Internet speed is considerably lower than in these cities (it is only lower in smaller cities such as Brno, Zagreb, Kishinev, Tbilisi, Wroclaw, but surprisingly, also, London).
Figure 5. Top 20 European "urban" cities per Nomad List ranking as of March 21, 2020. Excluding island places like Tenerife and the Canaries, coastal cities like Split and Budva, and winter centers like Bansko.
Figure 6 shows all cities which have a higher Nomad list score (a score that is derived from both objective criteria such as level of prices in a certain place and subjective impressions such as friendliness of people in that place) than Belgrade in orange and the ones which have equal or lower score in blue color. On the other hand, the size of the bubbles shows the number of digital nomads (who are members of Nomad List) who have so far, performed their check-in in a certain city. Even though Belgrade has the same Nomad score as Barcelona and higher score than London or Warsaw, it still has fewer digital nomads who visit it (in absolute terms) than these cities. Thus, there is potential for increasing the number of digital nomads in Belgrade.
From the previous two paragraphs, we can conclude that higher potential for Belgrade lies in increasing the number of digital nomads who visit it (and the number of them who come again) rather than in prolonging their stay. Thus, the aim of the measures should be to reach out to more digital nomads, by promoting Belgrade in online communities and at Digital Nomad events.
According to the world's online community, Belgrade was expected to be one of the most popular nomad destinations in 2020. However, the COVID-19 pandemic had its toll and it is now hard to make any predictions on how the crisis will impact digital nomads' routes once it is finished. We can only hope that Belgrade will stay on top of the recommendation lists as it has been so far. For example, when googling "the best digital nomad destinations in 2020" (which is exactly how digital nomads choose their destinations), four out of the first five websites that show up rank Belgrade among their top choices:

- The first website just lists Belgrade among its 52 recommendations for 2020, without ranking them. 

- The second website ranks Belgrade 12th out of 35 and points out that Serbia is out of the Schengen area, recommending nomads that they „hang out in Belgrade for three months before heading back for another stint in Schengen”. This website also commends the Internet in Serbia for being reliable and phone plans with generous data packages for being cheap.

- The third website ranks Belgrade 8th out of 10, stating it is „one of the most welcoming destinations for remote workers” where they can „find a collection of coworking spots, fast-speed WiFi, and chill locals”.

- The fourth website ranks Belgrade 6th out of 11. It commends Belgrade for its particularly friendly people, good coworking infrastructure, and great nightlife. However, it warns digital nomads about the poor healthcare system in Serbia and the lack of such cheap street food choices as can be found in Asia or South America.

Such websites have the power to bring a lot of nomads to the city, because digital nomads use these websites when looking for destinations they want to visit. However, they most often use the Nomad List website as it allows them to search by numerous filters (as shown earlier in this paper).

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18 https://tomaslau.com/digital-nomad-destinations/
19 https://www.travelinglifestyle.net/digital-nomad-cities/
21 www.websiteplanet.com
2. Serbia as digital nomads’ destination
(with focus on Belgrade)
2.1. Positive sides and drawbacks of Serbia

Serbia is generally quite attractive to digital nomads since it offers a Western European lifestyle for Eastern European income. It is perfect for short-term stays and digital nomads usually do not stay long in one destination anyway. Serbia shows its drawbacks only when one settles down there (as stated by the interviewed digital nomads) or even more so when one decides to open up a company there (especially if a company operates internationally).22

Belgrade is especially attractive as it has the vibe of a world-class metropole but is still one of the cheapest capitals in Europe. Digital nomads find Belgrade convenient due to its fair walkability, good Internet availability and speed, interesting startup scene, low language barriers, a decent choice of coworking spaces, and a good choice of work-friendly cafes. However, they dislike the fact that it has quite cold autumns and winters, that smoking is allowed in closed spaces (which is especially an issue in these cold seasons), that air quality is rather poor and that the whole country is not LGBT friendly. Belgrade’s rankings and scores in terms of these and some other factors can be seen in Figure 7, which is what DNs see when they search for Belgrade on the Nomad List website.

22 Source: Interviews
Online questionnaires of digital nomads who have visited Belgrade and interviews with some of these nomads have acknowledged the scores from the Nomad List and added some new positive and negative sides of Serbia as a nomad destination. We will take a look at all of them in the following paragraphs.

