

# Contribution of Gig-economic activities to the Shadow GDP in Sri Lanka

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The rapid growth of gig-based work in Sri Lanka, spanning from freelance services, delivery platforms, and online content creation has outpaced traditional economic measurement systems, leading to significant underreporting in official Gross Domestic Production (GDP) figures. Global evidence from the IMF, World Bank, and leading scholars such as Friedrich Schneider and Andreas Buhn demonstrates that informal and gig-based activities contribute between 15% and 40% of total GDP in many developing economies, underscoring the significance of assessing their economic value. This study investigates the contribution of the gig economy to Sri Lanka's unreported or shadow GDP by the Proxy Estimation Method (Gap Analysis). The selection of this method is supported by studies from countries such as Greece, Nepal, and Malaysia, where gap analysis techniques have been successfully used to estimate the size of the shadow economy by comparing labour participation and reported GDP. It compares observed labour force participation in gig-type activities, as reported by national surveys, against the corresponding economic output recorded in national accounts. Estimated earnings derived from sector-specific income benchmarks are contrasted with reported sectoral GDP, with the difference serving as a proxy for unreported contributions. The analysis draws upon data from the Department of Census and Statistics (DCS), Labour Force Surveys (LFS), and Central Bank of Sri Lanka (CBSL) national accounts, complemented by insights from global and local gig platform activity. The findings aim to quantify the hidden economic value generated by gig workers, highlight structural gaps in current economic measurement frameworks, and provide evidence-based recommendations for integrating gig economy activity into formal national accounts.

**Keywords:** *Shadow GDP, Gig-economy*