I examine how the bargaining process to modify property rights over land affects communities’ property regimes. I look at the change from common to private property and how the contracting process through which these changes take place affects common property land privatization.

The empirical analysis uses data from the Mexican ejidos, agricultural communities created after a land reform carried out in the early twentieth century. Using data over the period 1991–2007, I estimate the effect of different rules on ejidos’ share of parceled land using a Difference in Differences model. Additionally, I exploit the exogenous variation of the 1992 reform to investigate property regimes heterogeneity to land characteristics. Results support theoretical predictions that PROCEDE fostered land parcelization, and that rules can hinder the parcelization process. The results indicate that ejidos with better land or closer to cities privatized a smaller share of their land after the reform.

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