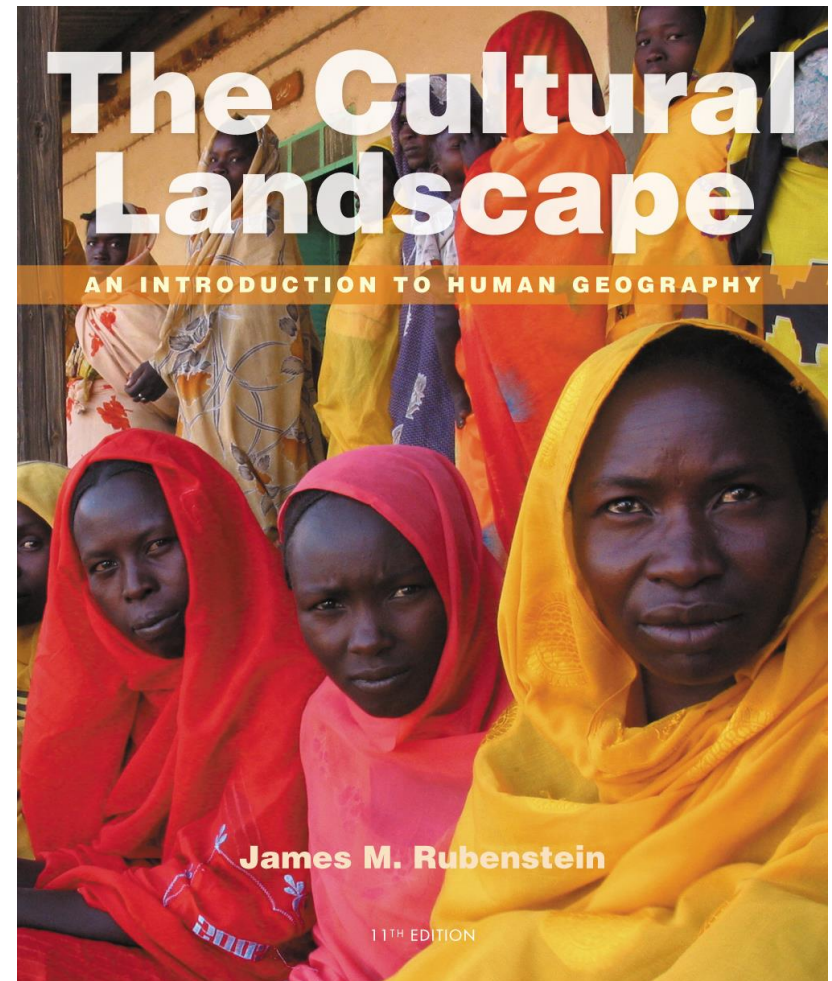


# The Cultural Landscape

Eleventh Edition

## Services and Settlements

Matthew Cartlidge  
University of Nebraska-Lincoln



# Key Issues

- Where are services distributed?
- Where are consumer services distributed?
- Where are business services distributed?
- Why do services cluster in settlements?

# Learning Outcomes

- 12.1.1: Describe the three types of services and changing numbers of types of jobs.
- 12.2.1: Explain the concepts of market area, range, and threshold.
- 12.2.2: Explain the distribution of different-sized settlements.
- 12.2.3: Explain how to use threshold and range to find the optimal location for a service.
- 12.2.4: Understand the role of periodic markets in the provision of services in developing countries.

# Learning Outcomes

- 12.3.1: Describe the factors that are used to identify global cities.
- 12.3.2: Explain the two types of business services in developing countries.
- 12.3.3: Explain the concept of economic base.
- 12.4.1: Describe the difference between clustered and dispersed rural settlements.
- 12.4.2: Explain the types of services in early settlements.

# Learning Outcomes

- 12.4.3: Identify important prehistoric, ancient, and medieval urban settlements.
- 12.4.4: Explain the two dimensions of urbanization.

# Where Are Services Distributed?

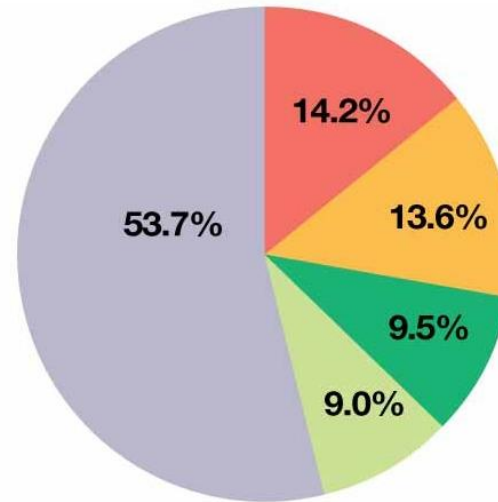
- Three Types of Services

1. Consumer Services

- Principal purpose is to provide services to individual consumers who desire them and can afford to pay for them.
- Constitutes nearly  $\frac{1}{2}$  of all jobs in the U.S.
- Subdivided into four main types of consumer services:
  1. Retail and Wholesale Services
  2. Education Services
  3. Health and Social Services
  4. Leisure and Hospitality

### Consumer Services

- Retail & Wholesale
- Health & social
- Education
- Leisure & hospitality
- Other U.S. jobs



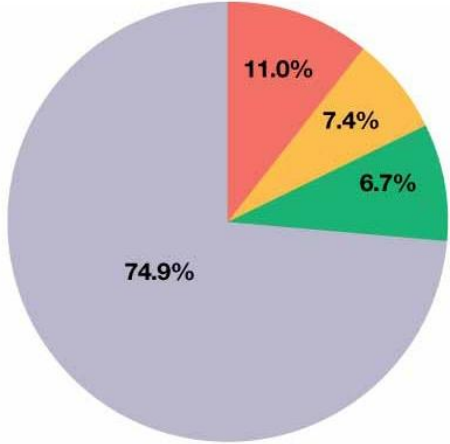
# Where Are Services Distributed?

