

## **Tragedy of the Anticommon: Evidence from the Electrification of Switzerland**

This paper studies how property-rights institutions shape technological adoption when innovation requires coordination among rights holders. We examine Switzerland's transition from mechanical waterwheels to hydroelectric power beginning in the 1880s. Exploiting quasi-random variation in water-rights regimes assigned in 1815, we show that regions with private water rights-initially advantaged under mechanical technology-fell behind after hydroelectricity emerged. Fragmenten private ownership generated holdout behaviour and technological lock-in, whereas communal regimes facilitated large-scale investment. Eminent-domain reforms alleviated coordination constraints, but delayed electrification nonetheless produced persistent long-run negative effects on local economic development.