Name _____

Date _____ Period_____ Score_____/23

(1/2 pt. each)

Chapter

12 Services and Settlements

KEY ISSUE 1

Where Are Services Distributed?

In MDCs most workers are employed in the tertiary sector of the economy, which is the provision of goods and services. There is a close relationship between services and settlements; most services are clustered in settlements. They are also clustered in MDCs because that is where people are more likely to be able to buy services, rather than LDCs. Within MDCs business services locate in large settlements which are also the key markets.

Learning Outcome 12.1.1: Describe the three types of services and changing numbers of types of jobs.

Three types of services are consumer, business, and public. Jobs are growing in the service sector rather than in agriculture and industry.

In North America, three-quarters of employees work in the service sector. There are three types of services: consumer services, business services, and public services.

Consumer services provide services to individual consumers and include retail services and personal services. Retail and wholesale services include about 15% of all jobs in the United States and provide goods for sale to consumers. Other consumer services include education services, health services, and leisure and hospitality services.

Business services help other businesses and include financial services, professional services, transportation and information services; they diffuse and distribute services.

Public services which include governmental services at various levels provide security and protection for citizens and businesses.

All the growth in employment in the United States between 1972 and 2010 has been in the service sector, as employment in primary and secondary sector activities has declined. Within business services, jobs expanded most rapidly in professional services. The most rapid increase within consumer services has been in the provision of health care. There have been other large increases in education, entertainment, and recreation.

Settlements probably originated to provide consumer and public services. Business services came later.

There have been major urban settlements in different parts of the world since ancient times, including Mesopotamia, Greece, and Rome. In ancient Greece **city-states** such as Athens and Sparta,emerged. These included the city and surrounding countryside or hinterland. Athens made major contributions to the development of culture, philosophy, and other elements of Western civilization. This shows that urban settlements have been distinguished from rural ones not only by public services but also by a concentration of consumer services, especially cultural activities. Cities in the Roman world, especially Rome, were important centers of administration, trade, culture, and a host of other services.

KEY ISSUE 2

Where Are Consumer Services Distributed?

Learning Outcome 12.2.1: Explain the concepts of market area, range, and threshold.

The market area is the area surrounding a service from which customers are attracted. The range is the maximum distance people are willing to travel to use a service. The threshold is the minimum number of people needed to support a service.

Learning Outcome 12.2.2: Explain the distribution of different sized settlements

Larger settlements provide consumer services that have larger thresholds, ranges, and market areas. In many developed countries, settlements follow a regular hierarchy.

Learning Outcome 12.2.3: Explain how to use threshold and range to find the optimal location for a service.

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 to the distance people must travel to access it.

Consumer services are generally provided in a regular pattern based on size of settlements, with larger settlements offering more than smaller ones.

Central place theory provides a framework for looking at the relationship between settlements of different sizes, especially their ability to provide various goods and services. It was developed by Walter Christaller in the 1930s, and was based on his studies of settlement patterns in southern Germany. A service will have a **market area** or **hinterland** of potential customers. Each urban settlement will have a market area, assuming that people will get services from the nearest settlement. The **range** is the maximum distance that people are willing to travel for a service, and the **threshold** is the minimum number of people needed to support a service. Retailers and other service providers will use these concepts to analyze the potential market-area. Determining the profitability of a location and optimal location within a market is called **market-area analysis**. Services and settlements are hierarchical, and larger settlements will provide consumer services that have larger thresholds, ranges, and market areas than smaller settlements. Central place theory shows market areas in MDCs as a series of hexagons of various sizes. Christaller identifies four different levels of market area and seven different settlement sizes. Since this is a theory, he made certain assumptions that may or may not be true in reality, such as equal ease of transportation in all directions, and that people would always get a service from the nearest available market.

The **gravity model** predicts that the best location for a service is directly related to the number of people in the area and inversely related to the distance that people must travel for it. A place with more people will have more potential customers, and people who are further away from a service are less likely to use it.

Geographers have observed that, in many MDCs, there is sometimes a regular hierarchy of settlements from largest to smallest. This is the **rank size rule**, where a country's *n*th-largest settlement is 1/*n*th the population of the largest settlement. So the second largest city would be half the size of the largest. The hierarchy of towns and cities in the United States follows the rank size rule fairly well, which shows that goods and services are provided to consumers at many levels throughout the country. Many LDCs as well as some European countries follow the **primate city rule** rather than the rank size rule. A

primate city is much larger and more important than any other city in that country. This is true of Buenos Aires, Argentina, and Copenhagen, Denmark.

In settlements at the lower end of the central place hierarchy, **periodic markets** may be set up. These are collections of individual vendors who offer goods and services in a specific location one of two times a week. They exist all over the globe.

Key Issues Revisited

Where Are Business Services Distributed?

Learning Outcome 12.3.1: Describe the four levels of settlements, based on their business services.

Global cities (or world cities) are the centers of the global flows of information and capital.
Below global cities are three other tiers of urban settlements, offering varying types of business services.

