

## Abstract

We examine the determinants of wealth inequality using new dataset consisting of a rich set of explanatory variables including rule of law, as well as different measures of globalization. We use the Bayesian Model Averaging (BMA) approach to account for model uncertainty. The BMA methodology allows to thoroughly compare a large number of potential determinants. Due to large differences in wealth inequality across different countries, the variables included reflect countries' various aspects, namely economic, geographical, regulatory, institutional, finance, globalization, political and demographic factors. Examining 39 potential determinants, we find five robustly related variables. Among them there are three financial development indicators, GDP growth and one geographical dummy for countries in Latin America and the Caribbean. On the other hand, some of the measures of globalization are correlated with wealth inequality; however, they are not its determinants.

<b>JEL Classification</b>	C33, E21, G51
<b>Keywords</b>	wealth inequality, globalization, Bayesian Model Averaging (BMA)
<b>Title</b>	Globalization, Rule of Law and Wealth Inequality