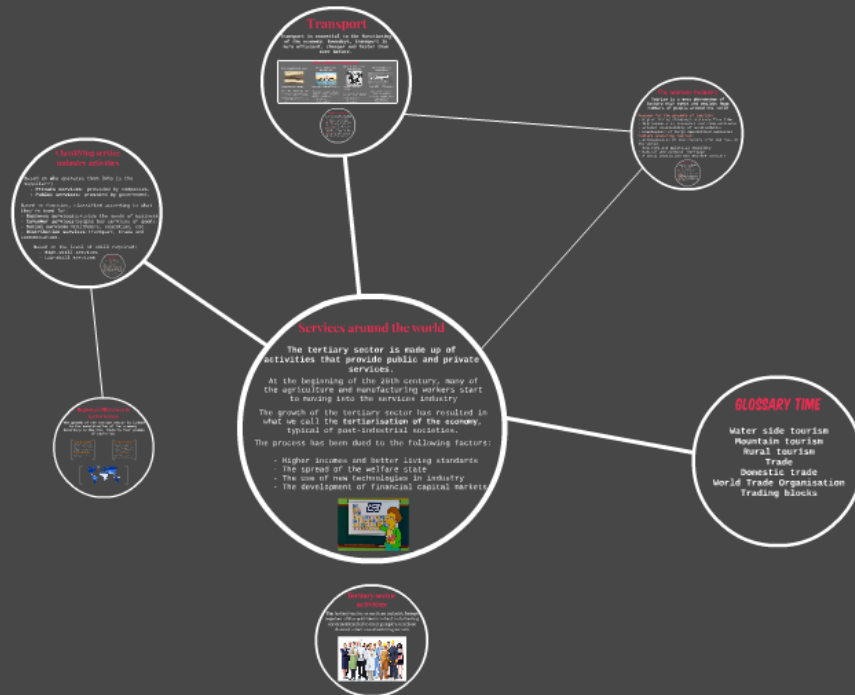


Unit 4: The tertiary sector. Spaces and Activities



Unit 4: The tertiary sector. Spaces and Activities

Tertiary sector activities

The tertiary sector, or services industry, brings together all the activities involved in delivering services intended to meet people's needs or those of other manufacturing sectors.



Services around the world

The tertiary sector is made up of activities that provide public and private services.

At the beginning of the 20th century, many of the agriculture and manufacturing workers start to moving into the services industry

The growth of the tertiary sector has resulted in what we call the **tertiarisation of the economy**, typical of post-industrial societies.

The process has been due to the following factors:

- Higher incomes and better living standards
- The spread of the welfare state
- The use of new technologies in industry
- The development of financial capital markets



Regional differences in tertiarisation

The growth of the service sector is linked to the modernisation of the economy. According to the HDI, there're four groups of countries:

Countries with very high HDI

- Services account for a large portion of the economy.
- More than **75% of workers** in western European countries, Australia and United States are employed in tertiary activities.
- The process is less marked in those countries where industry is still extremely important.

Countries with high HDI

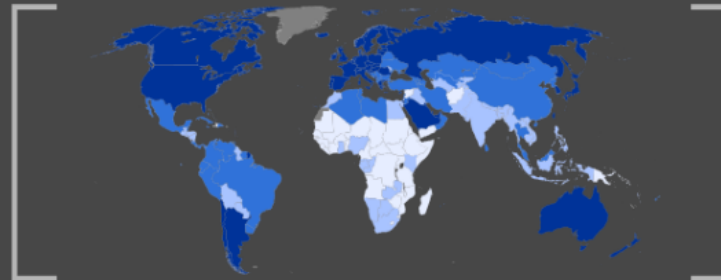
- Tertiarisation is intense due to the rapid increase in the urban population.

Countries with medium HDI

- The growth of services is explained by the presence of social groups with a lot of purchasing power.
- Another explanation is the necessity to employ large numbers of workers with little education or training.
- Services becomes a "refuge" industry: poorly-paid, military, transport, domestic service, etc.