- Three Types of Services

- 2. Business Services

- Principal purpose is to facilitate other businesses.
    - Constitutes  $\frac{1}{4}$  of all jobs in the U.S.
    - Subdivided into three main types of business services:
      1. Professional Services
      2. Financial Services
      3. Transportation Services








# Where Are Services Distributed?

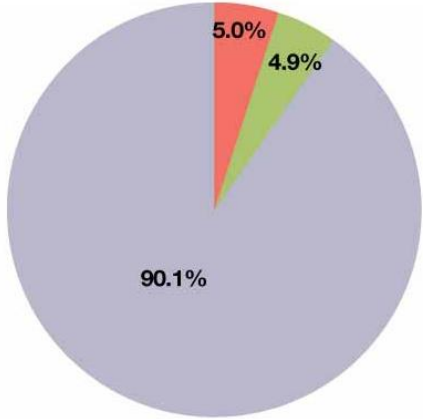
- Three Types of Services

- 3. Public Services

- Purpose is to provide security and protection for citizens and businesses.
    - Constitutes about 5% of all jobs in the U.S.
      - Workers divided among various levels of government.
        - » Federal Government: 1/6 of public sector employees
        - » State Government: 1/4 of public sector employees
        - » Local Government: 3/5 of public sector employees

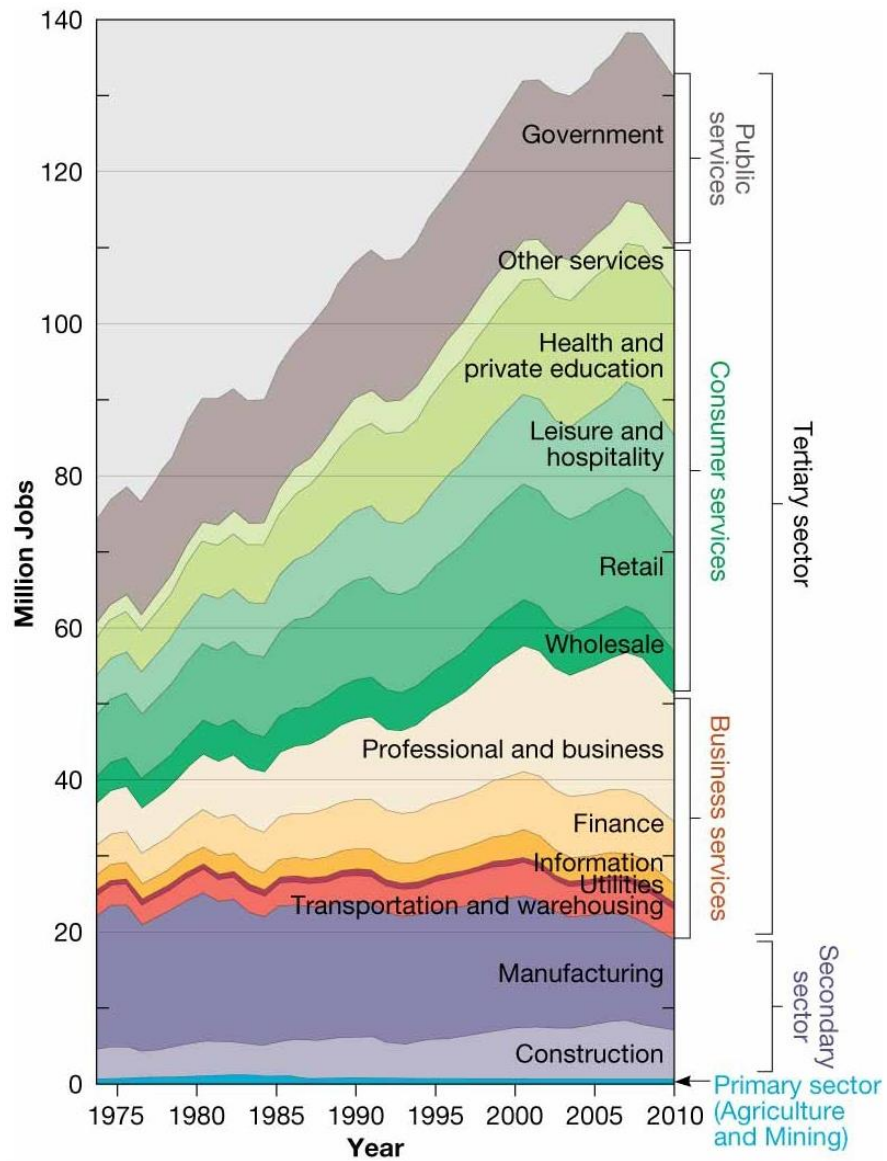
**Public Services**

	Government workers
	Other services
	Other U.S. Jobs



# Where Are Services Distributed?

- **Rising and Falling Service Employment**
  - Service sector of the economy has seen nearly all the growth in employment worldwide.
  - Service sector has also been most negatively impacted by the recession.
- **Change in Number of Employees**
  - Within business services, jobs expanded most rapidly in professional services e.g. engineering, management, and law.
  - Within consumer services, fastest increase has been in provision of health care.



# Where Are Consumer Services Distributed?

- Geographers use *central place theory* to help explain why consumers services follow a regular pattern based on size of settlements, with larger settlements offering not only more consumer services but also more specialized ones.
  - Geographer Walter Christaller proposed the concept of a a central place in the 1930s.

