

## The Impact of Land Tenure Systems on Foreign Investment: A Case Study of Nigeria, US, UK, and Canada

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**ABSTRACT :** This research analyzes the impact of land tenure systems on foreign direct investment (FDI) through quantitative assessment of Nigeria and its comparison to the United States, the United Kingdom, and Canada. Investor confidence in addition to security directly depends on a well-defined and protected land tenure system because such policy affects both property rights and investment stability. The paper investigates how different customary, statutory, and leasehold systems influence investor confidence and access to land together with long-term return possibilities. In Nigeria, complex legal pluralism and customary landholding patterns often hinder transparency and secure land acquisition, deterring foreign investors. Institutionalized corruption at all decision-making levels and poor enforcement of laws, rules, and regulations are major setbacks to the smooth functioning of the systems. On the other hand, the US and Canada, along with the UK, have instituted detailed land registration systems that guarantee property safety, thus building strong investment frameworks. The findings show that tenured land systems free of corruption and bureaucratic delays lead to higher foreign direct investment levels.

**KEYWORDS -** *Land Tenure System, Foreign Direct Investment (FDI), Property Rights, Legal Framework, Land Use Act (Nigeria), Investment Regulations, and Land Ownership*

### I. INTRODUCTION

Systems of land tenure represent the connections between individuals, society, and land and are a result of historical and cultural influences. The customary and legal/statutory rights that people or groups have to land and related resources, as well as the ensuing social ties among society's members, are referred to as land tenure. Based on past and present beliefs and customs, each nation has created its own unique ideas on land tenure. The concepts which have frequently been molded by an evolutionary process, determine the current tenure systems. Endogenous factors, such as population increase, urbanization and industrialization, or the rapid exploitation of natural resources, frequently serve as catalysts that hone and alter tenure structures. Furthermore, there might have been external impacts, such as the initial imposition of a colonial power's legal system or, more recently, the use of globally harmonized statutory law and international treaties like those pertaining to gender equity, the environment, or indigenous peoples. Tenure systems have occasionally been established via revolutionary movements that resulted in the turnover of preexisting land tenure systems through forced land collectivization or redistributive land reform. Policymakers may have reinforced the role of the (central) state in land allocation and management, even in nations where modest reforms in land tenure systems were started. This vision was frequently realized in these situations through the nationalization of forest or pasture resources, non-registered lands held under customary tenure, and the influence of government agencies that actively obstructed land use and management. However, since the 1990s, majority of the policies and experiments have been criticized and partially revised due to the unsatisfactory outcomes of these state-led tenure reforms in terms of economic development, efficiency, equity, and local participation. This has opened the door for more extensive, market-driven tenure reforms and redefining of the state's role. Many nations tried to bring land administration closer to its customers in urban and rural areas by decentralizing and deconcentrating decision-making authority. This was done in order to address the poisonous effects of corruption at all levels, improve the effectiveness of land administration, support systematic titling of land, and resolve various land-based issues. The goal of these initiatives was to improve tenure security. Notwithstanding, notable variations in geographic location, historical history, or economic success, the majority of the countries exhibit common characteristics in their tenure

systems. Shared historical background, new international laws, and influences on fundamental human rights activities (such as gender focus, indigenous peoples, and landlessness) are some of the causes of this. Land tenure systems are an essential components of any nation's or society's culture and history, as evidenced by the fact that individuals in every country have openly stated their ongoing strong emotional and physical relationship to land. This may be in contrast to the reality in Western post-industrial cultures, where urban expansion is dominated by anonymous property sale and tenure markets. This emotional-spiritual link has only existed in farmland and rural areas, as a result, governments, civil society, the private sector, and foreign donors face new difficulties in relation to land tenure, tenure security, and land policy in nations with disparate GDPs, degrees of industrialization and urbanization, inequality, and environmental characteristics. Additionally, since agriculture and rural areas are significant sources of employment, revenue, and growth, "poorer" nations may need to concentrate on having functional tenure systems in these areas. The thriving urban land sale and rental markets, with their associated risks may be the focus of other, wealthier, recently industrializing nations. [1]. Foreign Direct Investment (FDI) is crucial in enhancing the growth of economies, modern technology, and employment opportunities. One of the most important determining factors of FDI is the security and administrative effectiveness of the land tenure system in a country. Basic resource like land needs to have well-defined ownership signifiers as well as a clear and unambiguous system of transference to draw in foreign investors [3]. To add, this paper provides an analysis of the performance of Nigeria in contrast to the USA, the UK, and Canada's land tenure systems relative to FDI.

