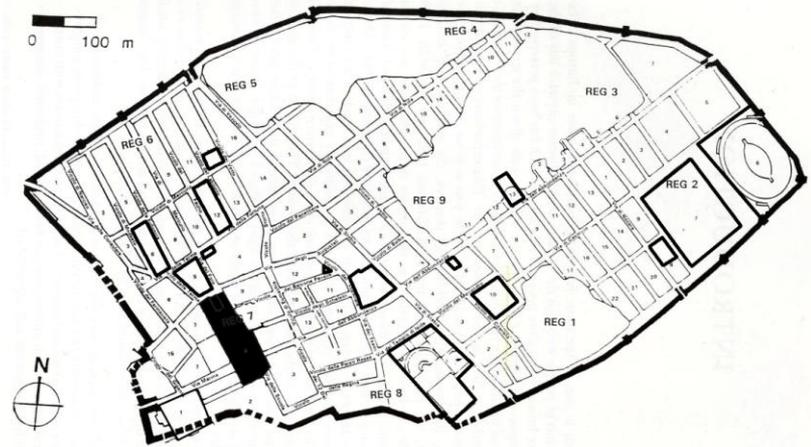


Business Services and Settlements

- World cities
 - Ancient world cities
 - Medieval world cities
 - Modern world cities
- Hierarchy of business services
 - World cities
 - Command and control centers
 - Specialized producer-service centers
 - Dependent centers
- Economic base of settlements

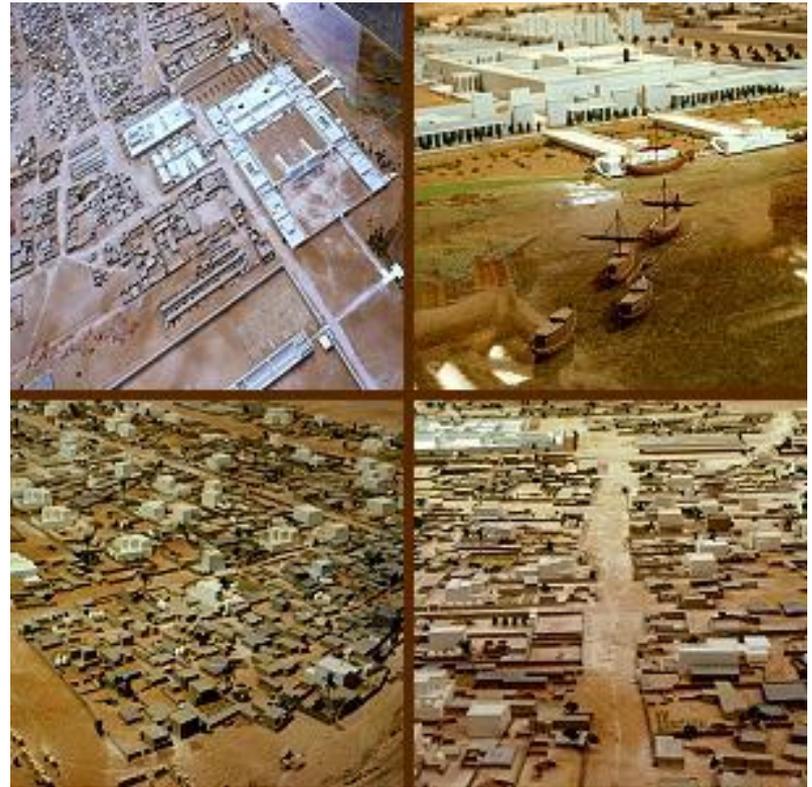
World Cities

- Prior to modern times, virtually all settlements were rural, because the economy was based on the agriculture of the surrounding fields.
- Providers of personal services and a handful of other types of services met most of the needs of farmers living in the village.
- Even in ancient times, a handful of urban settlements provided producer and public services, as well as retail and personal services with large market areas.



Ancient World Cities

- Urban settlements may have originated in Mesopotamia and diffused at an early date to Egypt, China, and South Asia's Indus Valley.
- Or they may have originated independently in each of the four hearths.



Ancient Ur



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Fig. 12-10: Ur, in modern-day Iraq, was one of the earliest urban settlements. The ziggurat, or stepped temple, was surrounded by a dense network of residences.

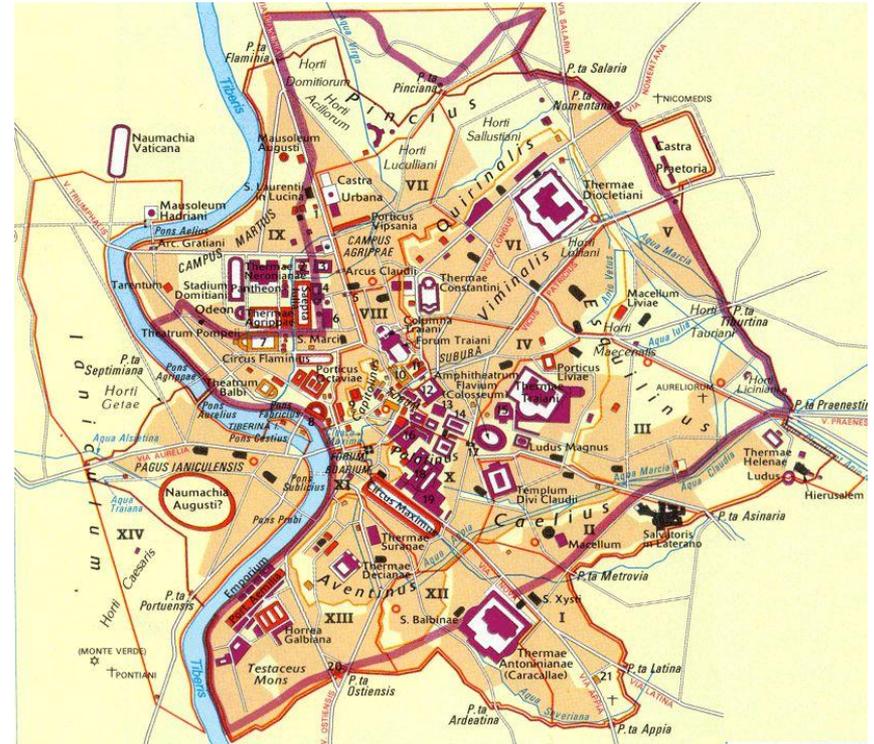
Titris Hoyuk

- Recent evidence unearthed at Titris Hoyuk, in present-day Turkey, from about 2500 B.C. suggests that early urban settlements were well-planned communities.
- Houses varied in size but were of similar design.
- Houses were apparently occupied by an extended family, because they contained several cooking areas.
- Titris Hoyuk occupied a 50-hectare (125-acre) site and apparently had a population of about 10,000.
- The site is especially well-preserved today because after 300 years the settlement was abandoned and never covered by newer buildings.