Learning Outcome 12.3.2: Explain the two types of business services in developing countries.

Some small countries offer offshore financial services, which attract investors because of low taxes and extreme privacy. Developing countries also specialize in back-office operations, also called business-processing outsourcing.

Learning Outcome 12.3.3: Explain the concept of economic base.

Basic industries export primarily to consumers outside the settlement; they are the principal source of growth and wealth for a settlement. Some settlements attract a disproportionate share of talented individuals.

Modern world cities offer business services especially financial services. They also have retail services with huge market areas, such as leisure and cultural services of national importance. London presents more plays than the rest of Britain combined. World cities are also centers of national and international power. New York is the headquarters of the United Nations, and Brussels is one of the headquarters cities of the European Union.

Geographers have identified four levels of cities. These are global or world cities, command and control centers, specialized producer-service centers, and dependent centers. London, New York, and Tokyo are at the top of the hierarchy of world cities and are considered Alpha ++ cities because they provide many services in the global economy. Global cities are divided according to their economic, political, cultural, and infrastructural factors using the levels alpha, beta, and gamma. There are also second and third tier world cities. Some major corporations and banks have their headquarters in second tier or major world cities. Third tier world cities are called secondary world cities.

Command and control centers contain the headquarters of large corporations, and concentrations of a variety of business services. There are regional centers like Atlanta and Boston, and subregional centers such as Charlotte and Des Moines.

Specialized producer-service centers have management, and research and development activities associated with specific industries. Detroit is a specialized producer-service center specializing in motor vehicles.

As the term suggests, dependent centers depend on decisions made in world cities for their economic wellbeing. They provide relatively unskilled jobs. San Diego is an industrial and military dependent center.

In the global economy, LDCs specialize in two distinctive types of business services—**offshore financial services** and **back-office functions.** Small countries, often islands and microstates, offer offshore financial services. These offshore centers provide tax havens for companies and privacy from disclosure. Back-office functions include processing insurance claims, payroll management, transcription work, and other routine clerical work. Some LDCs have attracted back offices because of low wages and the ability to speak English.

Basic industries are exported mainly to consumers outside a settlement and constitute that community's **economic base.** These industries employ a large percentage of a community's workforce. **Nonbasic industries** are usually consumed within that community. The growth of a community's economy that results from its basic and nonbasic industries is called the **multiplier effect.** Basic industries are vital to the economic health of a settlement. The concept of basic industries originally referred to the secondary sector of the economy, such as manufacturing but in a **postindustrial society** such as the United States, they are now more likely to be in the service sector of the economy.

KEY ISSUE 4

Why Do Services Cluster in Settlements?

Learning Outcome 12.4.1: Describe the difference between clustered and dispersed rural settlements.

A clustered rural settlement is an agricultural-based settlement in which houses are close together. A dispersed rural settlement has isolated individual farms.

Learning Outcome 12.4.2: Explain the types of services in early settlements.

The earliest settlements provided consumer services, especially as places to bury and honor the dead. Early settlements were also places of education and production of tools. Early public services included governance and protection of dependents.

Learning Outcome 12.4.3: Identify important prehistoric, ancient, and medieval urban settlements.

Urban settlements may have originated in Southwest Asia, or they may have originated in multiple hearths. Few people lived in urban settlements until modern times.

Learning Outcome 12.4.4: Explain the two dimensions of urbanization.

Urbanization involves an increase in the percentage of people living in urban settlements. Developed countries have higher percentages of urban residents than do developing countries. Urbanization also involves an increase in size of settlements. Most very large settlements are in developing countries.

A large percentage of the world's population still practice agriculture and live in rural settlements. In **clustered rural settlements**, families live to close to one another and fields surround houses and farm buildings. In **dispersed rural settlements**, farmers live on individual farms and are more isolated from their neighbors.

Circular rural settlements consist of a central open space surrounded by buildings. The medieval German Gewandorf settlements and East African Masai villages are examples of circular settlements. Linear rural settlements are clustered along transportation like roads or rivers. In North America most linear settlements can be traced to the original French longlot or seigneurial pattern.

Dispersed rural settlements are associated with more recent agricultural settlements in the developed world. In some European countries clustered patterns were converted to dispersed settlements. The rural **enclosure movement** that accompanied the Industrial Revolution in Britain is a good example of

this transition. It provided greater efficiency in an agricultural world that relied on fewer farmers.

Urbanization is the process by which the population of cities grows, both in *numbers* and *percentage*. Today in MDCs, about three-fourths of the people live in urban areas, compared to about two-fifths in LDCs, although urbanization in Latin America is comparable to MDCs. In MDCs the process of urbanization that began around 1800 has largely ended, because the percentage living in urban areas cannot increase much more. The percentage living in cities in LDCs in recent years has increased because of rural to urban migration. Eight of the 10 most populous cities in the world are currently in LDCs.