## II. METHODOLOGY

This study uses systematic review methodology to examine land tenure system effects on foreign investment specifically focused on Nigeria as well as the United States, the United Kingdom and Canada. The review incorporates academic peer-reviewed publications together with policy statements along with market reports and case study materials. The evaluation compares land ownership systems between these countries to determine their effects on foreign investment confidence levels and business decision processes and extended investment success. The study reviewed sources according to their focused relevance and credibility for the selected geographical regions which included real estate, agriculture, energy and infrastructure sectors since these fields strongly depend on land ownership policies. The study emphasizes the regulatory environment, property rights security, land acquisition processes, and governmental reforms, seeking to identify patterns, challenges, and opportunities associated with each country's system. By synthesizing findings from both qualitative and quantitative studies, the research provides insights into how land tenure policies impact foreign direct investment (FDI) flows and shapes investment behavior across the studied nations.

## III. LAND TENURE SYSTEMS

### 3.1 Definition of the term land tenure

The manner in which land is held or owned by individuals and groups, or the collection of legally or conventionally defined connections among people with regard to land, is known as land tenure, and it is essential to sustainable natural resource management [1]. To put it another way, tenure represents the direct links that exist between individuals and land, as well as between individuals and groups, in their interactions with natural resources and land. Since land tenure entails a system of laws and regulations used to manage biodiversity, natural resources, and the environment in general, it can be a tool for conservation. The fundamental principles of land tenure, which are typically established by statute or customary law, specify how property rights (use, control, and transfer) are to be distributed among society. Due to the possibility of geographical and temporal variations in the regulations, land tenure may also have both spatial and temporal aspects. Similarly, political affiliation, class, gender, and ethnicity can all have distinct effects on land tenure. The rights that people, groups, families, businesses, and other corporate or community institutions have over land, water, forestry, wildlife, and, occasionally, mineral resources are referred to as land tenure and property rights. Tenure agreements and property rights might be leasehold, community, group, shareholder, private (or semi-private), or other corporate rights. Systems of property rights involve procedures for administering or managing land resources, resolving conflicts, and defending rights.

Tenure security, which refers to enforceable claims on land, is a notion that is part of land tenure. National regulatory frameworks support this idea, and enforcement levels range from national legislation to local village norms. This speaks to people's acknowledged capacity to use and manage land, including using it and getting rid of its products, as well as carrying out business like leasing or transferring land. Secure land rights can enhance finance availability, promote sustainable land management, and provide security during emergencies. There is a significant chance of overuse and degradation in the absence of explicit and widely recognized agreements about the use of land, forests, water, or pastures. According to international research, different land ownership, tenure, and land rights systems with varying levels of tenure security can be found on different continents. Due to a multitude of historical, cultural, and political influences, land tenure systems are diverse and intricate. Former colonial land policies that merely imposed their own preexisting patterns of land

allocation on the colony have influenced tenure arrangements in many developing nations. Depending on the legislative framework, tenure systems have different levels of legality. Different sets, or bundles, of rights to land, property, and natural resources are also included in these various types of tenure. Power, wealth, knowledge, and resource access are only a few of the inequities that must be addressed for natural resource management to be sound [1].

### 3.2 Types of Tenure

The following are the current systems of land tenure:

- **Nationalized Land Tenure:** The State has complete ownership rights over property under this tenure. For instance, in Ethiopia, where land is administered by a federal and decentralized state structure, nationalized land tenure is still the basis for both land access and use. Individuals only have usufruct rights, whereas the State has primary rights to land and associated resources, such as meadows and woods. The communist land reform proclamation of 1975, which was later incorporated into the 1995 Constitution, is to blame for this
- **Freehold Land Tenure:** Absolute ownership rights, which include the ability to own, manage, control, use, and dispose of property, are intended under freehold land tenure. Although these land rights are perpetual, the state may intervene to sequester them when land is being targeted for expropriation in cases of great public interest (e.g., building highways, expanding metropolitan areas, etc.). A conventionally Western notion of private property ownership is freehold tenure. In Australia, freehold land—also referred to as a "estate in fee simple"—is the most prevalent type of land ownership.
- **Leasehold Land Tenure:** This type of land tenure bases land ownership on the idea of long-term leases. Land that is owned by the State or an individual is leased to another entity by a written contract. Such leases can be long or brief. In actuality, 99-year leases are thought to be just as secure as freehold land ownership. In order to establish legally binding and effective land rights, the lease is then registered against the land's title. Large-scale farming and aristocratic land ownership regimes are typically associated with freehold and leasehold land rights.
- **Customary Land Tenure:** Unlike statutory tenure, which was instituted during the colonial era, customary land tenure refers to land that is owned by indigenous tribes and managed in line with their traditions. In this type of tenure, ownership belongs to the family, community, tribe, or group. Chiefs and other traditional leaders distribute land. Both individual and collective rights to utilize local land resources are included in customary land rights, which are location-specific, frequently flexible, and overlap. They usually contain dispute resolution procedures, such as being managed by local chiefs, and land access is usually limited by kinship or ethnicity, which keeps outsiders out and limits land transactions. Members of the group may receive land for their own (family) use, but if they do not use it, the land may revert to the community [4].