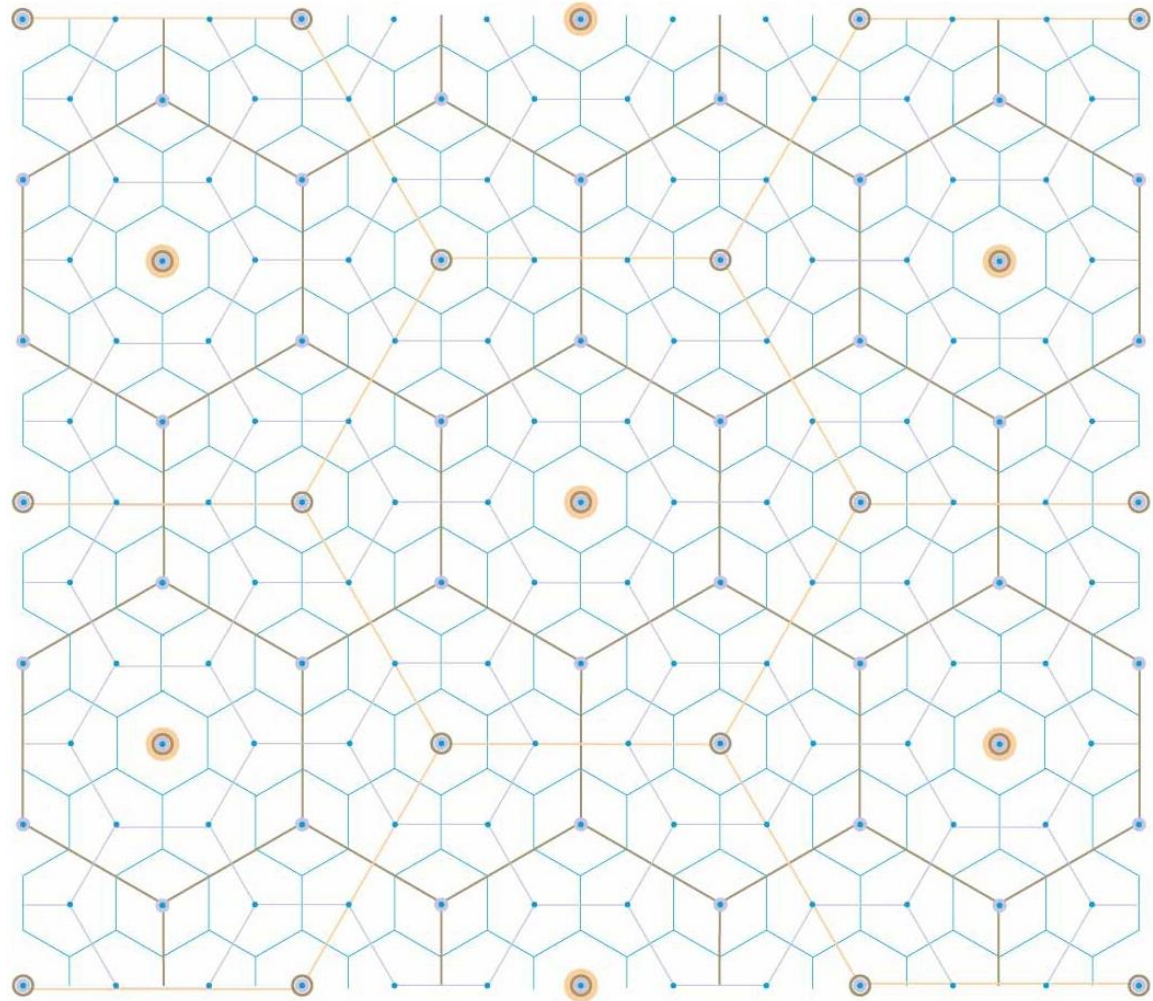
# Where Are Consumer Services Distributed?

- Market Area of A Service
  - A *central place* is a market center for the exchange of goods and services by people attracted from the surrounding area.
    - Its is centrally located to maximize accessibility.
  - A *market area*, or *hinterland*, is the area surrounding a service from which customers are attracted.

# Where Are Consumer Services Distributed?

- Range and Threshold of a Market Area
  - The *range* of a service is the maximum distance people are willing to travel to use it.
    - People travel short distances for everyday services. e.g. groceries and movie rentals
    - People travel greater distances for services offered exclusively in specific places. e.g. concerts and professional sporting events
  - The *threshold* of a service is the minimum number of people needed to support the service.
    - Service providers determine the suitability of a service center by overlaying the range of potential customers to its threshold.





# Where Are Consumer Services Distributed?

- Hierarchy of Consumer Services
  - Only consumer services that have small thresholds, short ranges, and small market areas are found in small settlement.
  - Larger settlements provide consumer services that have larger thresholds, ranges, and market areas.
  - Developed countries have numerous small settlements with small thresholds and ranges and far fewer large settlements with large thresholds and ranges.

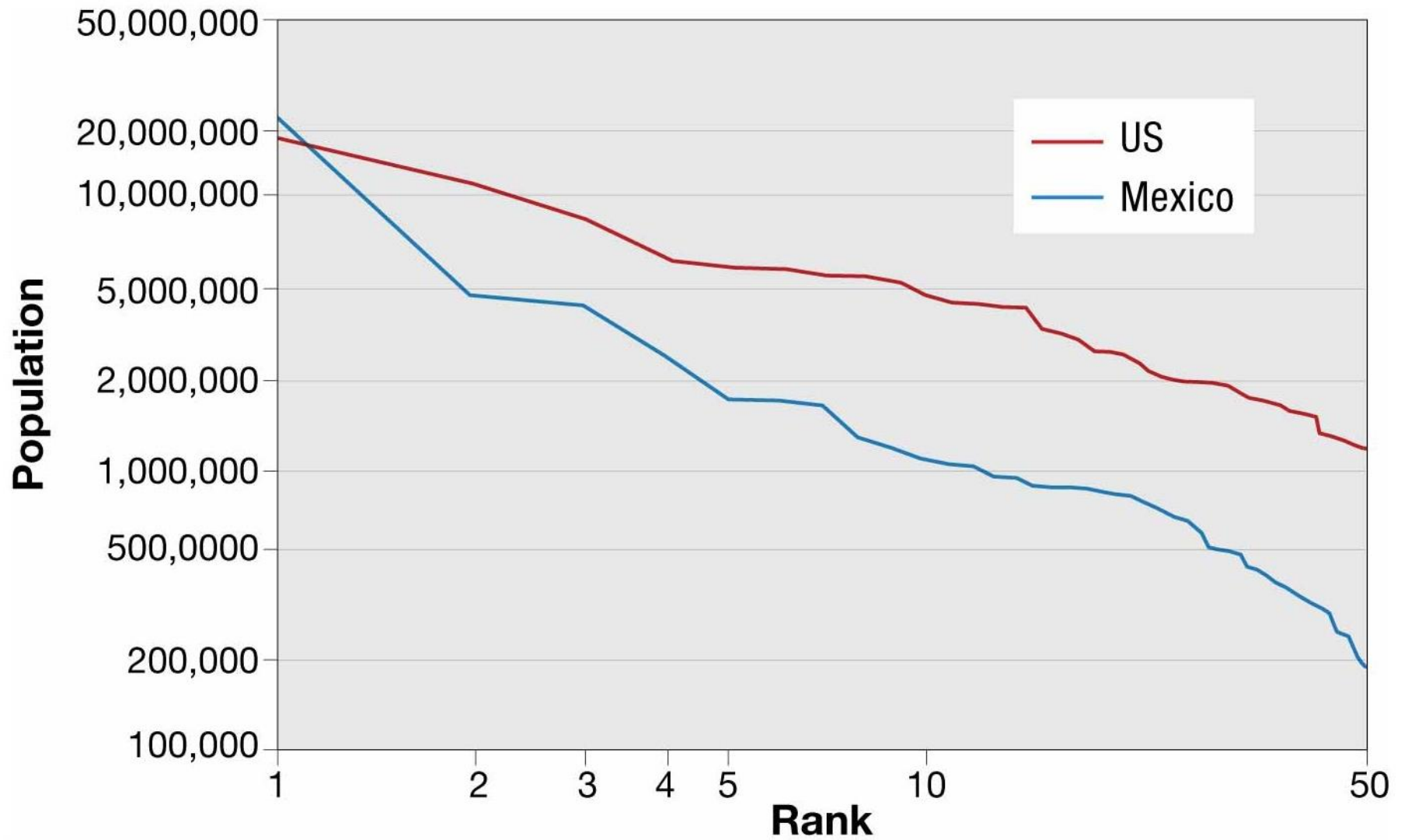
# Where Are Consumer Services Distributed?