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23 30 digital nomads have filled out the Questionnaire. A sample of Questionnaire can be found in Annex 1.3.
24 12 interviews have been held with digital nomads in order to better understand how they see Serbia.
MAIN **POSITIVE SIDES OF SERBIA AS A NOMAD DESTINATION:**

- **European lifestyle for low budget** – Serbia has one of the lowest costs of life in Europe\(^25\), especially in terms of what it offers.
- **Good Internet speed** (43\(^{rd}\) in the world; 37 European countries are in the top 50)\(^26\)
- **Friendly people** – DNs see Serbian people as cordial and outgoing.
- **Out of the Schengen zone** – DNs who do not have the Schengen visa often come to Serbia in order to meet the requirement of not staying longer than 90 days (in a period of 180 days) in the Schengen area.

MAIN **DRAWBACKS OF SERBIA AS A NOMAD DESTINATION (3S):**

- **Seasons** – Serbia is interesting to nomads only from April to October, since fall and winter can be quite unpleasant with rain and snow, but also due to the fact that smoking is allowed in most closed spaces.
- **Smoking** – DNs often find it bothersome that smoking is allowed in closed public places, especially the ones who prefer working from cafes.
- **Small nomad/expat community** – The Community of digital nomads and expats in Serbia is quite small, however, not that much due to a small number of these people but rather due to a lack of places, events, and online groups where these people gather; Consequences: 1) Not many first-hand recommendations and testimonials available online, thus, not on the radar of many DNs; 2) DNs who come to Serbia often feel isolated.

\(^{25}\) https://www.expatistan.com/cost-of-living/country/serbia
2.2. Things DNs (do not) like when they come to Serbia

As Serbia meets almost all of the criteria which are generally important to DNs, we can conclude that Serbia (and especially Belgrade) is already a great destination for digital nomads. Around 87% of survey respondents say that it is a "nomad-friendly" country and 90% say they would come again. However, the number of digital nomads who visit Serbia is not in line with its characteristics and the great scores it has on Nomad List (we saw this in Figure 5). The main reason for this is not the above-listed drawbacks, but the real issue is a poor perception of Serbia. As many as 63.3% of surveyed DNs stated that their expectations were exceeded, which tells us that they had not had a real image of Serbia prior to coming. Poor perception is particularly evident in the following:

- **Image of Serbia still "stuck" in history** – When they think of Serbia, DNs usually think of wars and "the dark history of Serbia". The ones who are neutral say it is a "mysterious" country for them, as they do not know almost anything about it.

- **Poor perception of safety** – Foreigners usually have quite poor perception of Serbia in terms of safety, due to its history of wars, and some of them feel unsafe even when they come and see it actually is safe because it is deep down in their minds.

- **Sense of homophobia** – Although homophobia is not very much pronounced in Belgrade, Novi Sad and other bigger cities in Serbia, the perception of foreigners is that it is. This also has to do with some historic moments of poor acceptance of minorities, so what Serbia really lacks is promotion aimed at improving

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27 Questionnaire results  
28 Source: Interviews, research of the online community, Internet research
Although Serbia is already an almost perfect destination for DNs, we will on the following pages focus on things DNs do not like when they come to Serbia rather than on things they like, as the aim of this project is to make Serbia even more desirable for DNs. However, we will first briefly look at what they already like about Serbia and then move on to the things they do not like and discuss each of them in detail. As this report is about digital nomads, we will present these positive and negative things as "Likes" and "Dislikes", while we will use word art circles to present the exact answers of DNs, extracted from the filled-out questionnaires.
2.2.1. Likes

What digital nomads like when they come to Serbia:

- Friendly people
- Almost everyone speaks English
- Easy to get around (quite walkable, cheap taxis, well-connected public transport)
- Great choice of cafes and restaurants
- Delicious food
- Good nightlife
- Cheap
- Good talents
- Decent startup scene and coworking spaces
- Feels safe
2.2.2 Dislikes

Issues foreign DN nomads face when they come to Serbia:

- Lack of opportunities to meet people. There are not many opportunities and places where DNs can meet other DNs and even more so when it comes to locals. DNs are usually solo-travelers, so this is a big issue for them. They thus spend a lot of their time in Serbia on Tinder. The reasons for this issue:
  - Lack of English-speaking events. At the moment, it is mostly language nights that are in English and some meetups (such as Silicon drinkabout, but this

29 Sources: Interviews and the Survey
event is slowly dying out). Coworking spaces do sometimes hold events in English, but they are mostly focused on startups.