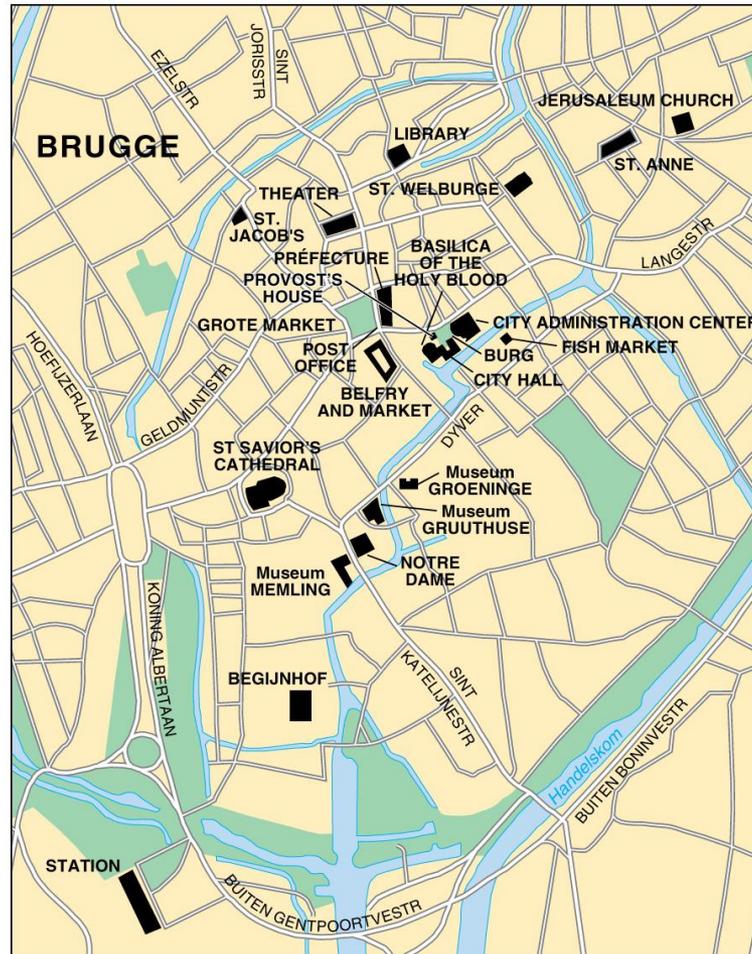


Ancient Rome

- The rise of the Roman Empire encouraged urban settlement.
- Settlements were established as centers of administrative, military, and other public services, as well as trading and other retail services.
- The city of Rome—the empire’s center for administration, commerce, culture, and all other services—grew to at least a quarter-million inhabitants, although some claim that the population may have reached a million.
- With the fall of the Roman Empire in the fifth century A.D., urban settlements declined.
- With the empire fragmented under hundreds of rulers, trade diminished.
- Large urban settlements shrank or were abandoned.
- For several hundred years Europe’s cultural heritage was preserved largely in monasteries and isolated rural areas.