## IV. LAND TENURE SYSTEMS OVERVIEW

### 4.1. Nigeria

The Nigerian market exposes valuable investment opportunities across the agricultural industry together with manufacturing and financial technology (fintech) sectors) [5]. However, some challenges associated with the country's land tenure system deter investors from capitalizing on some of these investment opportunities. Nigeria is a very diverse country when it comes to the social and cultural relationships that its people have with their land. Inheritance customs are intimately tied to the current tenure system. In addition to providing a framework for land transfer and economic usage that complies with local traditions, land also acts as a control mechanism in the sociopolitical life of the majority of Nigerian communities. Since the government owns all exclusive rights to land, all land in Nigeria is officially nationalized. Nevertheless, there are two types of ownership: customary tenure systems and statutory systems. Private or individual tenure, in which people have all pertinent ownership rights, falls under these two major kinds. Family structures now have less power over land matters, particularly in metropolitan areas, as land sales and rentals have become a prominent factor in land transfers. Property rights belong to the group rather than the individual in rural areas, where communal tenure predominates. But here, too, a lot of land deals are monetized. Furthermore, communal tenure (as well as state tenure) has frequently evolved into free access, with all the issues that come with this kind of non-tenure. Public or state land continues to be significant in the nation due to the state's dominance [1].

- **Status of tenure security**

Land tenure security is extremely low as a result of the state's monopoly on land ownership. In rural areas where the government has purchased property for various projects (housing, irrigation, large-scale agricultural), insecurity is particularly prevalent. This has not resulted in compensation for the affected individuals. Because politicians have the power to revoke titles, it is also challenging to get and maintain one; as a result, the majority of people lack titles.

- **Strengths**

Nigeria's land market is thriving and easily accessible to the general public. Regardless of national differences, land rights are valid nationwide. Nigeria is a rising economic force with abundant land resources, and because of its great potential in agriculture and rural areas, the private sector is growing. Citizens are shielded from unjust expropriation by the Constitution. When compared to other nations, the 2 percent capital gains tax on property and land transfers is extremely low.

- **Opportunities**

The area is in an excellent location for land-based investment, and it is simple for the government to purchase land for development. There is a very active populace prepared for land-based agriculture, as well as a developing democratic society considering land issues. To address the anomalies in the current system, the current government has suggested a land reform. Consolidation of land is already a tool for development. The distribution of land concessions and public-private partnerships have grown [1].

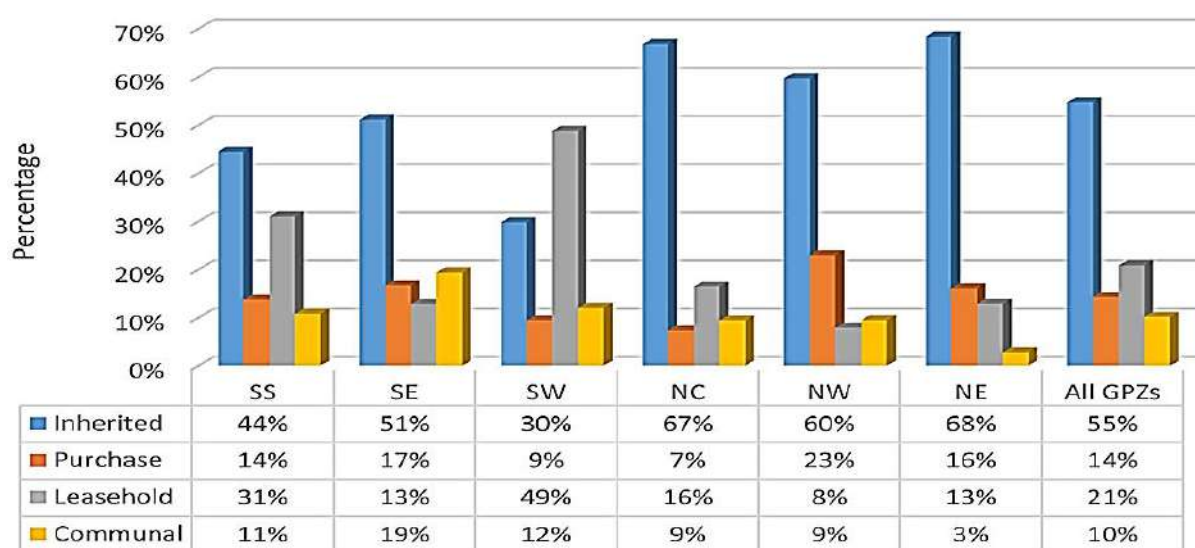
- **Weaknesses and Threats**

High inaccessibility has been caused by the 1978 Land Use Act, which opened the door for the nationalization of all land, particularly for smallholders who are unable to expand their land holdings. Estate property rights are limited to occupancy solely, which makes investment incentives weak. In its specifics, the legal system is still very pluralistic, which leads to laws that overlap and contradict. Land information systems are outdated and unreliable, and there is no computerized cadastre or title and planning records. There is gender discrimination, excessive bureaucracy, lengthy procedures, and illiteracy in the land registration system. Some people cannot afford the high administrative costs associated with land transfers. Dynamic agricultural development in this sector is hampered by smallholders' incapacity to expand their farms. There are far too many unresolved land disputes. Conflicts occasionally arise from unclear land and resource tenure. Few people have benefited from the concentration of land caused by the lack of an effective policy on efficient land use. Permissions are required to transfer licenses in circumstances of death, and a will cannot be altered.