- Nesting of Services and Settlements
  - Central place theory posits that market areas across a developed country would be shaped as a series of hexagons of various sizes, unless interrupted by physical features.
  - Four different levels of market area exist:
    1. Hamlet (smallest)
    2. Village
    3. Town
    4. City (largest)



# Where Are Consumer Services Distributed?

- Rank-Size Distribution of Settlements
  - Ranking settlements from largest to smallest in many developed countries produces a regular pattern or hierarchy.
  - *Rank-size rule* states that the country's  $n$ th-largest settlement is  $1/n$  the population of the largest settlement.
    - Plotting populations on logarithmic paper produces a straight line.
  - Exceptions include the presence of a *primate city*- a city more than twice the population of the second-ranking settlement.



# Where Are Consumer Services Distributed?

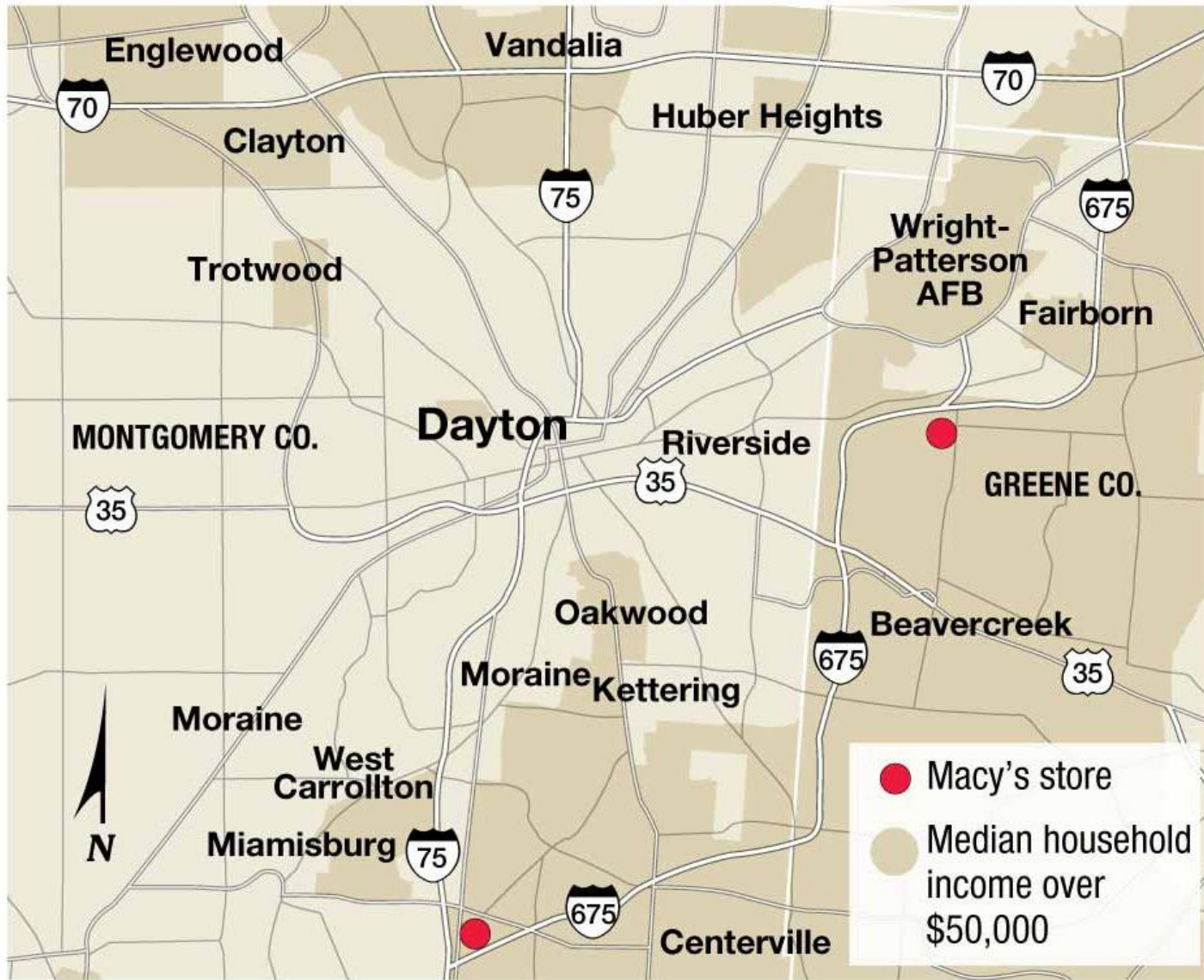
- **Market Area Analysis**

- Service providers believe that the location of a business is the most important factor to its profitability.
- Steps to Determine Profitability of a Location
  1. Compute the Range
    - Survey local residents about willingness to travel a specific amount of time to the potential site of a new store.
  2. Compute the Threshold
    - Identify how many patrons are needed to meet expenses.
  3. Draw the Market Area
    - Draw the range around potential location of new store, then identify whether or not the threshold is met within that radius.

# Where Are Consumer Services Distributed?

- Market Area Analysis
  - The *gravity model* predicts that the optimal location of a service is directly related to the number of people in the area and inversely related the distance people must travel to access it.
    - Essentially, the best location will be the one that minimizes travel for all potential customers.