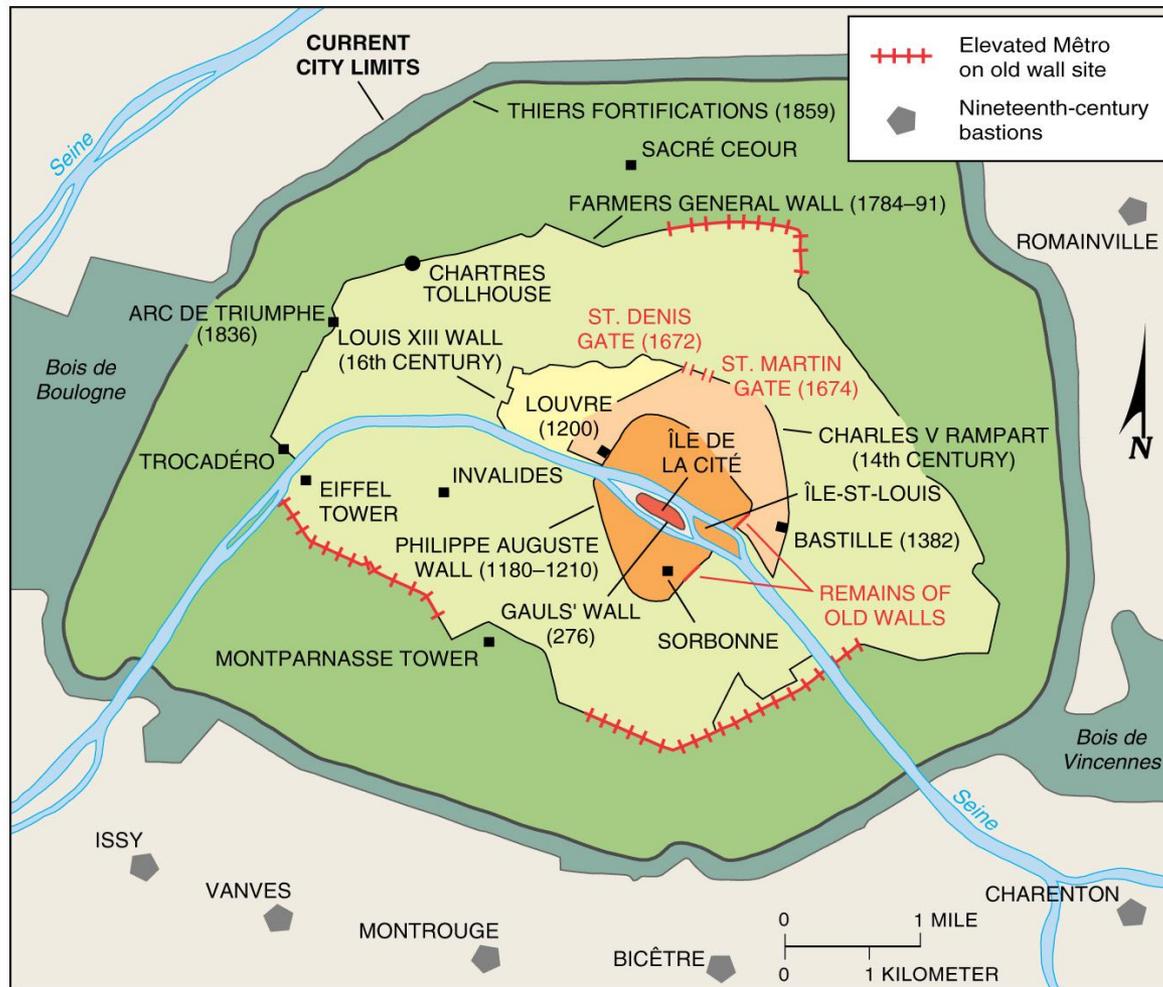
Brugge, Belgium



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Fig. 12-12: Brugge (or Bruges) was a major port and wool manufacturing center from the 12th century. It is marked by squares surrounded by public buildings.

Paris



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Fig. 12-13: Paris was originally surrounded by walls which were expanded to include new neighborhoods as the city grew.

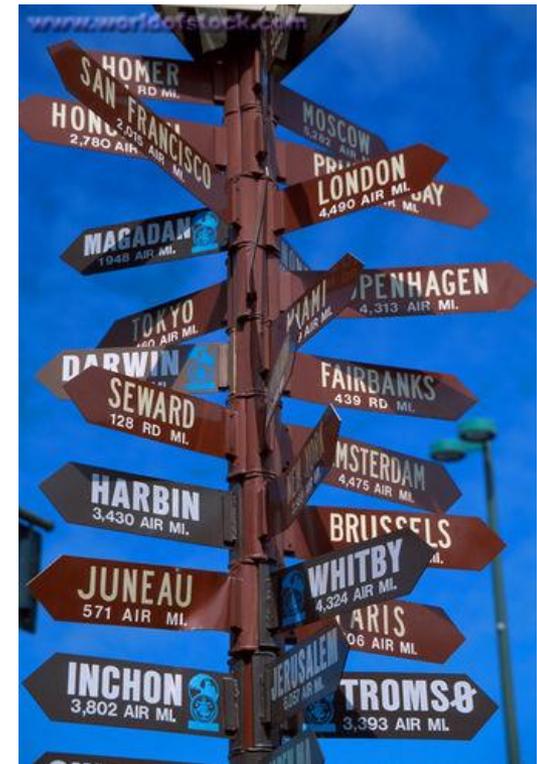
Modern World Cities

- In modern times several world cities have emerged where a high percentage of the world's business is transacted and political power is concentrated.
- These world cities are centers of business services, but they stand at the top of the central place hierarchy in the provision of consumer services, and many also serve as public-service centers.
- New forms of transportation and communications were expected to reduce the need for clustering of economic activities in large cities.
- To some extent, economic activities have decentralized, especially manufacturing, but modern inventions reinforce rather than diminish the primacy of world cities in the global economy.



Business Services in World Cities

- The clustering of business services in the modern world city is a product of the Industrial Revolution.
- Factories are operated by large corporations formed to minimize the liability to any individual owner.
- A board of directors located far from the factory building makes key decisions.
- Support staff also far from the factory account for the flow of money and materials.
- This work is done in offices in world cities.
- World cities offer many financial services to these businesses. . . (and) stock exchanges . . . are located in world cities.
- Lawyers, accountants, and other professionals cluster in world cities.
- Advertising agencies, marketing firms, and other services concerned with style and fashion locate in world cities.



Consumer Services in World Cities

- Transportation services converge on world cities.
- They tend to have busy harbors and airports and lie at the junction of rail and highway networks.
- Because of their large size, world cities have retail services with extensive market areas, but they may even have more retailers than large size alone would predict.
- Luxury and highly specialized products are especially likely to be sold there.
- Personal services of national significance are especially likely to cluster in world cities, in part because they require large thresholds and large ranges, and in part because of the presence of wealthy patrons.



Public Services in World Cities

- World cities may be centers of national or international political power.
- Most are national capitals.
- Also clustered in the world cities are offices for groups having business with the government.
- Unlike other world cities, New York is not a national capital.
- But as the home of the world's major international organization, the United Nations, it attracts thousands of U.N. diplomats and bureaucrats, as well as employees of organizations with business at the United Nations.
- Brussels is a world city because it is the most important center for European Union activities.



Hierarchy of Business Services

- Geographers distinguish four levels of cities that play a major role in the provision of producer and other business services in the global economy. . . a handful of world cities, which can be subdivided into three groups, . . . regional command and control centers, specialized producer-service centers, and dependent centers.



Hierarchy of World Cities



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Fig. 12-14: London, New York, and Tokyo are the dominant world cities in the global economy. Other major and secondary world cities play lesser roles.