Poor enforcement of laws, rules, and regulations continues to be a defining feature of the tenure. Poor (professional) education and training in Nigeria and the West African region continue to be a barrier to effective land management. Land issues continue to be beyond the scope of relevant institutions. Nigeria is still subject to the "curse" of crude oil as a natural resource, which has led to several crises and security problems. This ultimately resulted in socioeconomic instability and the nation's bad standing with the international world. Constitutional rigidity hinders amendments to the 1978 Land Act. At every level of decision-making, entrenched corruption presents significant obstacles that significantly hinder the efficient operation of institutions [1].

- **Current initiatives for improving land tenure security**

In April 2009, the Nigerian Federal Government formed the Presidential Technical Committee for Land Reform (PTCLR) in response to a national drive to enhance land tenure. By strengthening regulatory frameworks and streamlining land registration procedures, the PTCLR aims to create more effective and safe access to land. [1].



**Key:** SS- South South, SE- South East, South West, NC-North Central, NW-North West, NE- North East and GPZs- Geological zones.

**Figure 1:** Nigerian Land Tenure Type by Geopolitical Zones  
Figure 1: Isenberg's six (6) Pillars of the Entrepreneurial Ecosystem (Source: www.frontiersin.org)



According to Adeniyi (2013), 10.0 and 14% of the households were cultivating acquired and common lands, respectively, while 24.0% of the homes were on leasehold. Farmers from the northwest and northeast were found to have a significantly smaller percentage of parcels owned on leasehold and a communal agreement (8.0 and 3.0%, respectively), whereas 49% of their parcels were held on a leasehold arrangement.

#### 4.1.1 The Nigerian Legal Framework

- *The Constitution FRN 1999 (as amended)*

All legislation in Nigeria are based on the FRN 1999 Constitution, which is the foundational document. All Nigerian authorities and individuals are bound by the constitution, which is paramount. Any law that violates the constitution is null and void to the degree of its incompatibility. According to Akande, the constitution establishes the hierarchy of all laws, and any legislation that deviates from its provisions is null and void. . Since the constitution governs all land administration laws in Nigeria, any law that conflicts with it will be null and void to the degree of the conflict. Regarding section 47(2) of the Land Use Act, which declares that no court has the authority to consider any matter regarding the sufficiency or otherwise of compensation as being contrary to section 4(8) of the 1999 Constitution, which forbids the National Assembly or the State House of Assembly from enacting any legislation that ousts or purports to oust the jurisdiction of the Court or judicial Tribunal established by law, the courts have shown the supremacy of the constitution. Section 43 of the constitution, which declares that every Nigerian has the right to possess immovable property in any area of the country, is a significant clause that directly addresses land issues. Most likely, this clause was included in the constitution to address the issue of the principle of indigeneity, which states that before a person may profit from a region or community, they must identify with it. In many states, it is difficult for non-indigenous people to obtain land, even if the Land Use Act granted the governors the authority to do so. Furthermore, the constitution stipulates that no stake in real estate may be seized by force unless it is done so in accordance with legal requirements. Although the constitution does not forbid the government from acquiring or renouncing territory through force, this clause stipulates that due process must be followed [6].

Furthermore, the constitution grants the Government of the Federation full ownership and control of all minerals, mineral oils, and natural gas in, under, or upon any Nigerian land, as well as in, under, or upon the country's territorial waters and exclusive economic zone. Additionally, the Land Use Act as recognized by the Constitution was specifically addressed in § 315(5(d)). A quick glance at Parts II and IV of the Constitution on Fundamental Objectives and Directive Principle of State Policy and Fundamental Human Rights provisions, respectively, can be linked to issues of land owners' rights, such as freedom of movement and freedom of assembly. These constitutional provisions on land directly touch on land matters. In recent years, the right to land has been recognized as a component of the second generation of rights, also referred to as the economic and cultural rights [2]. They are not subject to the Nigerian constitution's justiciability clause, which was added to emphasize how important they are.