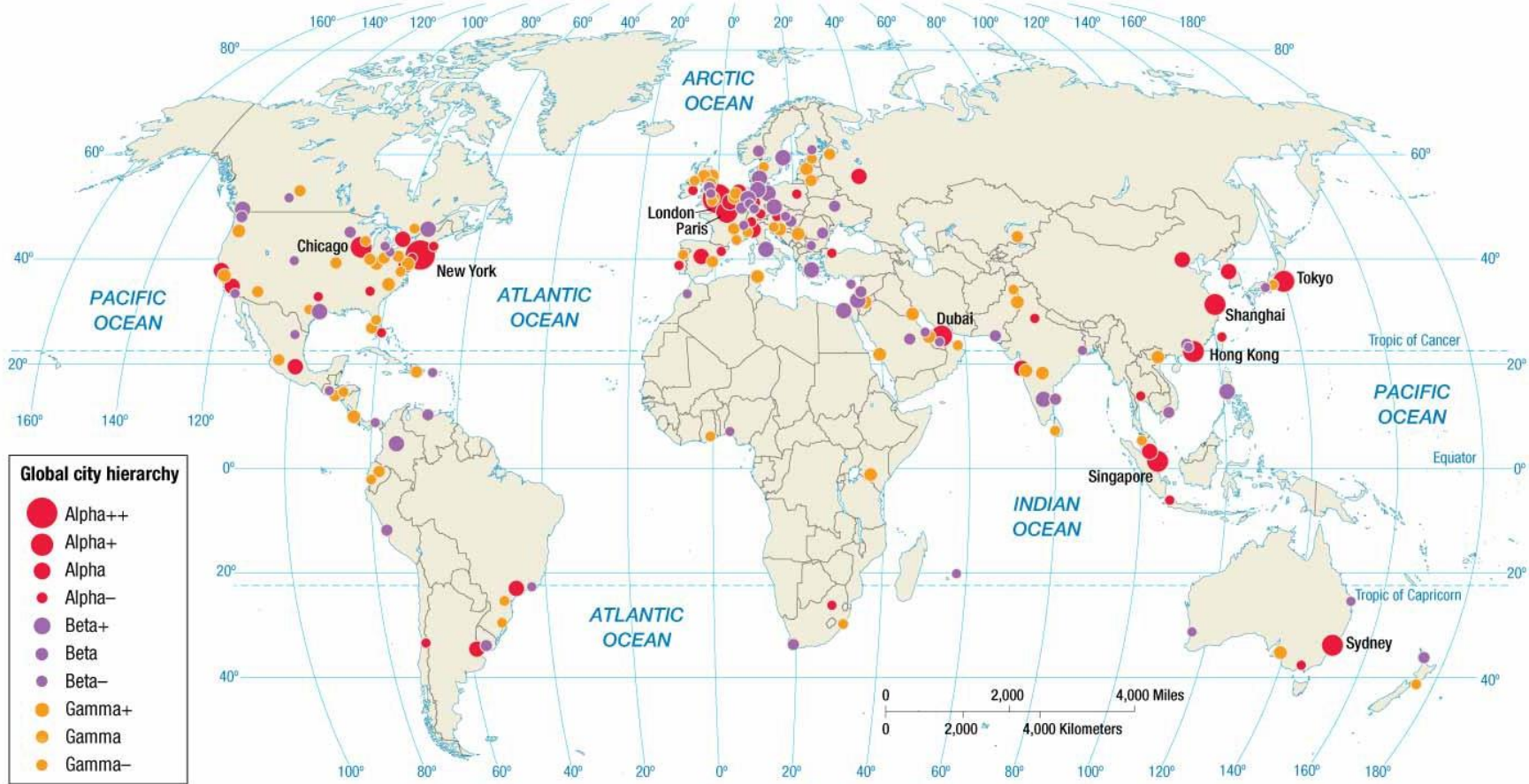


# Where Are Business Services Distributed?

- Hierarchy of Business Services
  - All urban settlements provide consumer services, but not every settlement of a given size has the same number and types of business services.
  - Urban settlements tend to specialize in one or a few specific business services.
  - Geographers distinguish four levels of urban settlements according to their importance as business services providers.

# Where Are Business Services Distributed?

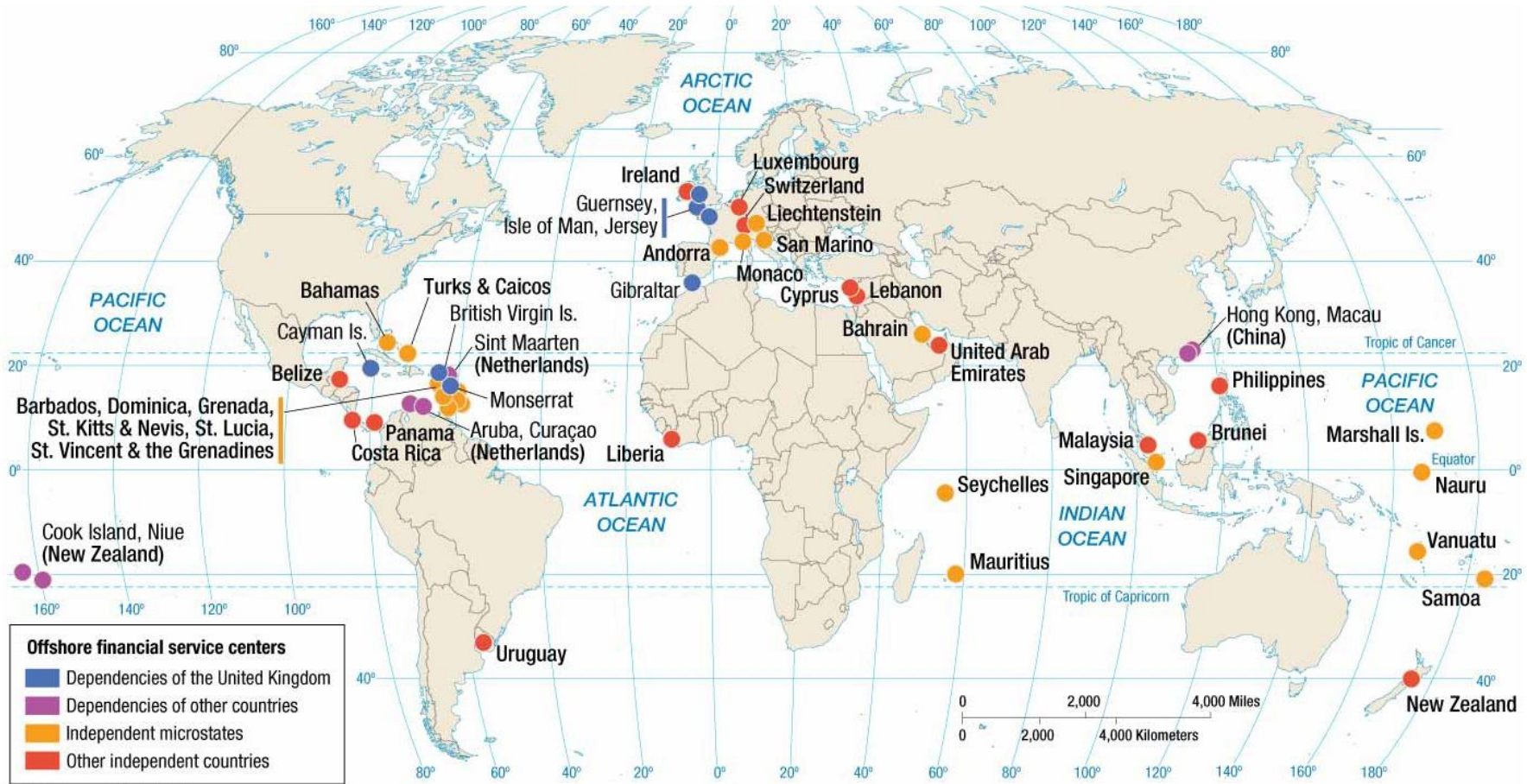
- Hierarchy of Business Services
  - Business Services in Global Cities
    - *Global cities or world cities* are at the top of the urban settlement hierarchy.
      - Center of the flow of information and capital in the global economy.
      - Location of countless large corporations' headquarters.
      - Global cities area divided into three levels: alpha, beta, and gamma, which, in turn, are further subdivided based on economic, political, cultural, and infrastructure factors.
        - » Examples – alpha++ (New York) and alpha+ (Chicago)