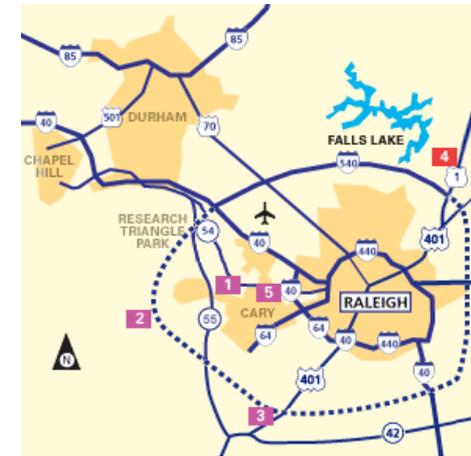
Command and Control Centers

- The second level of cities—command and control centers—contains the headquarters of many large corporations, . . . concentrations of . . . business services, . . . educational, medical, and public institutions.
- Two levels of command and control centers can be identified: regional centers and sub-regional centers.
- In the United States, examples of regional command centers are Atlanta and Kansas City.
- Examples of sub-regional centers are Biloxi and Oklahoma City.



Specialized Producer-Service Centers

- The third level of cities, specialized producer-service centers, offers a more narrow and highly specialized variety of services.
- One group of these cities specializes in the management and R&D activities related to specific industries.
- A second group . . . specializes as centers of government and education, notably state capitals that also have a major university.



Dependent Centers

- The fourth-level cities, dependent centers, provide relatively unskilled jobs and depend for their economic health on decisions made in the world cities, regional command and control centers, and specialized producer-service centers.
- Four subtypes of dependent centers can be identified in the United States: resort, retirement, and residential centers. . . manufacturing centers. . . industrial and military centers. . . (and) mining and industrial centers.



Economic Base of Settlements

- A settlement's distinctive economic structure derives from its basic industries, which export primarily to consumers outside the settlement.
- Non-basic 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.
- A settlement's economic base is important, because exporting by the basic industries brings money into the local economy, thus stimulating the provision of more nonbasic consumer services for the settlement.
- A community's basic industries can be identified by computing the percentage of the community's workers employed in different types of businesses.
- If the percentage is much higher in the local community, (compared to the country), then that type of business is a basic economic activity.
- Each type of basic activity has a different spatial distribution.
- Some settlements have a very high percentage of workers employed in the primary sector, notably mining.
- The economic base of some settlements is in the secondary sector.
- Most communities that have an economic base of manufacturing durable goods are clustered between northern Ohio and southeastern Wisconsin, near the southern Great Lakes.
- Nondurable manufacturing industries, such as textiles, are clustered in the Southeast, especially in the Carolinas.

Economic Base of U.S. Cities



Fig. 12-16: Cities that have a high proportion of their labor force engaged in the specified economic activity shown.

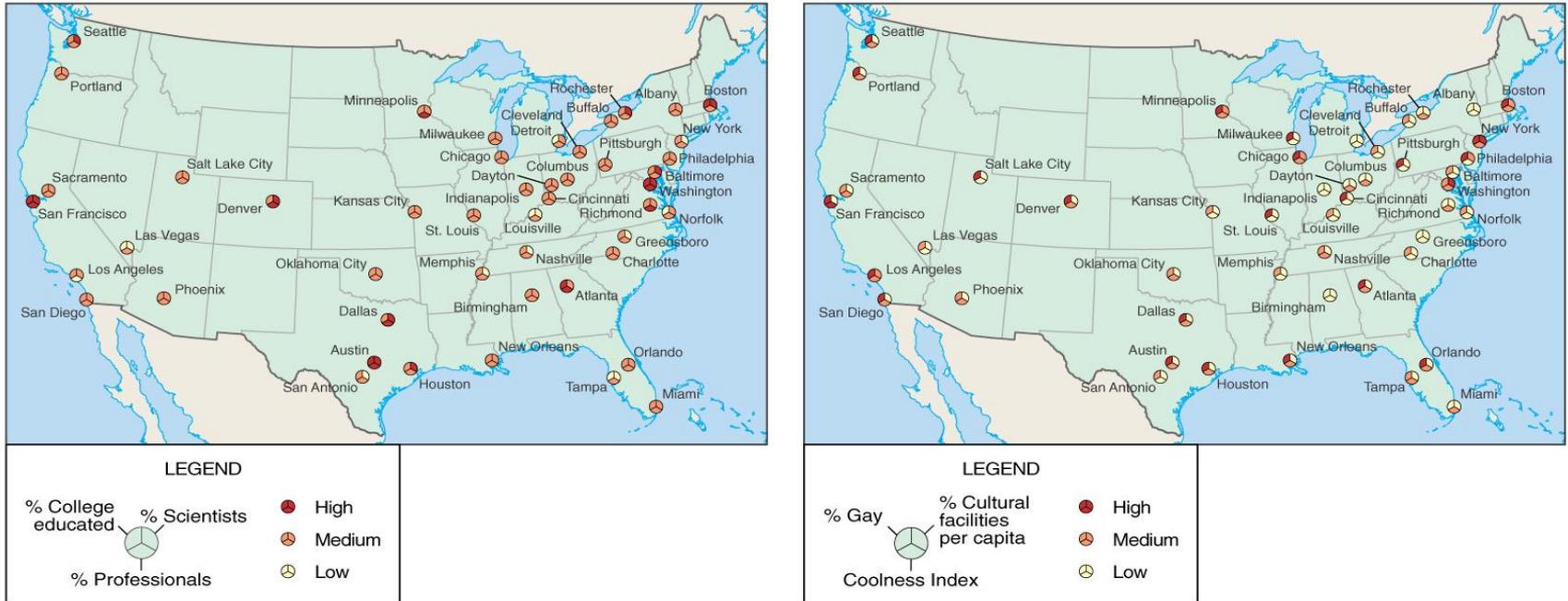
Business-Service Cities in the U.S.



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Fig. 12-15: Below the world cities in the hierarchy of U.S. cities are command and control centers, specialized producer-service centers, and dependent centers.