- *The Land Use Act 1978*

As the country's land policy document, the Land Use Act No. 6 of 1978 went into effect on March 29, 1978. It has stayed that way in the nation ever since. The Act essentially governs land ownership, alienation, acquisition, management, and administration in the Federal Republic of Nigeria. 19. According to Section 1 of the Land Use Act, the governor of each state in the Federation of Nigeria is granted ownership of all land located on their territory. This land is then held in trust and managed for the benefit of all Nigerians in compliance with the Act's provisions. According to Section 5(1) of the Act, a state governor may grant a statutory right of occupancy to any individual for any purpose with regard to land, whether or not it is located in an urban area. The governor may then issue a certificate of occupancy as proof of the right of occupancy in compliance with Section 9(1) of the Act. Additionally, Section 5(2) of the Act states that "all existing rights to the use and occupation of the land which is the subject of the statutory right of occupancy shall be extinguished upon the grant of a statutory right of occupancy under the provisions of sub-section (1) of this section. These provisions demonstrate how much Nigeria's land administration framework has changed as a result of the Land Use Act of 1978. [6].

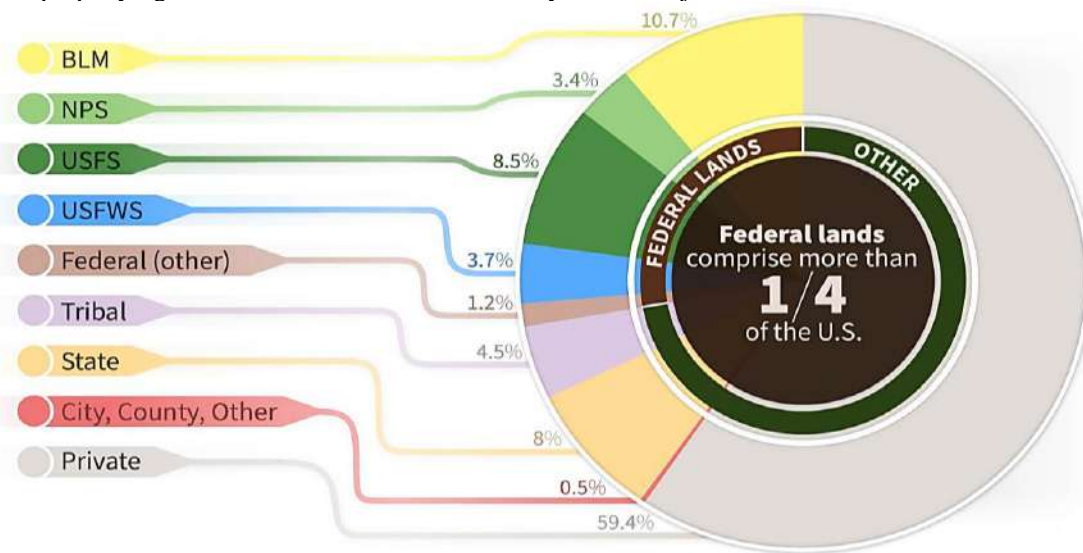
#### 4.2. United States

The United States land tenure system is predominantly private, where individuals and firms hold legal titles to land that allow them to occupy, lease, or sell their property. The system has contributed significantly in driving economic growth, assuring property rights, and establishing a robust property market. Secure land ownership encourages investment as landowners can use their land as collateral for loans to stimulate economic growth. Also, the system facilitates an efficient land market by which land can be transferred from its existing location to its most valuable alternative use, propelling urban expansion and agricultural progress [3].

While strong, the U.S. land ownership system is also beset by serious weaknesses, most notably in historical exclusion and inequality. Throughout history, groups excluded from owning land like African Americans and women have created enormous barriers to obtaining land, resulting in economic disparities. The Homestead Acts, for example, made avenues available to many settlers but were not available to Black

Americans due to deep-seated discrimination [7]. Similarly, Native peoples experienced involuntary land dispossession, which has contributed to lasting social and economic impacts.

Ecosystem degradation and speculative inequality also plague the system. Short-term profits are prioritized over sustainable use of land, and this produces issues such as deforestation, erosion, and suburban sprawl [4]. Housing prices have increased due to speculation in real estate as well, driving out the lower classes with vacant properties acting as investments. These factors highlight the need for policy reforms to balance private property rights with environmental sustainability and social justice.



**Figure 2:** Land Ownership in the United States (Source: headwaterseconomics.org)

#### 4.2.1. United States Legal Framework

- ***The Federal Land Policy and Management Act (FLPMA)***

The FLPMA is a federal law of the United States that regulates the management of public lands under the administration of the Bureau of Land Management. Title 43 of the United States Code contains the statute, which was passed by the 94th Congress in 1976. Homesteading in the United States was phased down by the Federal Land Policy and Management Act, which repealed the previous Homestead Acts.

By giving the Bureau of Land Management increased authority over land acquisition and disposal and by developing a comprehensive plan that examined the environmental issues of federal land, the FLPMA altered how the federal government administered lands and the resources on those areas. The act significantly expanded the Department of the Interior's Bureau of Land Management's authority to purchase and sell government land. [8]. In order to ascertain the area's environmental value and if it could be allocated for public use, the FLPMA mandated that a plan be made for the land [9]. The plan would outline the land's environmental problems and stipulate that three requirements must be met:

1. The integrity of the land's natural resources and any cultural or historical items must be preserved through land management.
2. It was necessary to safeguard areas of the land that were considered vital or in danger.
3. The establishment of any land parcels with environmental significance. [9].