• **Small and closed online foreigners’ community.** There are several Facebook groups, but they are quite closed (e.g. the biggest Fb group “Belgrade foreign visitors club” asks DN for ID upon their request to join), poorly promoted, and none of them is especially dedicated to digital nomads. For example, “Foreign visitors club Belgrade” is more for foreigners who stay longer or the ones who settle down in Belgrade, but yet it is the most active group on Facebook, so DN still join it, provided they are willing to send copies of their IDs.

• **“Closed” local people.** Although Serbs are generally very friendly and cordial, it is often hard to strike up a conversation for the first time and meet someone randomly. This is especially an issue for solo-travelers, which majority of digital nomads are. Some state that Serbia is “a rather proud, inward-facing society” and that people are often territorial, which leaves foreigners feeling quite isolated. One digital nomad who was in Belgrade for three weeks in 2019 described it like this:

> “It is not to say that Serbs are rude or actively unpleasant, but they rather don’t seem particularly open to having conversations with people they don’t already know. Even the cashiers in the local grocery stores seem to prefer to keep interactions as brief as possible. Fake as it may be, there is something a bit comforting about the Western retail-facade of people pretending to be happy to see a customer... especially when you encounter the absolute lack of it for weeks on end. I would not rate the locals of Budapest or Kiev as overly-friendly to outsiders, for instance...yet I found it far, far easier to meet and talk to people in those cities than in Belgrade. For a solo traveler...it’s genuinely one of the least-friendly cities I’ve ever been to, and I travel extensively (15-20 countries in the last two years).”
• “Asocial” nightlife. Foreigners are usually amazed by Serbian nightlife, but DNs often complain it does not offer them a chance to meet new people. Nightclubs in Serbia do not have open mingling areas and dance floors, but rather scattered tables everyone stands around, without much interaction. They also do not like the fact that the majority of pubs and clubs in the city center have to close at 1am.

• Lack of information in English. This is especially an issue when it comes to:

  • Visas. It is almost impossible for foreigners to find complete information on visas and description of visa issuing processes in English, step-by-step. In addition, civil servants in the Department for foreigners and other public administration bodies which have contacts with foreigners often do not speak English, so DNs have to bring translators with them.

  • Accommodation. If willing to rent an apartment for a longer term, DNs do not look for it on AirBnB or Booking.com, but rather on real estate agencies’ websites. These websites often do not have English versions and agents employed at these agencies usually do not speak English.

  • Phone operators do not have all needed information in English and their staff sometimes does not speak English.

  • Other topics that interest DNs. When asked what topics they would be the most interested to hear about, digital nomads put Culture & Attractions in the first place, followed by Work-related topics and Education & Languages.\(^\text{30}\)

• Issues regarding payments.

  • Inability to pay by card or cash in coworking spaces on the spot (except in Nova Iskra). Some coworking spaces accept PayPal, but it is not always working well in Serbia and it is against Serbian laws to make payments in foreign currencies.

  • Inability to transfer money from foreign bank accounts to Serbian accounts – for example, when they have to pay a rent to a landlord (if not staying in

\(^{30}\) Source: Facebook page “Digital nomads Serbia”.
• Expensive to use foreign credit cards in Serbia. Withdrawing money from an ATM implies a fixed fee for every withdrawal and conversion rates are rather unfavorable.

• Finding adequate accommodation.
  • *AirBnB and booking.com are overpriced* and the choice of modern accommodation is quite narrow.
  • *Hostels in Serbia do not have co-working spaces*, so they are not adequate for work and they often do not have single rooms available.

• Smoking in cafes and closed spaces. This is especially an issue in colder months and usually nomads find out about it only once they arrive in Serbia, so it comes as a negative surprise to them. However, there are some nomads who like the fact that smoking is allowed and literally come to Serbia because of the option to feel free to smoke anywhere.

• "White card". Registering with the police is quite tiring as foreigners are required to register within 24h by physically going to a police station with the landlord or the owner of the property they are staying at. Also, owners of rented apartments (e.g. AirBnB) are required to register their tenants, but they often do not do so, thus leaving their tenants stay in the country illegally.

• Scammy taxi drivers. This is usually the first negative side of Serbia that foreigners face, when driving from the airport or bus/train station to their accommodation. Additionally, it is hard to sue taxi drivers, due to poor execution of laws in Serbia. It is good that now there is CarGo and other similar options.

