

## ABSTRACT

This study was conducted to examine the role of services and institutions in the growth of Asian nations. The central objective of this paper is to empirically analyze the new routes to economic growth for these nations. The analysis of 34 Asian economies indicates that services are not playing significant role in these economies without incorporating their institutional performance in this sector. The service sector is contributing substantially to the region's growth if instrumented with such institutional measures i.e. bureaucratic efficiency, absence of corruption, the protection of property rights, and the rule of law. Moreover, the study suggests that both of these trajectories of development are complementary to each other.

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**JEL classification:** E02, L81, L83, L86, O43

**Keywords:** Services, Institutions, Economic growth