# Where Are Business Services Distributed?

- **Business Services in Developing Countries**
  - Some businesses locate in developing countries, because they tend to offer supportive laws, weak regulations, and low-wage workers.
  - Primarily there are two main types of business services offered in developing countries.
    1. **Offshore Financial Services**
      - Taxes
        - » Tax breaks include little to no taxes on income, profits, and capital gains.
      - Privacy
        - » Bank secrecy laws can help individuals and businesses evade disclosure in their home countries.



# Where Are Business Services Distributed?

- **Business Services in Developing Countries**
  - Primarily there are two main types of business services offered in developing countries cont'd.
    2. **Business-Processing Outsourcing**
      - *Back-office* functions, such as insurance claims processing, payroll management, transcription work, and other routine clerical activities, can be performed at a lower cost, if they are performed by workers in developing countries.
        - » Developing countries with a large labor force fluent in English are relatively more attractive to firms seeking a place to outsource some of their routine work.



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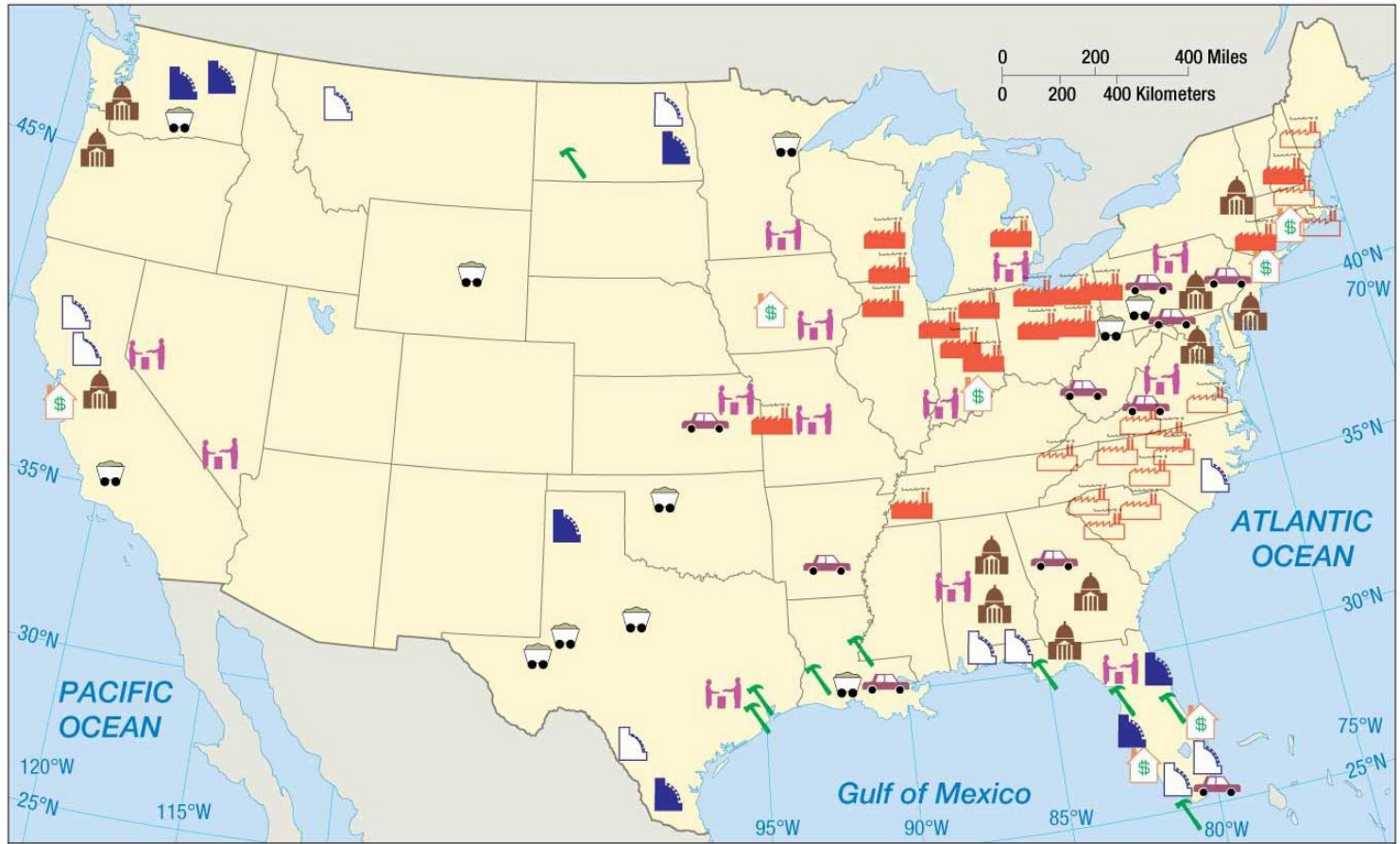
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# Where Are Business Services Distributed?