Geography of Talent



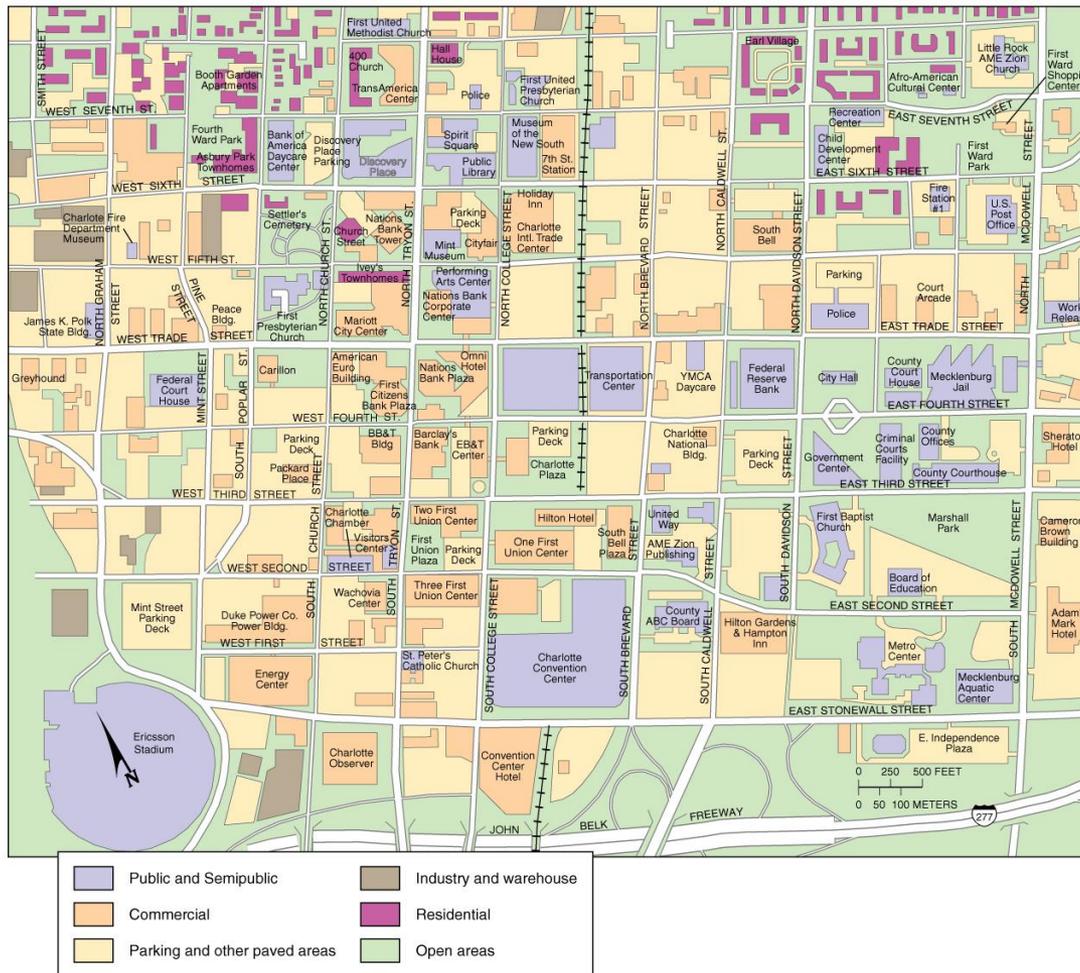
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Fig. 12-17: Cities with high levels of talent (scientists, professionals, etc.) are also often cities with high levels of diversity.

Key Issue 4: Clustering of Services

- Central business district (CBD)
 - Retail services in the CBD
 - High land costs in the CBD
 - Activities excluded from the CBD
 - European CBDs
- Suburbanization of businesses
 - Suburbanization of retailing
 - Suburbanization of factories and offices

CBD of Charlotte, NC

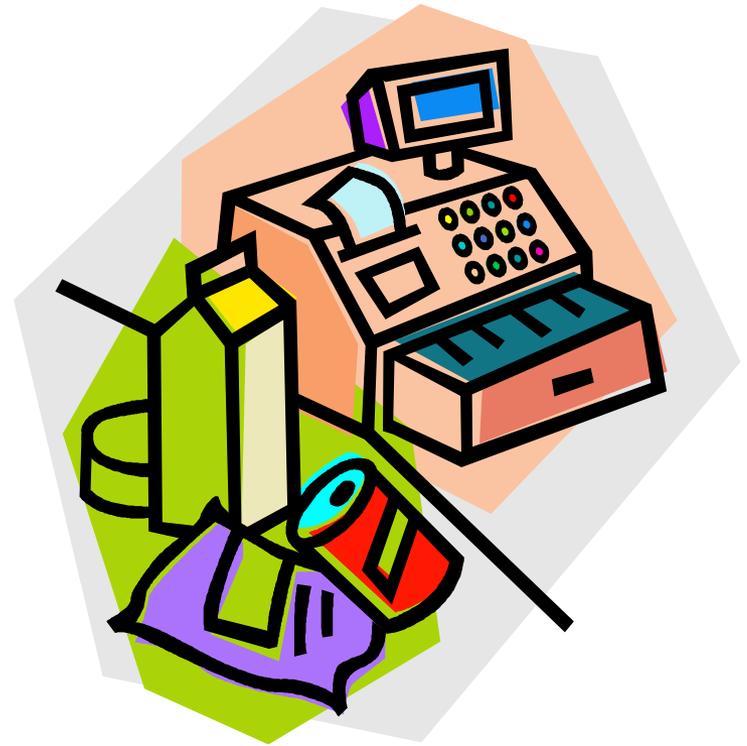


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Fig. 12-18: Charlotte's CBD is dominated by retail and office buildings. Public and semipublic buildings are also in the downtown area.

Retail Services in the CBD

- Three types of retail services concentrate in the center, because they require accessibility to everyone in the region—shops with a high threshold, shops with a long range, and shops that serve people who work in the center.



Retail Services with a High Threshold

- High-threshold shops, such as department stores, traditionally preferred a central location to be accessible to many people.
- Rents were highest there because this location had the highest accessibility for the most customers.
- In recent years many high- threshold shops such as large department stores have closed their downtown branches.
- The customers for downtown department stores now consist of downtown office workers, inner-city residents, and tourists.