**Issues that DNs who decide to stay longer face:**

• Hard to extend a visa if staying more than 90 days. In some popular digital nomad destinations, it is very easy to extend a visa (e.g. in Thailand, hotels can extend their guests’ visas for additional 60 days). Also, Georgia has a free visa for one year in order to attract more digital nomads. On the other hand, in Serbia, it is almost impossible to get everything done without a lawyer and a translator. *Example: One interviewee, who has had his company in Serbia for three years now, pointed out that*
in the last year (2019) he had an issue prolonging his visa. He said it seemed to him that the Government became more suspicious and tough on foreigners, asking them for reasons why they operate from Serbia, why they do not go back to their countries, etc (all in all, very unpleasant experience in the Department for foreigners in Savska).

**Novelty:** Serbia has recently introduced a new kind of visa - Visa for talents\(^{31}\) – which allows foreigners to stay in a country up to a year. Foreigners who demonstrate that they have a certain skill or knowledge (by presenting their university diploma or their experience/portfolio) can receive this visa. However, there have been no opportunities to promote this visa as the Coronavirus crisis started soon after this visa was introduced.

- **Hard to find long-term accommodation.** AirBnB is great for the short term, but it is too expensive for long term rents. ‘Ordinary’ rents from Serbian real estate agencies are now also getting expensive, especially as foreigners (including DNs) coming to Serbia are willing to pay more than locals. Also, real estate agencies in Serbia sometimes have fake listings or outdated ads, their agents often do not speak English and few of them are responsive. City Expert is the only agency that foreigners have a good experience with.

- **Bureaucracy and administration.** DNs who stay longer usually face the bureaucratic side of Serbia as they become incorporated into society. They most often come in contact with the banking system of Serbia, so they complain of it being too bureaucratic (paperwork, signatures…) and expensive (fees for everything). Also, bank staff often does not speak English, so foreigners have to bring translators with them.

**Issues that DNs who decide to set up a company in Serbia face:**

- **Setting up a company in Serbia is much harder for foreigners than for Serbian citizens.** Foreigners who want to set up a company in Serbia\(^{32}\) need to have a university diploma (plus it has to be in the field they want to operate in); English versions of official websites do not offer complete information and are not updated; Foreigners cannot do certain actions online which Serbian citizens can (e.g.

\(^{31}\) Information received from organization “Tacka povratka”. There is still no official information about this visa.

\(^{32}\) The ones most interested in this are British, Germans, and Scandinavians (source: Interviews with coworking spaces).
deactivate and activate a company); etc. Setting up and running a company in Serbia is almost impossible for foreigners without an experienced lawyer, bookkeeper and translator. But, finding experienced professionals is quite hard for foreigners and it is quite expensive.

- **Setting up a company requires registering it at a certain address**, so foreigners who are staying in a rented apartment have to go to the Cadaster with the owner of the apartment in order to register a company at that address. Apart from waste of time and paperwork, another issue is that owners are sometimes not willing or not able to do that. Another option foreigners sometimes pick is to register a company at a certain coworking space address (however, one interviewee stated that an officer in the Department for foreigners had told him that it was illegal).

- **Poor organization of state administration.** This is something which is not much different for local entrepreneurs, but it comes as a shock to foreigners as the ones who are coming from more organized countries are not used to crowds (*most pronounced in Tax administration), bureaucracy and paperwork. For example, companies have to pay their liabilities to the state into a few different accounts, instead of paying it all into one account and letting the state divide it afterwards.

- **Hard to find people to recruit.** Although unemployment rate in Serbia is still high and although there are a lot of tech talents in Serbia, it is hard (especially for foreigners) to reach them. There is no platform where local talents could be connected with entrepreneurs and Linkedin has certain search limits.

- **For companies that work internationally, getting money in and out of the country is a huge issue.** Foreigners usually set up companies which operate internationally but many banks from abroad (especially smaller ones) cannot transfer money to Serbia at all, because Serbia still does not meet all criteria of the AML/CFT act. Also, all EU banks have Common Reporting Standard (CRS) which allows for automatic exchange of information among EU banks, but Serbia is not a part of it. It is even harder to take the money out of Serbia. Making payments to foreign accounts or transferring money into a personal account abroad is either very complicated (a lot of paperwork and visits to banks and tax administrations) or completely impossible (e.g. transferring the money into a private account in a country whose passport a

