

Finally, the two predictive modeling approaches are compared. The first modeling approach predicts future LCC using only past land cover change data in the form of empirical transitional probabilities of LCC obtained from pathways of past LCC. These empirical probabilities are used in a LSDV1 for fixed –group effects, a LSDV1 for fixed-time effects, and an Ordinary Least Square model (OLS) for the pooled sample. Results from these models are entered in a modified Markov chain model’s matrix multiplication. The second modeling approach predicts future LCC using socio-demographic and economic survey variables at the household level. The survey data is used to perform a multinomial logit regression model to predict the LC class of each pixel. In order to compare the explanatory and predictive capacity of both modeling approaches, LCC predictions at the pixel level are summarized in terms of percentage of cells in which future LC was predicted correctly. Percentage of correct predicted land cover class is compared against actual pixel classification from satellite images. The presence of differences among farmers in the LSDV1-fixed group effect by farmer suggests that small farmers are not a homogeneous group in term of their probabilities of LCC and that further classification of farmers into homogeneous subgroups will depict better their LCC decisions. Changes in the total area of landholdings proved a stronger influence in farmer’s LCC decisions in their main property (primary lot) when compared to changes in the area of the primary lot. Panel data analysis of the LCC empirical transition probabilities (LSDV1 fixed time effects model) does not find enough evidence to prefer the fixed time effects model when compared to a Ordinary Least Square (OLS) pooled version of the probabilities. When applying the results of the panel data analysis to a modified markov chain model the LSDV1-farmer model provided a slightly better

accuracy (59.25% accuracy) than the LSDV1-time and the OLS-pooled models (57.54% and 57.18%, respectively). The main finding for policy and planning purposes is that owners type 1 –with stable total landholdings over time-- tend to preserve forest with a much higher probability (0.9033) than owner with subdividing or expanding properties (probs. of 0.0013 and 0.0030). The main implication for policy making and planning is to encourage primary forest preservation, given that the Markov chain analysis shows that primary forest changes into another land cover, it will never go back to this original land cover class. Policy and planning recommendations are provided to encourage owner type 1 to continue their pattern of high forest conservation rates. Some recommendations include: securing land titling, providing health care and alternative sources of income for the OT1's family members and elderly owners to remain in the lot. Future research is encouraged to explore spatial autocorrelation in the pixel's probabilities of land cover change, effects of local policies and macro-economic variables in the farmer's LCC decisions.

Keywords: land-cover change, Markov chains, multinomial logit regression, pathways, deforestation, Amazon, panel analysis, fixed-time effects, fixed-group effects

ACKNOWLEDGEMENTS

I find very hard to write this part of my dissertation, perhaps because it is my heart who wants to speak instead of my analytical mind. There are so many people I want to thank for their advice, help, love and encouragement that I am afraid I will miss someone. I offer an apology in advance if I omit a name; please take into consideration that I am exhausted physically and emotionally after giving birth to my 5-year dissertation. My baby dissertation is ready after 5-years of pregnancy, several risks of miscarriage, and a long list of enriching life experiences with all of *you*, who contributed in academic, financial, emotional and spiritual ways to make this possible. Because getting a dissertation done and making it through graduate school requires more than a brilliant mind, good research questions and data, relevant courses and of course funding. *You* know how many things we have gone through together! Whoever has passed through graduate school will agree that in the journey there are many other challenges and experiences besides the course work, research and dissertation. I am blessed *you* were with me in this journey, enriching and strengthening my life beyond the academic boundaries.

My deep, sincere and forever thanks to all of *you*!

Thanks,

To my advisor, Dr. John O. Browder for his advice and guidance throughout my doctoral studies, research and dissertation, and job search, keeping me in track and focused.

To my committee members: Dr. Darrell Bosch, Dr. Casey Dawkins, Dr. Joel Nachlas, and Dr. Randy Wynne for their valuable comments and contributions to my doctoral research since my baby steps in the qualifying until the dissertation defense.

To Dr. Percy Summers and Dr. Marcos Pedlowky, for their contributions to the data used in this research, from the survey data collection to the interviews and initial pathway diagramming.

To M.S. Katie Budreski, for her land-cover classification at the pixel-level that made possible the model testing and validation in this dissertation.

To my sponsors, in chronological order, that provided funding to make possible my entry and progress in graduate school:

- The Roberto Pla Inchausti Foundation that provided me not only financial support, but also human values, English classes and a hunger for success
- Mexican National Council of Science and Technology (CONACYT) for its financial support during my masters and most of my PhD studies
- Dr. John O. Browder and his NSF funded project to study Rondônia, Brazil
- The Foreign Languages Department and the Urban Affairs and Planning Department for giving me the opportunity to teach courses
- Dean Dr. Karen DePauw, who sponsored me in the last stretch of my dissertation
- Dr. Janine Hiller, who gave me the opportunity to work in the Business Law Department
- To my dear friends that pitched in throughout my studies whenever I was in financial hardship

To the people that believed in me and encouraged me to pursue my academic path,

- Dr. Cruz, Dr. Ponce, Dr. Horta, Profr. Lupita, professors and administration of the *College of Interdisciplinary Studies in Biotechnology (UPIBI), of the National Polytechnic Institute* in Mexico City. I will always remember my *Alma Mater*.
- MS Jesus Reyes, *National Polytechnic Institute (IPN)*. Thanks for the TOEFL and GRE classes and the advice in my applications.
- Dr. Boland and Dr. Bouwer, my advisors in the MSE at The Johns Hopkins Univeristy. Thanks for your trust, advice and support.
- Dr. Alavi, Dr. Mann, thanks for trusting on me and encouraging me in hard times.
- Dr. Stone, Dr. Wolman, thanks for your support during my adaptation process
- Dr. Dunaway, I admire you and love you dearly. Thanks for being always there for me!