Retail Services with a High Range

- The second type of shop in the center has a high range.
- Generally, a high-range shop is very specialized, with customers who patronize it infrequently.
- Many high-range shops have moved with department stores to suburban shopping malls.
- These shops can still thrive in some CBDs if they combine retailing with recreational activities.
- Entirely new large shopping malls have been built in several downtown areas in North America in recent years.
- These downtown malls attract suburban shoppers as well as out-of-town tourists because in addition to shops they offer unique recreation and entertainment experiences.
- A number of cities have preserved their old downtown markets.
- They may have a high range because they attract customers who willingly travel far to find more exotic or higher-quality products.
- At the same time, inner-city residents may use these markets for their weekly grocery shopping.



Retail Services Serving Downtown Workers

- A third type of retail activity in the center serves the many people who work in the center and shop during lunch or working hours.
- These businesses sell office supplies, computers, and clothing, or offer shoe repair, rapid photocopying, dry cleaning, and so on.
- The CBDs in cities outside North America are more likely to contain supermarkets, bakeries, butchers, and other food stores.
- In contrast to the other two types of retailers, shops that appeal to nearby office workers are expanding in the CBD, in part because the number of downtown office workers has increased and in part because downtown offices require more services.
- Many cities have attempted to revitalize retailing in the CBD and older neighborhoods.
- One popular method is to ban motor vehicles from busy shopping streets.
- Shopping streets reserved for pedestrians are widespread in Northern Europe, including the Netherlands, Germany, and Scandinavia.



Producer Services



- Offices cluster in the center for accessibility.
- Despite the diffusion of modern telecommunications, many professionals still exchange information with colleagues primarily through face-to-face contact.
- People in such business services as advertising, banking, finance, journalism, and law particularly depend on proximity to professional colleagues.
- Services such as temporary secretarial agencies and instant printers locate downtown to be near lawyers, forming a chain of interdependency that continues to draw offices to the center city.
- A central location also helps businesses that employ workers from a variety of neighborhoods.
- Firms that need highly specialized employees are more likely to find them in the central area, perhaps currently working for another company downtown.

High Land Costs in the CBD

- The center's accessibility produces extreme competition for the limited sites available.
- As a result, land value in the center is very high. Tokyo's CBD probably contains Earth's most expensive land.
- Tokyo's high prices result from a severe shortage of buildable land.
- Buildings in most areas are legally restricted to less than 10 meters in height (normally three stories) for fear of earthquakes.
- Further, Japanese tax laws favor retention of agricultural land.
- Tokyo contains 36,000 hectares (90,000 acres) of farmland.
- Two distinctive characteristics of the central city follow from the high land cost.
 - First, land is used more intensively in the center.
 - Second, some activities are excluded. because of the high cost of space.



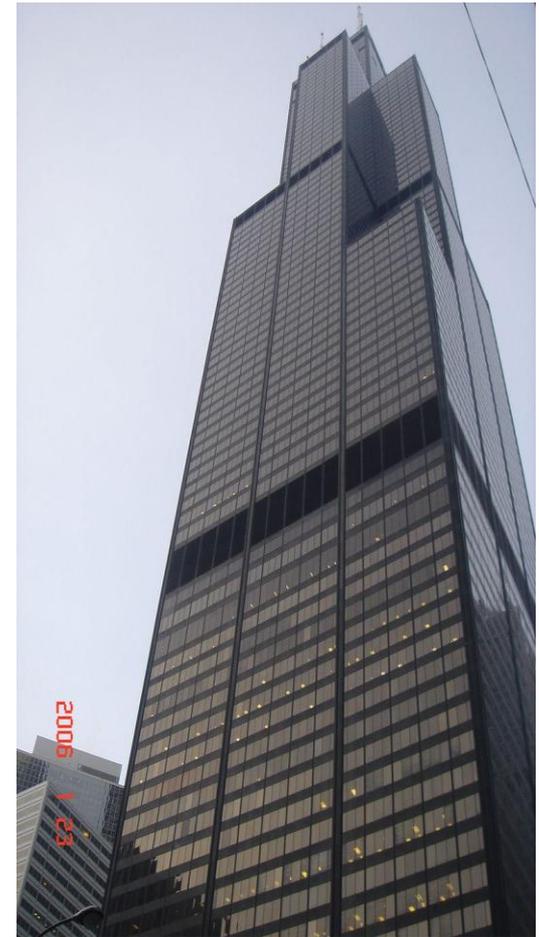
Intensive Land Use



- The intensive demand for space has given the central city a three-dimensional character, pushing it vertically.
- A vast underground network exists beneath most central cities.
- The typical “underground city” includes multistory parking garages, loading docks. . . and utility lines.
- Subways run beneath the streets of larger central cities.
- Cities such as Minneapolis, Montreal, and Toronto have built extensive pedestrian passages and shops beneath the center.
- These underground areas segregate pedestrians from motor vehicles and shield them from harsh winter weather.

Skyscrapers

- Demand for space in the central city has also made high-rise structures economically feasible.
- Suburban houses, shopping malls, and factories look much the same from one city to another, but each city has a unique downtown skyline.
- The first skyscrapers were built in Chicago in the 1880s, made possible by two inventions: the elevator and iron-frame building construction.
- The first high-rises caused great inconvenience to neighboring structures because they blocked light and air movement.
- Artificial lighting, ventilation, central heating, and air-conditioning have helped solve these problems.
- A recent building boom in CBDs of many North American cities is generating problems again; . . . high winds, . . . traffic congestion. . . (and) skyscrapers may prevent sunlight from penetrating to the sidewalks and small parcels of open space.



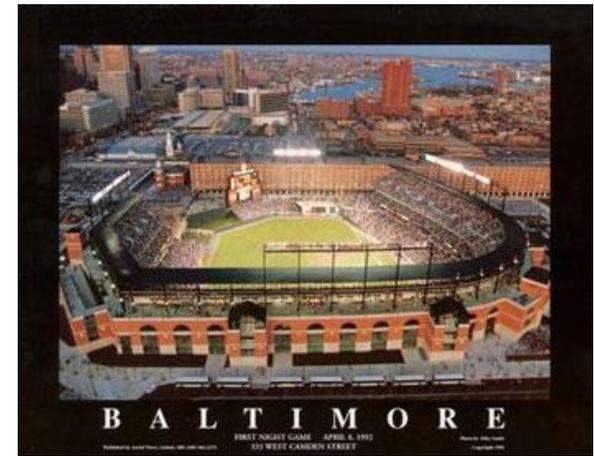
Activities Excluded from the CBD

- As the Sun and natural air movement are increasingly relied upon again for light and ventilation, the old complaints about high-rises may return.
- Skyscrapers are an interesting example of “vertical geography.”
- The nature of an activity influences which floor it occupies in a typical high-rise.
- High rents and land shortage discourage two principal activities in the central area: manufacturing and residence.