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33 Anti-Money Laundering/Combating the Financing of Terrorism.
Novelty: Serbia has recently introduced a tax incentive for digital nomads, which allows them not to pay taxes for income earned while working in Serbia for the first 90 days. However, this incentive does not seem promising in terms of attracting more digital nomads to Serbia, as they anyway do not pay taxes in the countries they visit but rather do so in their home countries or countries where their business is registered.
2.3 Digital Nomads in Serbia:

Based on the survey of DN's and co-working spaces, an average digital nomad who visits Serbia looks like this:

- Male
- 34 years old
- From North America (USA or Canada)
- Comes alone
- Stays in Serbia for three months
- Is an entrepreneur who works in IT
- Knows about Serbia from personal connections (friends, love partner, business partner...)
- Works from his accommodation
- If chooses to try a coworking space, it will be Nova Iskra or Impact hub; rarely works from cafes but when sometimes does, he chooses a non-smoking café

Digital nomads who decide to settle down in Serbia do so primarily because of having a love partner from Serbia (80%-90% of cases). The second most common reason is having Serbian origins or close friends – these nomads are sometimes deciding to stay in Serbia due to a kind of “connectedness” they feel. Finally, it is very rare that foreigners decide to stay just because they really want to set up a business in Serbia. It is hard to operate a business in Serbia, especially for foreigners, but the positive sides of it are a cheap workforce and a good pool of talents. However, it is more common that foreigners open up a business in Serbia just because they want to live in Serbia (because they like the lifestyle...
and mentality of the people), and sometimes the only way for them to get a visa is establishing their own company in Serbia. However, this will soon not be necessary for getting the visa, once a new visa type (Visa for talents) starts to be issued.

2.3.1 In focus: Coworking spaces

Not many digital nomads can be seen in Serbian coworking spaces. Out of the DNs who do work from CW spaces, the majority of them work from Impact Hub, Nova Iskra, Startit Belgrade, and ICT hub. These are at the same time the biggest and the most well-known CW spaces in Belgrade. However, despite this fact, these four CW spaces have altogether registered only about 55 “proper” digital nomads from abroad in the last year and a half.\(^3^4\)

While the majority of digital nomads think the choice of CW spaces in Serbia is quite decent, some complain that there are not many good-quality CW spaces (even in Belgrade) which meet the most important criteria for DNs: comfortable chairs and tables, reasonable prices, and pleasant atmosphere (there is often a “hierarchy and a feeling of territoriality, and a tight atmosphere in Serbian CW spaces—they are not chill enough”).

Paying for services in CW spaces in Serbia is usually possible only by the invoice, which implies going to a bank or a post office to make a payment. This waste of time is especially an issue for DNs who want to use a CW space for a day or two. Only in Nova Iskra can they pay by any means (cash, credit card, PayPal...).

Not so many digital nomads work from CW spaces as one would expect. They more often work from their accommodation as that makes them more flexible and it is a cheaper option. However, as DNs are usually solo-travelers, they often feel isolated and lonely, so that is one of the most important reasons why some of them decide to do work from coworking spaces.

Digital nomads who come in teams are more likely to work from CW spaces, as

\(^{34}\) Some CW spaces do not keep precise statistics, so maybe a few nomads are missing from this number.
teams cannot work from cafes or apartments. Teams usually come from the region or neighboring countries, from companies that operate regionally. Sometimes, however, the teams come from farther countries (most often from the USA and Germany) because these countries most often outsource certain operations to Serbia. However, the ones who come in teams are usually not proper digital nomads.

**Actually, digital nomads are not a target group for the existing CW spaces in Serbia.** The reasons for this are various: 1) There are not many DNs in Serbia, they represent only 1-5% of CW spaces’ clients on average; 2) DNs usually come to Serbia only in the period April-October and around New Year; 3) They usually stay for just couple of days; 4) They are unlikely to settle down in Serbia, so there is low potential for their becoming long-term users of CW services.

**There is no a CW space in Serbia that is tailor-made for digital nomads** (except to some extent Mokrin house).

- There is one local company planning to make a coworking-coliving space for digital nomads in the near future, but outside Belgrade (somewhere in nature, close to Belgrade).

- Also, a team from Canada (called "Veza digital" and working in Startit Beograd now) is currently trying to build a hub for digital nomads consisting of a coworking space, a café, and some extra services. This hub would operate as a membership-only club which would offer some special benefits to its members (such as phones to use during their stay, phone operator plans, Amazon or Google credits, etc). They plan to open up that hub in Belgrade Waterfront, but it is hard to find adequate real estate there.