To my “technical” support team, which participation was key to keep me going during my graduate studies

- Cook counseling Center. Rita and Vicky, thanks for holding me in hard times and for helping me flourish
- Office of Students with Disabilities for their assistance and encouragement

Special mentions to *you*, my dearly loved friends, now spread all around the globe, for your support in all ways: emotional, professional, academic, financial and spiritual. I will thank you forever! I could write pages and pages and still be afraid I may be missing a name. Hope I will make it right; here we go.

- Mis hermanas y amigos de BATIZ; Eliza, Eli, Bal, Vero, Ale, Oly, Sandy, Ana, Nelly, Karina, Julio, Alfredo, Omar.
- Mis hermanas de UPIBI; Karo, Jess, Blanca, Lalo, Alecita, Nancy, Enrique.
- My friends from the *Fundacion Roberto Pla Inchausti*; Rosario F., Rosario A., Karina, Jany, Rosario R., Luis, Sra Esperanza.
- *Instituto Politecnico Nacional*; Carmen, Santa, Chantal.
- Enriqueta, Eva. I am lucky you were my bosses and now my friends!
- My friends from Johns Hopkins: Natalia, Pantea, Jorge, Amita, Michelle M., Sarah, Minori, Eilhan, Arjun, Michelle, Roopesh, Sanket, Isabel, Gris, Heron, Marta, John, Baiyang, Ming-Che, Izu, Javier, Rachel, John Astin, Marina, Julia, Elisa, Angela R., Monica, Con.
- My friends from Virginia Tech, MEXICANOS, LAIGSA; Rebecca, Amy, Marcela, Fabi, Ingrid, Raquel, Norma, Daniel, Martin, Socorro, Fernando, Nancy, Lida, David, Percy, Eric, Thomas, Hans, Shruti, Krista, Marcy, Heather, Siba, Liz, Maria, Bini, Wendy.
- The MADCAUS /EDP girls, Ceylan, Gisele, Tao, Elizabeth, Marilyn, Kristin, Sarah.
- My friends in Blacksburg; Eva, Diane, Pinar, Francoise, Andrea, Anna.

Special thanks to Ceylan O. and Elizabeth H. for dealing almost constantly with my PhD neurosis and for cheering me throughout the way.

Forever thanks to my wonderful, lovely and supportive family in Mexico and the USA. I miss you a lot! Thanks for enduring with me the graduate education process and the distance. Gracias a mi mamita Maria Cordova, mi hermanito Mario, mi hermano mayor Ruben, mi sobrinita Aura; gracias por apoyarme durante toda esta vida de estudio y por aguantar la distancia. Gracias a mi mami, madrina y amiga Helia, mi papi Fernando; ustedes me han guiado como a una hija. Mis primas Nayeli and Grisel, por estar al tanto de mis cosas aun con su agitada vida; y mis sobrinitos Axel and Dieguito por sus sonrisas. Thanks to all of you for your love and emotional support! I know you may complain for mentioning my furry babies, but you know how much I loved them and how much they help my everyday life. So, thanks to my furry babies Star, Queen, Tabby and Jolie. OK I did it; now they are officially part of the family!

Furthermost, thanks to God, for his infinite strength and unconditional love. He has walked by my side all my way, ready to hold me when I most needed. He never doubted even when I did. He showed me that instead of pushing or pulling my burdens I could roll them over him. He has given me the strength and hope, the opportunities and the skills to create my path in life. He has put *you* all in my path as my angels and I will always thank him for these blessings. Whenever events go against all probabilities, I know his energy is around. I will keep doing my part to show my gratitude to him and to *you*.

In memory of Reema Samaha and Jocelyne Couture, lovely, cheerful and strong women that left early. I always remember their smiles.

"Just when the caterpillar thought the world was over, it became a butterfly."

-anonymous

“Painting is never finished. It simply stops in interesting places”

Garner

I believe this applies to research as well,...

Garner, what was your dissertation on?

Shayna R. Nerit

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LIST OF MOST USED ACRONYMS

Acronym	Meaning
LC	Land cover
LCC	Land cover change
PF	Primary forest
SF	Secondary Forest
NF	Non forest
OT1	Owner type 1
OT2	Owner type 2
OT3	Owner type 3
PT1	Property type 1
FT 1	Farmer type 1
MUN	Município
AP	Alto Paraiso
NU	Nova União
RM	Rolim de Moura
OLS	Ordinary Least Square
LSDV	Least Square Dummy Variable
FGEM	Fixed Group Effects Model