When making judgments about the management of federal land designated for public use, the Bureau of Land Management was required to adhere to these guidelines.

Congress stated that the public lands will continue to be owned by the government because it valued them. According to FLPMA, the National Forest Service, National Park Service, and now the Bureau of Land Management are tasked with allowing a range of uses on their property—of particular interest to the BLM, which has the fewest restrictions on uses—while also attempting to protect the natural resources found there. The phrase "multiple-use" perfectly captures this idea. "Management of the public lands and their various resource values so that they are utilized in the combination that will best meet the present and future needs of the American people" is the Act's definition of "multiple use. Land-use planning, land acquisition, fees and payments, federal land administration, range management, and right-of-ways on federal land are among the issues covered by FLPMA. By establishing clear goals and deadlines for achieving them, FLPMA gains additional authority and removes any doubt regarding the BLM's involvement in wilderness designation and management.

Subchapter VI Designated Management Areas (§§ 1781 to 1787) of 43 U.S. Code § 1782-Bureau of Land Management Wilderness Study contains the portions of FLPMA that are particularly related to wilderness. In this case, the BLM is also mandated to suggest sites for Wilderness designation, and they have 15 years to do so. The BLM is responsible for conducting research and designating certain regions as Wilderness Study regions. Until they are officially classified as Wilderness or released by Congress, these regions are handled as such even though they are not officially recognized as Wilderness areas. Because of the wilderness evaluations required by FLPMA, almost 8.8 million acres of BLM wilderness are now part of the National Wilderness Preservation System.

#### **4.3. The United Kingdom's Land Tenure Framework**

The land tenure system in the UK has a number of drawbacks despite its strengths. According to surveys, less than 1% of people in England possess more than half of the country's land, indicating that land ownership is still very concentrated [10]. According to some estimates, 432 private landowners currently control 50% of Scotland's rural private land. The latest estimate of Scotland's population is 5,327,000, hence this indicates that half of a fundamental resource for the country is controlled by 0.008% of the population [11]. This is unusual as a gauge of inequality in a contemporary democracy and requires justification. The leasehold system faces extensive criticism regarding its unfair practices which include ground rent rises and service charge increases thus leading the UK government to enact leasehold reform [12]. Affected by foreign and offshore property ownership the UK has initiated the Register of Overseas Entities in 2022 to boost transparency according to Companies House (2022). The UK's land tenure system requires sustained reforms to achieve fairness together with accessibility and accountability in ownership relationships.

The Crown is ultimately in charge of all land in the United Kingdom. On the other hand, other people might own or have other interests in land. "Tenures" are the legal mechanisms used to hold land in the United Kingdom. The three tenure types that exist in England and Wales are freehold, leasehold, and commonhold. Prior to the implementation of the Abolition of Feudal Tenure (Scotland) Act 2000 on November 28, 2004, tenures in Scotland were based on the feudal system of ownership. The Act switched the feudal system to one of outright land ownership on that date.

##### **4.3.1. The United Kingdom's Legal Framework**

- ***The Land Registration Act 2002***

The United Kingdom's Parliament passed the Land Registration Act 2002 (c. 9), which repealed and replaced older land registration laws, specifically the 1925 Land Registration Act, which governed a similar but earlier system. The function and operations of HM Land Registry are governed by the statute and the Land Registration Rules 2003 (SI 2003/1417).

The Law Commission and HM Land Registry report, Land Registration for the Twenty-First Century (2001), prompted the introduction of the Land Registration Act 2002 [14]. The Act streamlined and updated the land registration law, improved the register's representation of a land title by displaying all relevant rights and subsidiary interests, and paved the way for the use of electronic conveyancing. The Act significantly altered the legislation governing registered land. In particular, it changed the system for protecting third-party rights, made it possible to register shorter leases, promoted voluntary land registration, and updated and modernized the law of adverse possession (squatters' rights). abolished the 1875 Land Transfer Act abolished the 1925 Land Registration Act.

Section 4 stipulates that registration of an estate in land is compulsory when one of the following events occurs:

- Freehold estate is transferred, whether under a sale, gift or other circumstances;
- Legal lease for more than seven years is granted;
- Legal lease with more than seven years to run is transferred; or
- Grant of a first legal charge (mortgage).

The seller or transferor continues to be the registered proprietor if the necessary registration is not completed, giving the buyer or transferee just an equitable title to the land. The priority requirements in sections 29 and 30 of the Act do not apply to someone with equitable title, meaning they have not registered. They may also be at risk if the (still) registered proprietor tries to do business with the land in a different way. This is the proper method to notify a buyer that an equitable family interest exists that results from a property trust. Restrictions only alert the buyer of the interest; they do not safeguard the precedence of such interest or any right of possession. In any instance, the buyer will typically go over what is reasonable, and in these situations, it makes little difference if the buyer is aware of the equitable family interest [15].