**Digital nomads complain that CW spaces in Serbia rarely organize English-speaking events and when they do – they are usually start-up related.** “Veza digital” now hosts English-speaking networking and knowledge-sharing events in Startit Beograd once a month (promoting them through Eventtribe and MVP workshops), thus filling this gap to some extent. However, there is still a lot of space to offer something new for digital nomads.

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35 Information received from one interviewee.
Conclusion

For several years now, Serbia as a country has been committed to digital transformation and investments in the knowledge of economy, and now it is the right time to address the topic of digital nomads. The state has recently introduced tax deductions for digital nomads, a special visa regime for members of the Serbian diaspora planning to come back to the country and is investing heavily in its infrastructure — from the Internet to science and technology parks. Apart from that, the annual growth of ICT Sector exports is higher than 20%, which opens up more opportunities for those digital nomads to even stay in the country and find employment.

And last, but not least, if Serbia is planning to continue its startup ecosystem development it needs to create incentives for foreign professionals to come and work in it. Therefore, starting with digital nomads is a good step in this direction.

Belgrade - as it has been demonstrated in the report - has great potential in positioning itself as a digital-friendly city.
1.1 List of countries, occupations and types of employment of the interviewed digital nomads (names not included due to privacy reasons)

<table>
<thead>
<tr>
<th>No.</th>
<th>Country of origin</th>
<th>Occupation</th>
<th>Type of employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Slovakia</td>
<td>Engineering</td>
<td>Employee</td>
</tr>
<tr>
<td>2.</td>
<td>Austria</td>
<td>Consulting</td>
<td>Business Owner</td>
</tr>
<tr>
<td>3.</td>
<td>Canada</td>
<td>Digital marketing</td>
<td>Business Owner</td>
</tr>
<tr>
<td>4.</td>
<td>Japan</td>
<td>Gaming</td>
<td>Freelancer</td>
</tr>
<tr>
<td>5.</td>
<td>USA</td>
<td>Engineering</td>
<td>Employee</td>
</tr>
<tr>
<td>6.</td>
<td>Sweden</td>
<td>Marketing</td>
<td>Business Owner</td>
</tr>
<tr>
<td>7.</td>
<td>Canada</td>
<td>Sales</td>
<td>Employee</td>
</tr>
<tr>
<td>8.</td>
<td>Canada</td>
<td>Web development</td>
<td>Business owner</td>
</tr>
<tr>
<td>9.</td>
<td>USA</td>
<td>Programming</td>
<td>Business owner</td>
</tr>
<tr>
<td>10.</td>
<td>Portugal/Venezuela</td>
<td>E-commerce</td>
<td>Business owner</td>
</tr>
<tr>
<td>11.</td>
<td>Canada</td>
<td>Programming</td>
<td>Business owner</td>
</tr>
<tr>
<td>12.</td>
<td>Croatia</td>
<td>Programming</td>
<td>Freelancer</td>
</tr>
</tbody>
</table>
1. Sex: F     M     Not declaring
2. Age: ____
3. Citizenship: ____________________
4. Profession: ______________________
5. Type of current occupation:
   a) Employee
   b) Freelancer
   c) Entrepreneur/Business Owner
   d) Other: ______________________
   e)
6. How often do you work away from your home?
   a) 1-2 months a year
   b) 3-4 months a year
   c) 5-7 months a year
   d) 8-10 months a year
   e) Entire year (or almost)
7. How long do you stay in one country on average?
a) Less than 2 days
b) Less than 5 days
c) Less than 10 days
d) Less than 20 days
e) About a month
f) Two months
g) Three months
h) More than three months
i) More than six months
j) About a year
k) More than a year

8. What is the country from which you have worked the most so far?
_________________

9. Duration of stay in Serbia
   a) Planned: ________
   b) Actual: _________

YOUR STAY IN SERBIA

10. Do you have any personal connections with Serbia (mark everything that applies)
    a) I have Serbian origins
    b) I have friends here
    c) I have business partners here
    d) I have a love partner here
    e) A friend/colleague of mine was here and shared impressions
11. How did you find out about Serbia or come up with the idea to come to work from Serbia?
   a) recommendation from a friend
   b) Internet
   c) Prior personal experience
   d) Personal connections
   e) Other: ______________________