Countries with low HDI

- Fewer than 25% of jobs are in the tertiary sector.
- The percentage is higher if we include the millions of people that work in the underground economy, which is not regulated by law.



Countries with very high HDI

- Services account for a large portion of the economy.
- More than **75% of workers** in western European countries, Australia and United States are employees in tertiary activities.
- The process is less marked in those countries where industry is still extremely important.

Countries with high HDI

- Tertiarisation is intense due to the rapid increase in the urban population.

Countries with medium HDI

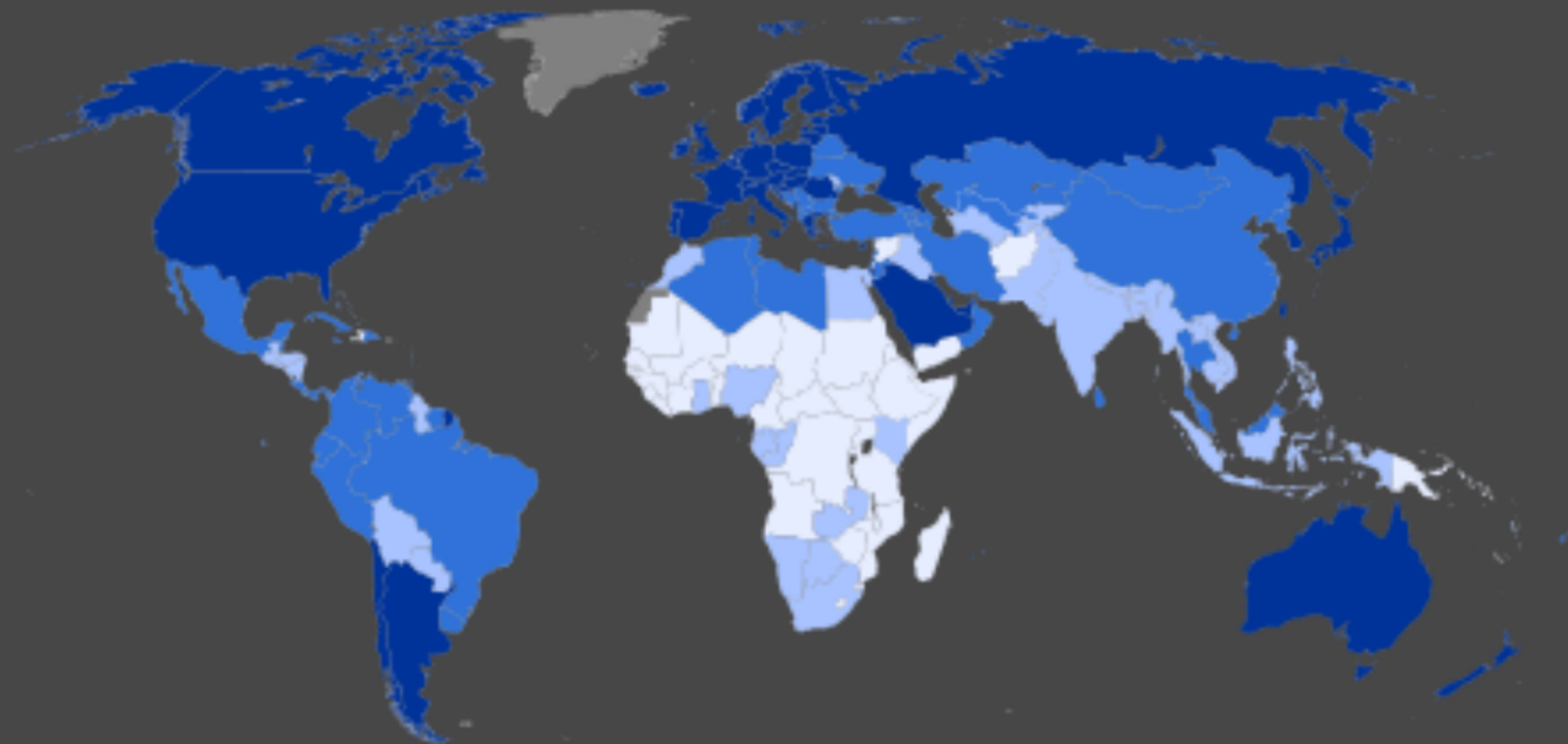
- The growth of services is explained by the presence of social groups with a lot of purchasing power.
- Another explanation is the necessity to employ large numbers of workers with little education or training.
- Services becomes a "refuge" industry: poorly-paid, military, transport, domestic service, etc.