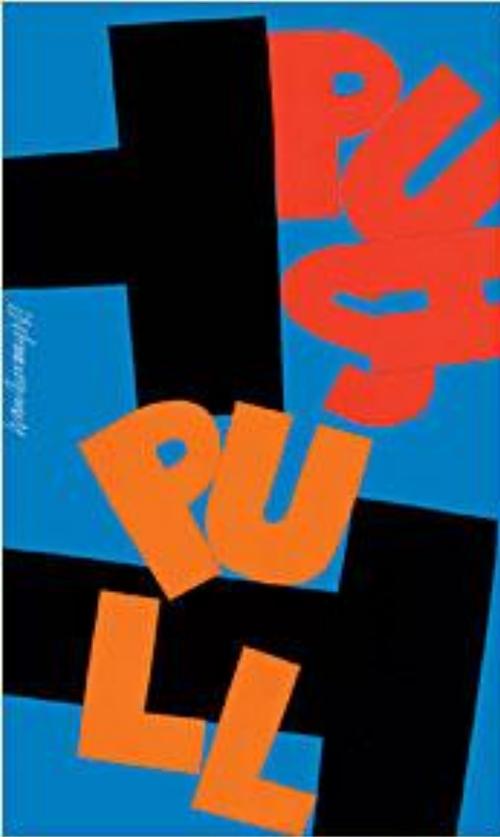


Declining Manufacturing in the CBD

- The typical modern industry requires a large parcel of land to spread operations among one-story buildings.
- Suitable land is generally available in suburbs.
- Port cities in North America and Europe have transformed their waterfronts from industry to commercial and recreational activities.
- Today's large oceangoing vessels are unable to maneuver in the tight, shallow waters of the old inner-city harbors.
- Once rotting downtown waterfronts have become major tourist attractions in a number of North American cities, including Boston, Toronto, Baltimore, and San Francisco, as well as in European cities such as Barcelona and London.



Lack of Residents in CBDs



- Few people live in U.S. CBDs, because offices and shops can afford to pay higher rents for the scarce space.
- The shortage of affordable space is especially critical in Europe, because Europeans prefer living near the center city more than Americans do.
- Abandoned warehouses have been converted into residences in a number of CBDs.
- Many people used to live downtown.
- People have migrated from central areas for a combination of pull and push factors.
- First, people have been lured to suburbs, which offer larger homes with private yards and modern schools.
- Second, people have sought to escape from the dirt, crime, congestion, and poverty of the central city.

European CBDs

- The central area is less dominated by commercial considerations in Europe than in the United States.
- In addition to retail and office functions, many European cities display a legacy of low-rise structures and narrow streets, built as long ago as medieval times.
- Some European cities have tried to preserve their historic core by limiting high-rise buildings and the number of cars.
- The central area of Warsaw, Poland, represents an extreme example of preservation.
- The Nazis completely destroyed Warsaw's medieval core during World War II, but Poland rebuilt the area exactly as it had appeared, working from old photographs and drawings.
- Although constructing large new buildings is difficult, many shops and offices still wish to be in the center of European cities.
- The alternative to new construction is renovation of older buildings.
- Rents are much higher in the center of European cities than in U.S. cities of comparable size.

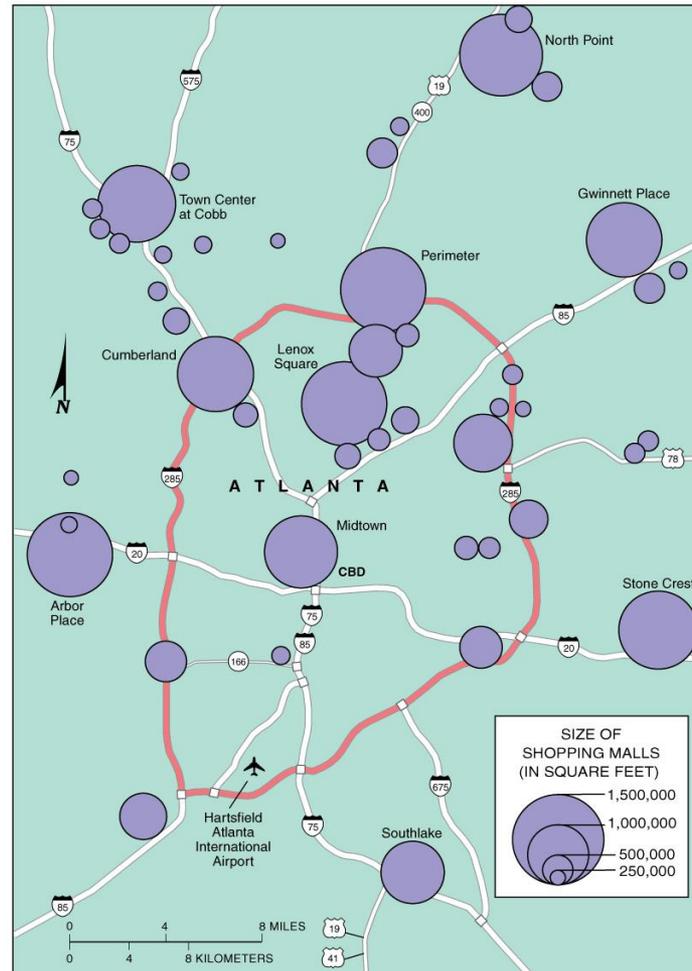


Suburbanization of Businesses

- Businesses have moved to suburbs:
 - manufacturers because land costs are lower,
 - service providers because most of their customers are there.