- Economic Base of Settlements
  - A settlement's distinctive economic structure derives from its *basic industries*, which export primarily to consumers outside the settlement.
  - *Nonbasic industries* are enterprises whose customers live in the same community-essentially, consumer services.
  - A community's unique collection of basic industries defines its *economic base*.
    - Economic base of a postindustrial society, such as the U.S., are in business, consumer, or public services.
      - Ex. Computing and data processing services: Boston



**Primary sector**

 Mining

**Secondary sector**

 Construction  
 Manufacturing—durable goods  
 Manufacturing—nondurable goods

**Consumer services**

 Retail trade  
 Wholesale trade  
 Personal services

**Business services**

 Finance, insurance, real estate  
 Transportation, communication, and public utilities

**Public services**

 Public services

# Why Do Services Cluster in Settlements?

- Services in Rural Settlements

- Rural settlements tend to take one of two forms.

1. *A clustered rural settlement* is an agricultural-based community in which a number of families live in close proximity to each other, with fields surrounding the collection of houses and farm buildings.
  - Typically include homes, barns, tool sheds, and consumer services, such as religious structures, schools, and shops.
2. *A dispersed rural settlement*, typical of the North American rural landscape, is characterized by farmers living on individual farms isolated from neighbors.





# Why Do Services Cluster in Settlements?

- Services in Rural Settlements
  - Services in Early Settlements
    - Early Consumer Services
      - Places to bury the dead
      - Religious leaders stationed at burial sites to perform service of saying prayers for the deceased.
        - » Likely encouraged the building of more permanent structures for ceremonies and dwellings.
      - Manufacturing centers
    - Early Public Services
      - Primarily tasked with offering protection to everyone in the settlement.
        - » Walls built around settlements for protection.
        - » Defenders (soldiers)

# Why Do Services Cluster in Settlements?

- Services in Rural Settlements
  - Services in Early Settlements (cont'd)
    - Early Business Services
      - Settlement served as a neutral ground where several groups could safely come together to trade goods and services.
      - Officials in the settlement provided producer services.
        - » Regulating the terms of transactions
        - » Setting fair prices
        - » Keeping records
        - » Creating a currency system



# Why Do Services Cluster in Settlements?

- Urbanization
  - Earliest Urban Settlements
    - Prehistoric Urban Settlements
      - Earliest urban settlements were probably in the Fertile Crescent of Southwest Asia and North Africa.
      - Among the oldest is Ur in Mesopotamia (present-day Iraq)



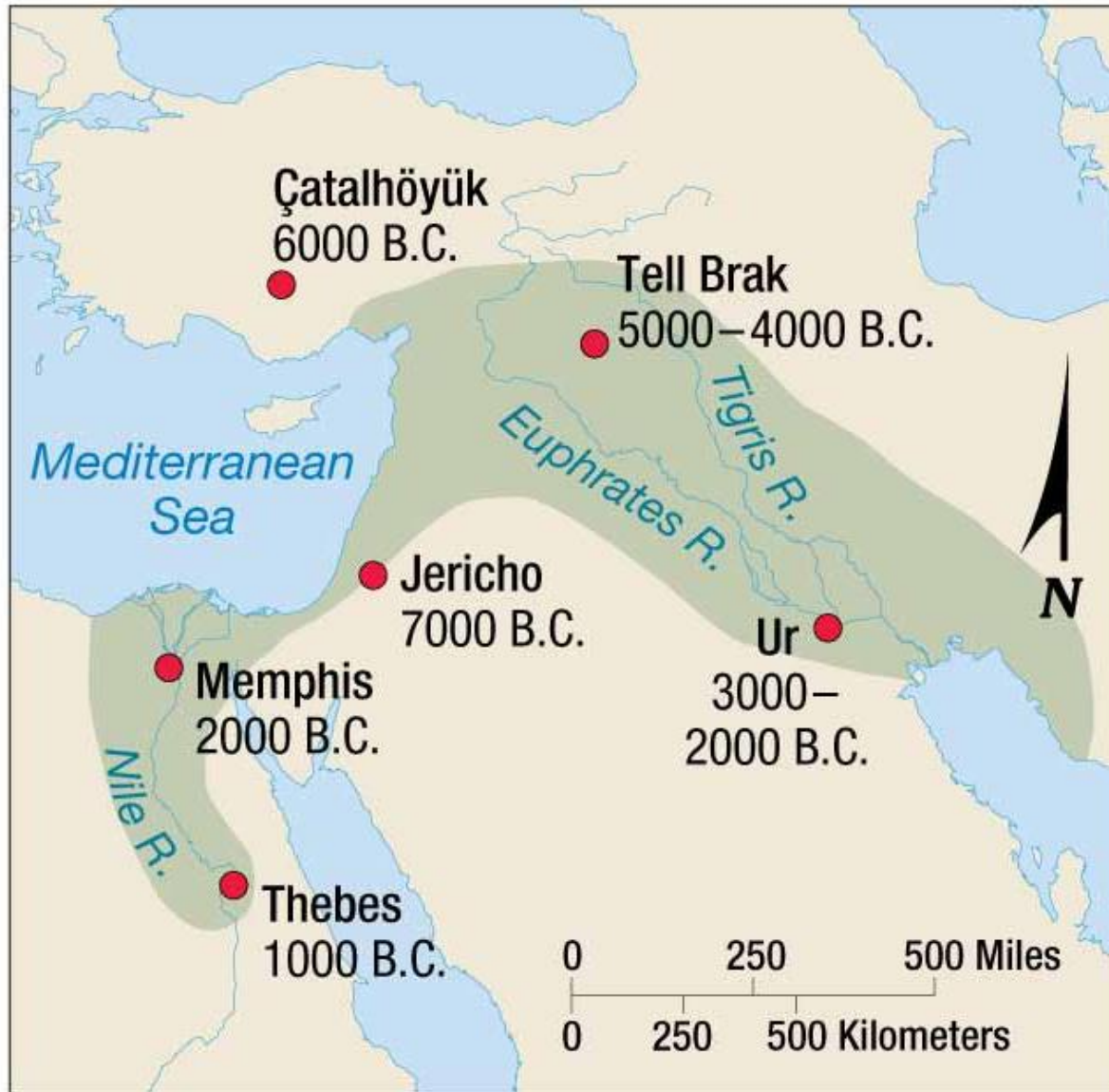
# Why Do Services Cluster in Settlements?