Countries with low HDI

- Fewer than 25% of jobs are in the tertiary sector.
- The percentage is higher if we include the millions of people that work in the underground economy, which is not regulated by law.

population.

work in the underground economy, which is



Classifying service industry activities

Based on who operates them (Who is the supplier?)

- **Private services:** provided by companies.
- **Public services:** provided by government.

Based on function, classified according to what they're used for:

- **Business services:** provide the needs of business
- **Consumer services:** people buy services or goods.
- **Social services:** healthcare, education, etc.
- **Distribution services:** transport, trade and communication.

Based on the level of skill required:

- High-skill services
- Low-skill services

The location of services

services are located depending on the type of activity they involve.

Financial activities and business services tend to be concentrated in large metropolitan and, within them, in business districts (Maharajah).

Government and basic social services are the most dispersed in any geographic area (from councils, schools, hospitals, etc.). Trade and public services tend to be close to their customers and users, their location is determined by population density.

Changes... new commercial areas and leisure zones... new consumption habits.

The location of services

Services are located depending on the type of activity they involve.

- **Financial activities and business services:** tend to be concentrated in large metropolises and, within them, in business districts (Manhattan).
- **Government and basic social services:** are the most dispersed in any geographic area (town councils, schools, hospitals, etc.).
- **Trade and public services:** need to be close to their customers and users. Their location is determined by population density.

Changes... New commercial areas and leisure zones = new consumption habits.

Transport

Transport is essential to the functioning of the economy. Nowadays, transport is more efficient, cheaper and faster than ever before.

The evolution of transport

Pre-industrial era



Up to the late 18th century

During this period, the most common types of transport were:

- Horses and other draught animals for short distances
- Sailing ships for trade between countries.

First Industrial Revolution



Late 18th - late 19th century

Two means of transport were introduced which helped with shorten travel times:

- The railway
- The steamships

Second Industrial Revolution



Late 19th - Late 20th century

Two new means of transport emerged and radically transformed the sector:

- The automobile
- The aeroplane

Third Industrial Revolution



Late 20th - 21st century

More complex systems of transport are being developed with the aid of technological improvements.

Systems of transport

The most important types of transport systems in the world can compete with each other, but can also operate together in a coordinated way, promoting intermodal transport.

- **Road transport:** is the most popular because of its ability to carry people and goods to almost any place on the planet.
- **Rail transport:** last century, private vehicles overtook trains as the most common means of transport.
- **Air transport:** aeroplanes have been a crucial element in reducing geographical distances in terms of time.
- **Sea transport:** has been the most important system of transport for the international goods trade throughout the history.

Transport is essential to the functioning of the economy. Nowadays, transport is more efficient, cheaper and faster than ever before.

The evolution of transport

Pre-industrial era



Up to the late 18th century

During this period, the most common types of transport were:

- Horses and other draught animals for short distances
- Sailing ships for trade between countries.

First Industrial Revolution



Late 18th - late 19th century

Two means of transport were introduced which helped with shorten travel times:

- The railway
- The steamships

Second Industrial Revolution



Late 19th - Late 20th century

Two new means of transport emerged and radically transformed the sector:

- The automobile
- The aeroplane

Third Industrial Revolution



Late 20th - 21st century

More complex systems of transport are being developed with the aid of technological improvements.

Systems of transport

The most important types of transport systems in the world can compete with each other, but can also operate together in a coordinated way, promoting intermodal transport.

