Tenancy in “Anticommons”? A Theoretical and Empirical Analysis of Co-ownership

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Motivation

Tenancy in common:
- Tragedy of the commons? No!
- Tragedy of the anti-commons? No!

Empirical Strategy

- Better framework
  - Fragmentary share problem
  - Underuse and underinvestment = anticommons
  - But NOT tragic
  - Unilateral partition right as the escape hatch
- Fragmentary land problem
  - Conditions
    - Small size of co-owned land
    - Large number of co-tenants
    - Physical division

Empirics: Data

- Data 1:
  - Taiwan, 2005 – 2010
  - All registrations of partition by consensus, mediation, settlement, or adjudication
  - Not including: partitions by sale
  - N=6790

- Data 2:
  - All district court verdicts in Taiwan, 2005 – 2010
  - N=6790

- Data 3:
  - Stratified random sample of 25% of all district court verdicts in Taiwan in 2008 – 2010.
  - N=619.

- Data 4:
  - Distribution of the # of co-owners on Feb.11, 2011 in Taiwan
  - N=17 million

Theoretical arguments

- Better framework
  - Fragmentary share problem
  - Underuse and underinvestment = anticommons
  - But NOT tragic
  - Unilateral partition right as the escape hatch
- Fragmentary land problem
  - Conditions

Empirical Strategy

- Cooperation: partition by consensus
- Non-cooperation: partition by court

Empirics: Data

- Data 1:
- Data 2:
- Data 3:
- Data 4:

Do cooperation among co-tenants often fail?

Consensus Mediation Settlement Verdict

Does co-tenants or courts tend to “share-chop”?

- 2 multinomial logistic regression models
  - Dep. var.: choice among partition by sale, partition in kind, and partial partition.
  - Whether the court / plaintiff tends to choose partition by sale when “co-tenant’s / plaintiff’s minimum land size” is small.