As a backup measure, restrictions are also helpful in regulating activities related to the land. For instance, a developer who has the option to buy land should use a notice to safeguard that interest. They might, however, also impose a limitation to stop or warn of any attempt to transfer the land in violation of the option. [16].

- ***The Economic Crime (Transparency and Enforcement) Act 2022.***

In certain situations, where an overseas entity already owns, intends to purchase, or intends to dispose of a qualifying estate (a freehold or a leasehold granted for a term of more than seven years from the date of grant), the ECTEA 2022 contains provisions that are intended to compel the overseas entity to register in the register of overseas entities (ROE).

- ***The Leasehold Reform Act (1967)***

An Act to allow tenants of long-term rental properties to purchase the freehold or an extended lease; to apply the Rent Acts to long-term rental properties at a rackrent; to align the Landlord and Tenant Act 1954 with the Rent Acts as amended; to make additional legal adjustments concerning long-term rental properties, such as amending the Places of Worship (Enfranchisement) Act 1920; and for related purposes [17].

- ***The Trusts of Land and Appointment of Trustees Act (TLATA) 1996***

The doctrine of conversion, which states that the buyer of real estate becomes the equitable owner of title to the property when they sign a contract to buy the land later, was abolished by the Trusts of Land and Appointment of Trustees Act (TLATA) 1996. Additionally, the law regarding the appointment and retirement of trustees was amended. In order to resolve the issues that emerged in separation proceedings when spouses couldn't agree on when to sell a property, TLATA 1996 was developed. Spouses and kids frequently ended up homeless as a result of this. It was difficult to create a trust without it being covered by the Settled Land Act 1925 because of a provision of the Law of Property Act 1925 that dealt with trusts. Co-owners of property were deemed to have beneficial interests in the sale revenues under this Act, not in the land itself [15].

#### **4.4. Canada's Land Tenure System**

Crown lands, which make up the majority of all lands in Canada, are owned by governments as public lands. Crown land, which can be either federal (41%) or provincial (48%), makes up about 89% of Canada's total area (8,886,356 km<sup>2</sup>); the remaining 11% is privately owned. Just 4% of land in the provinces is under federal control, mostly as National Parks, Indian reserves, or Canadian Forces bases. The majority of federally administered land is located in the Canadian territories (Northwest Territories, Nunavut, and Yukon) and is managed on behalf of Aboriginal Affairs and Northern Development Canada. Provinces, on the other hand, own a large portion of their territory as provincial crown land, which may be designated as a wilderness or provincial park [21].

The provincial governments possess all unclaimed land under their authority, making them the largest class of landowners. Provincial Crown land makes up more than 90% of Canada's vast boreal forest. 60% of Alberta's land area, 94% of British Columbia's land area, 95% of Newfoundland and Labrador's land area, and 48% of New Brunswick are all considered provincial lands [21]. The Government of Canada is by far the biggest landowner in Canada and, consequently, among the greatest in the world. The vast northern territories, whose Crown holdings are vested in the federal government rather than the territory government, include the majority of the federal government's lands. Additionally, the federal government owns national defense stations, national parks, and First Nations reserves.

The Crown lands and subsurface rights inside the borders of the prairie provinces of Alberta, Saskatchewan, and Manitoba, as well as to a lesser extent British Columbia, were within the federal government's jurisdiction prior to the Natural Resources Acts of 1930. As a result, they were not able to profit from royalties from forestry (stumpage), oil and gas, or mining within their borders. At the time, this was one of the main causes of Western alienation. When two separate owners share ownership of the surface and minerals, the mineral owners are prohibited from extracting the minerals in a way that harms the surface, for as by undermining the surface's support. However, the surface holder is powerless to stop the mineral owner from using their minerals. The majority of provinces, including Alberta, have enacted laws to regulate these conflicting rights. The Land and Property Rights Tribunal decides disputes between surface owners and mineral rights owners.

The clear and safe land registration system, which encourages investment and economic stability, is a major strength of Canada's land tenure system. Furthermore, progress toward inclusive governance is demonstrated by the formal recognition of Indigenous interests through treaties and land settlements. Still, there are structural flaws. Legal and political conflicts with Indigenous groups are still fueled by unresolved land claims and historical dispossession. Furthermore, equitable access is hampered by the concentration of land in the hands of big businesses and governments, particularly for marginalized and small-scale farmers. These problems show how Canada's land governance system still needs to be reformed and reconciled [18].