The population of urban settlements exceeded that of rural settlements for the first time in human history in 2008. In the 1930s Louis Wirth observed major differences between urban and rural residents. He defined a **city** as a permanent settlement that has three characteristics—large size, high population, and socially heterogeneous people. In the urban world most relationships are contractual and employment is more highly specialized than in rural settlements. In MDCs social distinctions between urban and rural residents has become more blurred than in LDCs because nearly everyone in an MDC is now urban.

Key Issue Revisited

12.4. Who do services cluster in settlements?

- Financial, professional, and other business services cluster disproportionately in large world cities to support the operations of major corporations

- World cities also play major consumer and public service functions

Review Questions

12.4.1. The French long-lot system is an example of a

A. circular rural settlement.

B. linear rural settlement.

C. city structure outside North America.

D. colonial city.

E. dispersed service settlement.

AP Human Geography
Mr. Grenz
Services & Settlements – Chapter 12
12.1-12.4 Review Questions
(Use of the textbook may be necessary to answer some questions)

Name _____

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1. In developed countries, where are most workers employed within the economy?

2. Where are **TWO** places where services are clustered?

    a.

    b.

3. In North America_____ of employees work in the _____ sector.

4. Define: **Consumer Services** –

5. List **TWO** examples of consumer service jobs:

6. Define: **Business Services** –

7. Define: **Public Services** –

8. In what sector has all the growth in employment in the US between 1972 and 2010 been?

9. What is a city-state and what do ancient city states show about urban settlements?

10. Review Question 12.1.1 In developing nations less than_____ of the people work in service industries
    A. 50%
    B. 25%
    C. 75%
    D. 10%
    E. more than 75%

11. Review Question 12.1.2 What part of the consumer service industry has not seen an increase in the number of jobs?

        A. education
        B. health care
        C. government
        D. retail
        E. entertainment

12. Define: **Central Place Theory** –

13. What is a "market area" or "hinterland"?

14. Define: **Range** –

15. Define: **Threshold** –

16. Determining the profitability of a location and optimal location within a market is called what?

17. What were **TWO** assumptions Christaller made when creating the Central Place Theory?

    a.

    b.

18. What does the **Gravity Model** predict?

19. Define: **Rank Size Rule** –

20. What is a **primate city**?

21. What are periodic markets?

22. Review Question 12.2.1 A market area is a good example of a
     A. vernacular region
     B. formal region
     C. hierarchical region
     D. functional region
     E. sphere of influence

23. Review Question 12.2.2 When plotted on a logarithmetic paper, states whose cities follow the rank size rule will show cities in a
     A. hexagonal shape
     B. circular shape
     C. square shape
     D. triangular shape
     E. straight line

24. Modern world cities offer _____ services especially _____ services. They also have

_____

services with huge market areas.

25. What are the **FOUR** levels of cities that geographers have identified?

    a.

    b.

    c.

    d.

26. What **THREE** cities are at the top of the hierarchy of world cities?

27. Global cities are divided according to their _____, _____, _____, & _____
factors

using the levels _____, _____, and _____.

28. What **TWO** things do command and control centers contain?

   a.

   b.

29. In the global economy, LDCs specialize in what **TWO** distinctive types of business services?
   a.

   b.

30. Why have some LDCs attracted back offices? (**2 reasons**)

31. What is the difference between <u>basic</u> and <u>nonbasic</u> industries?

32. The growth of a community's economy that results from its basic and nonbasic industries is called the

   _____.

33. Review Question 12.3.1 Global cities typically offer
   A. nightclubs
   B. theaters
   C. libraries
   D. sporting events
   E. all of the above

34. Review Question 12.3.2 An example of a back-office function would be
   A. performing dental work
   B. performing orthopedic surgery
   C. processing insurance claims
   D. providing family planning
   E. teaching English as a second language

35. A large percentage of the world's population still practice _____ and live in _____ settlements.

36. What is the difference between clustered rural settlements and dispersed rural settlements?

   <u>Clustered</u> –

   <u>Dispersed</u> –

37. What is the difference between circular rural settlements and linear rural settlements?

    <u>Circular</u> –

    <u>Linear</u> –

38. Define: **<u>Urbanization</u>** –

39. In MDCs, about _____ of the people live in urban areas, compared to about _____ in LDCs.

40. Why has the percentage of people living in cities in LDCs increased in recent years?

41. _____ of _____ of the most populous cities in the world are currently in LDCs.

42. When did the population of urban settlements exceed that of rural settlements for the first time in human history?

43. Define: **<u>City</u>** –

44. What are the **<u>THREE</u>** characteristics of a city?

45. Review Question 12.4.1 The French long-lot system is an example of a
    A. circular rural settlement
    B. linear rural settlement
    C. city structure outside North America
    D. colonial city
    E. dispersed service settlement

46. Review Question 12.4.2 For the past 1000 years the largest cities have been in
    A. France
    B. Russia
    C. China
    D. Iraq
    E. Egypt