- **Road transport:** is the most popular because of its ability to carry people and goods to almost any place on the planet.
- **Rail transport:** last century, private vehicles overtook trains as the most

Systems of transport

The most important types of transport systems in the world can compete with each other, but can also operate together in a coordinated way, promoting intermodal transport.

- **Road transport:** is the most popular because of its ability to carry people and goods to almost any place on the planet.
- **Rail transport:** last century, private vehicles overtook trains as the most common means of transport.
- **Air transport:** aeroplanes have been a crucial element in reducing geographical distances in terms of time.
- **Sea transport:** has been the most important system of transport for the international goods trade throughout the history.

The tourism industry

Tourism is a mass phenomenon of leisure which moves and employs huge numbers of people around the world

Reasons for the growth of tourism:

- Higher living standards and more free time
- Improvements in transport and communications
- Greater availability of accommodation
- Development of large specialised companies

Factors promoting tourism:

- Accessibility of the country from the rest of the world.
- Security and political stability
- Natural and cultural heritage
- A local population who welcome tourists

Effects of tourism

Tourism has a considerable impact on areas that receive visitors

- **Demographic:** tourism increases the population in host areas, with young people seeking work and retired people.
- **Economic:** tourism generate wealth and jobs.
- **Social:** tourism encourages contact between cultures and contributes to the modernisation of host societies
- **Environmental:** the construction of some tourist infrastructures has damaged ecosystems.

Effects of tourism

Tourism has a considerable impact on areas that receive visitors

- **Demographic**: tourism increases the population in host areas, with young people seeking work and retired people.
- **Economic**: tourism generate wealth and jobs.
- **Social**: tourism encourages contact between cultures and contributes to the modernisation of host societies
- **Environmental**: the construction of some tourist infrastructures has damaged ecosystems.

GLOSSARY TIME

Water side tourism

Mountain tourism

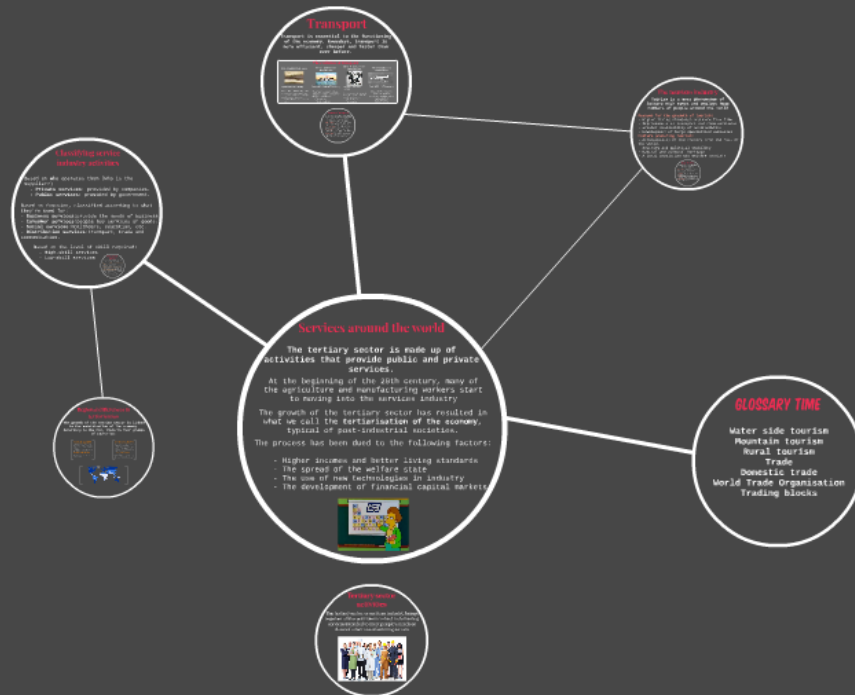
Rural tourism

Trade

Domestic trade

World Trade Organisation

Trading blocks



Unit 4: The tertiary sector. Spaces and Activities