12. Primary reasons for choosing Serbia (multiple choice):
   a) Cheap
   b) Nightlife
   c) Friendly people
   d) Good food
   e) Good coworking infrastructure
   f) Architecture
   g) Other: ______________________

13. Have you already worked from other Western Balkan or ex Yu countries?
   YES    NO

14. Where are you staying while working from/in Serbia?
   a) Hostel
   b) AirBnB
   c) Hotel
   d) Family/Relatives
   e) Rented apartment
   f) Other: ______________________
15. Are you planning to work from other Serbian cities?
   YES   NO

16. Are you planning some tours around Serbia during your stay?
   YES   NO

17. Have your expectations about Serbia been met so far?
   - Yes, exactly
   - Serbia is, so far, above my expectations
   - No, Serbia is below my expectations

18. What are the top 3 positive things about Serbia?
   a) ___________________________________________
   b) ___________________________________________
   c) ___________________________________________

19. What are the top 3 negative things about Serbia?
   a) ___________________________________________
   b) ___________________________________________
   c) ___________________________________________

20. How would you rate Serbia in terms of how “nomad-friendly” it is (1-very poor; 5-great)?
   1  2  3  4  5

21. How would you rate access to information when it comes to working from Serbia (1-very poor; 5-great)?
   1  2  3  4  5
22. Would you recommend your friends to visit or come to work from Serbia?

YES   NO

22. Would you come again to work from Serbia?

YES   NO

23. Regarding the previous question, could you please briefly say why you have answered so?

____________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________

24. Please rank the following factors according to their importance to you when choosing a country to work from (1 - not important at all; 2 - not really important; 3 - neutral; 4 - quite important; 5 - very important)

<table>
<thead>
<tr>
<th>Factor</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of transport to a country</td>
<td></td>
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<tr>
<td>Cost of transport to a country</td>
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<tr>
<td>Speed of the Internet in a country</td>
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<tr>
<td>Development of a startup ecosystem</td>
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<tr>
<td>Richness of local culture and tourist attractions</td>
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<tr>
<td>Safety</td>
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<tr>
<td>Cost of life</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accommodation choices and prices</td>
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<td></td>
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<tr>
<td>Food &amp; Cuisine</td>
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<td></td>
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<tr>
<td>Cafes &amp; Restaurants offer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>People &amp; Mentality</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal connections to a country</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

25. What is your most preferred work place?

a) coworking space
b) café

c) apartment

d) other: ________________

26. What is your most preferred payment method?

a) cash

b) credit card

c) PayPal

d) e-banking or m-banking

e) other: ________________
1.3. Interview questions

Interviews on the project “Belgrade - digital friendly city” are held with foreign digital nomads who work from Serbia during the time of the interview. They are semi-structured because they do not follow a formalized list of questions. The questions are rather open-ended, allowing for a discussion with the interviewees which evolves based on the different experiences of interviewees when it comes to their stay in Serbia. A brief list of questions asked during the interviews is listed below:

1. Do you consider yourself a digital nomad? If yes, for how long have you been one?
2. How long have you been in Belgrade / how long do you plan to stay?
3. Which countries have you worked from so far?
4. Are you planning to work from other Serbian cities? If yes, which ones?
5. Are you planning some tours around Serbia during your stay? If yes, where to?
6. What is your primary source of information for any country you go to work from?
7. What was your primary source of information for Serbia and Belgrade (the Internet, people, coworking spaces’ staff, hostels staff…)? Have you heard of movetobelgrade.com website?
8. Which info are you looking for when you are travelling to some country? Which info have you struggled to find about Belgrade or Serbia?
9. Where do you usually work from? Coworking space, home or cafes? Are there enough “work friendly” cafes?
10. Do you mind smoking in cafes and restaurants?
11. What do you consider the best and worst things about Serbia/Belgrade?
12. Have you encountered some administrative or logistic problems during your stay?

- Visa – which type do you have? How long are you staying? Hard to find info? Long procedure? Messy administration?
- Registration with the police (do you do it in other countries?)
- Health insurance
- Phone connection/roaming
- Internet speed
- Transportation (taxi/public transport)
- Accommodation
- Language barrier
- Payment methods (lack of acceptance of credit cards or PayPal)
- Food offer (in case of special dietary regime)

13. If you were a president of Serbia, what would be the first three things you would do?

14. If you were a mayor of Belgrade, what would be the three things you would change?

15. What do you think would attract more digital nomads to Serbia?

16. Would you like to be an “ambassador of Serbia” on our website?