- Urbanization

- Earliest Urban Settlements Cont'd.

- Ancient Urban Settlements

- Settlements first established in eastern Mediterranean about 2,500 B.C.
        - » Knossos (on the island of Crete)
        - » Troy (in Asia Minor- [Turkey])
        - » Mycenae (in Greece)
      - Aforementioned urban settlements were primarily trading centers and organized into *city-states*- independent self-governing communities that included the settlement and nearby countryside.
        - » Athens was the largest city-state in Greece
        - » Rome was believed to have grown to a population between 250,000 and 1 million.



# Why Do Services Cluster in Settlements?

- Urbanization

- Earliest Urban Settlements Cont'd.

- Medieval Urban Settlements

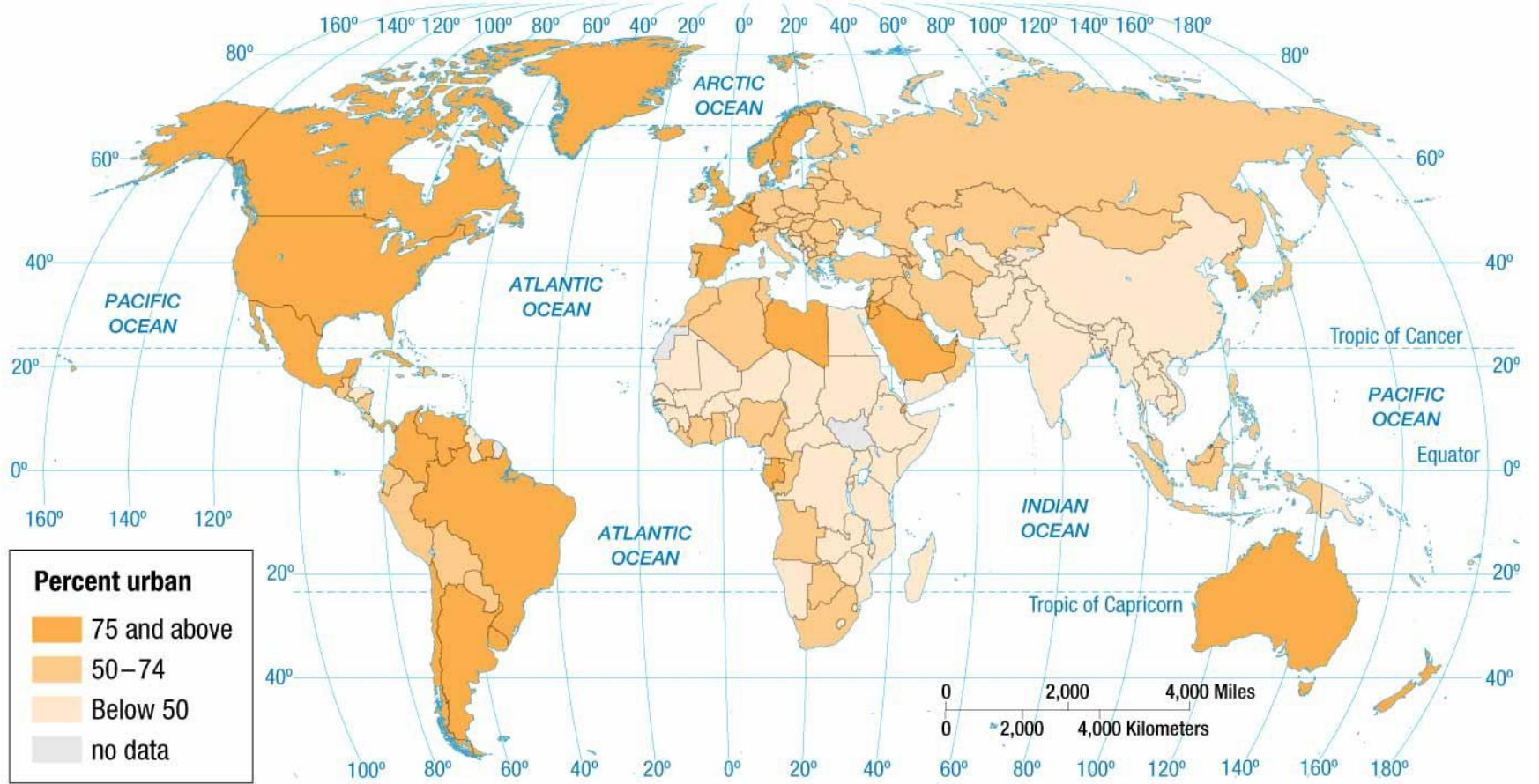
- Dense network of small market towns serving the needs of particular lords covered much of Europe.
      - Largest medieval European settlements served as power centers for the lords, church leaders, and as major market centers.
      - Tallest and most elaborate structures were usually churches.
      - Usually surrounded by walls.

# Why Do Services Cluster in Settlements?

- Urbanization

- Rapid Growth of Urban Settlements

- The process by which the population of urban settlements grows, known as *urbanization*, has two dimensions.
      1. An increase in the *number* of people living in urban settlements.
        - » Developing countries have 8 of the 10 most populous cities.
      2. An increase in the *percentage* of people living in urban settlements.
        - » Percentage of people living in the urban settlements has increased from 3% in 1800 to 6% in 1850, 14% in 1900, 30% in 1950, and 47% in 2000.
        - » Developed Countries:  $\frac{3}{4}$  of population is urbanized.
        - » Developing Countries:  $\frac{2}{5}$  of population is urbanized.







# Summary

- Most jobs are in the service sector, especially in developed countries.
- Consumer services generally follow a regular pattern, based on size of settlements.
- Business services disproportionately cluster in a handful of urban settlements.
- Services cluster in both rural and urban settlements as a function of market areas, ranges, and thresholds, which are integral to central place theory.