Retail Centers in Atlanta

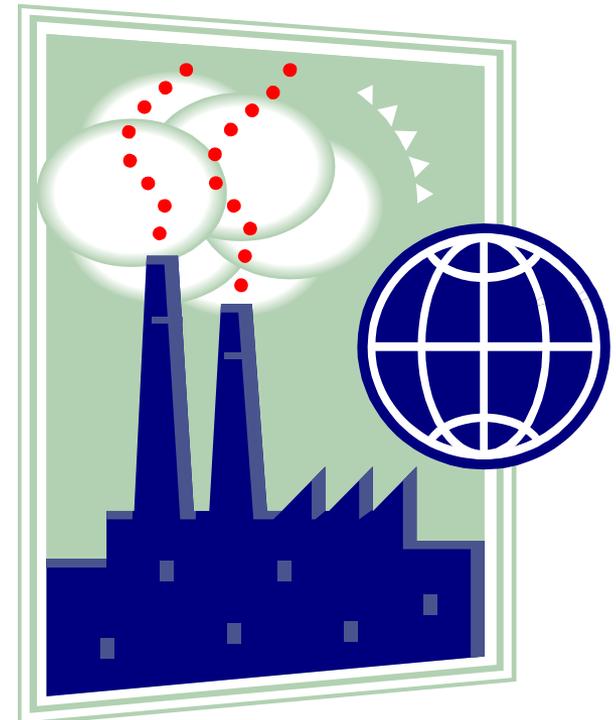


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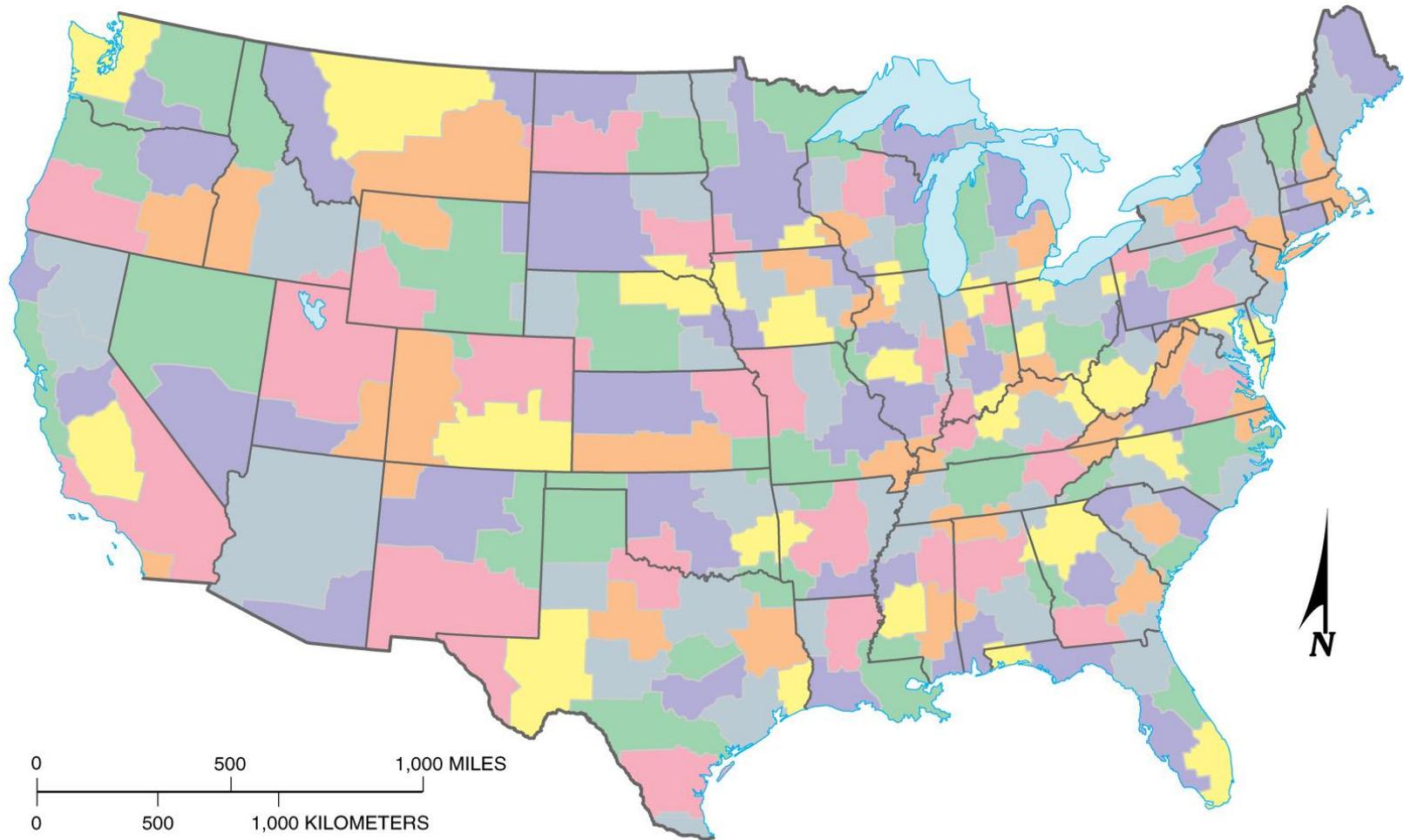
Fig. 12-19: Most shopping malls in Atlanta and other cities are in the suburbs. The ideal location is near an interchange on an interstate highway beltway circling the city.

Suburbanization of Factories and Offices

- Factories and warehouses have migrated to suburbia for more space, cheaper land, and better truck access.
- Modern factories and warehouses. . . are spread over a single level.
- Industries increasingly receive inputs and distribute products by truck.
- Offices that do not require face-to-face contact increasingly are moving to suburbs where rents are much lower than in the CBD.



“Daily Urban Systems”



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Fig. 12-20: The Commerce Department divided the U.S. into “daily urban systems” with functional ties, especially commuting to the nearest metropolitan area.

Chapter 12
Services

The End