##### **4.4.1. Canada's Legal Framework**

- ***Foreign Ownership of Land Regulations (1979)***

In accordance with the Citizenship Act (Canada) and the Agricultural and Recreational Land Ownership Act (Alberta), the Foreign Ownership of Land Regulations ("FOLR") were enacted and went into force on June 1, 1979. It was brought on by worries that absentee owners and foreign interests were acquiring huge tracts of valuable agricultural and recreational land. The FOLR is applicable to managed land, which is



defined as land in Alberta that is not inside the borders of a city, town, village, or summer village. Crown land, mines, and minerals are not included in this definition. The FOLR is administered and supervised by the Alberta Foreign Ownership of Land Administration Office (FOLA). FOLR aims to achieve a balance between promoting investment and restricting foreign ownership of prime land. To strike this balance, it is illegal for foreigners or foreign-owned companies to purchase controlled land unless they qualify for one of the FOLR's exclusions. Generally speaking, a foreign person or foreign-owned organization can only purchase a maximum of two lots totaling no more than 20 acres of controlled land. Some exemptions in the FOLR permit the purchase of more land than 20 acres, depending on the amount of land involved. These include purchases for manufacturing, processing, industrial and commercial development, the building of a pipeline, plant, or transmission line, or for an electric system as defined by the Hydro and Electric Energy Act (Alberta), among other purposes [19].

- **The Prohibition on the Purchase of Residential Property by Non-Canadians Act (2022)**

The Prohibition on the Purchase of Residential Property by Non-Canadians Act, S.C. 2022, c. 10, s. 235 (the "Act"), which forbids non-Canadians from directly or indirectly acquiring residential property in Canada, went into effect on January 1, 2023. The Act will be in effect for two years, as stated in the Federal Budget for 2022. To get public opinion on these proposed regulations, the government conducted a consultation process. It is wise to assess what we now know based on the language of the existing Act and the Government's intentions as revealed throughout the consultation process, even if we anticipate that many of the rules will be improved by subsequent regulations.

The prohibition applies to the majority of residential real estate properties located in Canada. A detached home or similar structure with no more than three dwelling units, as well as a portion of a building that is a semi-detached home, rowhouse unit, residential condominium unit, or other comparable premises, are specifically defined as "residential property" under the Act [22].

## V. THE IMPACT OF LAND TENURE SYSTEMS ON FOREIGN INVESTMENT

Tenure security, regulatory clarity, ease of land purchase, and investor legal safeguards are just a few of the ways that land tenure systems affect foreign investment. The main ways that land tenure systems affect foreign investment are described below:

- **Tenure Security and Investor Confidence**

Investors from foreign lands require legal guarantees for protecting their land rights. The United Kingdom together with Canada and the United States provides investors with land rights security through standardized and well-defined land tenure systems. Nigeria's bureaucratic tenure system which faces bureaucratic inefficiencies alongside customary land disputes creates investment uncertainty that stops foreign investors from entering the market.

- **Bureaucratic Efficiency and Ease of Land Acquisition**

National guidelines determine the level of complexity when obtaining land. Property transactions for investors become simpler due to transparent land registration systems operating efficiently in both the UK and Canada. The Land Use Act of 1978 in Nigeria requires state government authorization for all land transactions thus prolongs the process while discouraging investment activities.

- **Legal Frameworks and Property Rights Protection**

Foreign investor property rights remain protected through an established legal framework. Economic laws in the United States offer robust protection to properties owned by foreign entities. The enforcement of land rights in Nigeria together with frequent land disputes function as deterrents which prevent possible investors from participating.

- **Costs and Accessibility of Land**

The investment decision depends on land accessibility along with prices. The high price of land in London Toronto New York makes it difficult for investors to achieve robust tenure security. Nigerian land possesses reasonable costs but corruption and legal costs become barriers to attractiveness.

- **Government Policies and Land Ownership Restrictions**

Certain places enforce rules that limit overseas investors from buying land which leads to consequences for business investments. Under Canada's 2022 Prohibition on the Purchase of Residential Property by Non-Canadians Act foreign buyers face purchasing limitations for residential properties and some US states limit agricultural land purchases by foreign entities (FIRRMA, 2018). Real estate markets encounter reduced foreign participation because of such governing restrictions which adversely affect investment tendencies:

## VI. CONCLUSION

The study has evaluated the fundamental link between land tenure rules and external investment in Nigeria and the United States as well as the United Kingdom and Canada. The findings reveals that secure, transparent and well-regulated land tenure systems function as fundamental elements to attract foreign direct investment (FDI) and maintain its continuity. Foreign investors exhibit more confidence in the US along with the UK and Canada because their land rights systems offer safety and straightforward transferability. On the other hand, Nigeria experiences foreign investment and capital flows are restrictions because it maintains complex obscured land ownership procedures that create bureaucratic problems together with enforcement inconsistencies and disputes between community stakeholders.

The research shows land governance reform in Nigeria that delivers clear enforceable equitable land rights systems will substantially boost its investment atmosphere as the nation faces diverse legal frameworks. The active reform of land property rights should be treated as a crucial economic priority among developing countries that aim to strengthen foreign capital inflows.

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