

Can Khulna become a city of opportunity again?

Khulna's outward urban expansion has increased pressure on agricultural land, drainage systems and essential services, raising concerns about the city's long-term sustainability and the need for more integrated urban planning.

PHOTO: HABIBUR RAHMAN

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Cities have historically grown around economic opportunities. Industrialisation, trade and commerce have attracted people, generated employment and shaped urban settlements. The Industrial Revolution transformed cities across Europe, while manufacturing-led development subsequently accelerated urbanisation in many Asian countries. Bangladesh has experienced a similar relationship between industrial development and urban growth, although the trajectories of individual cities have differed considerably.Khulna is a particularly revealing example of what happens when a city's economic foundations weaken while its urban challenges continue to multiply.

As we observe World Cities Day, it is worth asking a fundamental question: What should urban planning achieve in a city where industries have declined, formal employment opportunities have contracted, informal livelihoods have expanded and climate-induced migration has placed additional pressure on housing, infrastructure and urban services?

Khulna was once one of Bangladesh's most important industrial centres. Its strategic location, river connections, proximity to Mongla Port and access to the resources of the southwestern region supported the development of jute, textile, paper, newsprint, match and other manufacturing industries. Industrial establishments in Khalishpur, Daulatpur and adjoining areas generated employment and attracted workers from surrounding districts

Our research on deindustrialisation and urban decline in Khulna demonstrates how closely industrial development and urbanisation were connected. The establishment of major industries in Khalishpur during the 1950s and 1960s transformed a relatively sparsely populated area into a thriving industrial township. At one stage, approximately 30,000 workers were employed in the mills, while an estimated 100,000 people depended directly on these industries.

Planned residential neighbourhoods, workers' housing, educational institutions, healthcare facilities, markets and transport networks developed around this industrial economy. The Khalishpur Housing Estate illustrates how employment generation and planned urban development were once closely linked.

However, the gradual decline of traditional industries, particularly from the late twentieth century onwards, reshaped the city's economy. The closure of major industrial establishments and the loss of manufacturing employment weakened the economic base that had supported generations of urban households. The closure of state-owned jute mills in 2020 further exposed the vulnerability of Khulna's industrial economy.

Our research suggests that this deindustrialisation was not simply a natural transition from manufacturing towards a more advanced service economy. Rather, it reflected a combination of changes in industrial policy, inadequate modernisation, declining competitiveness, institutional weaknesses and failures in industrial management. Unlike cities where manufacturing employment was progressively replaced by productive service-sector opportunities, Khulna experienced industrial decline without sufficient economic diversification to compensate for the loss of industrial activity and employment.

Yet the decline of formal industries did not eliminate the need for livelihoods. Instead, many households increasingly turned to informal economic activities, including street vending, small-scale trading, transport services, home-based enterprises, casual labour and other forms of self-employment.



A worker produces jute sacks at Crescent Jute Mills in Khalishpur, Khulna. The decline of traditional industries has left the city struggling with lost employment opportunities and a weakened industrial economy.

PHOTO: DIPANKAR ROY

Our research on the informal economy in Khulna indicates that informal enterprises are not simply the products of individual entrepreneurial choice. They are shaped by limited formal employment opportunities, low barriers to entry, migration, family and social networks, and the difficulties people face in entering the formal economy. Informality has become both a survival mechanism for many households and an important source of urban economic activity.

This presents a challenge for conventional urban planning. Most master plans concentrate on land-use zoning, roads, housing and physical infrastructure, but pay comparatively little attention to how people earn their living, particularly those who depend on informal employment. A city cannot become sustainable simply by allocating land for residential, commercial and industrial purposes. It must also create and protect opportunities for people to work and earn a decent living.

Khulna's challenges became more complex following Cyclone Sidr in 2007 and Cyclone Aila in 2009. Salinity intrusion, waterlogging and prolonged livelihood insecurity pushed many affected households towards urban centres, including Khulna, in search of alternative livelihoods and greater economic security.

For many migrants, Khulna was a place where they hoped to rebuild their lives. But they arrived in a city where formal employment opportunities were already limited. Consequently, many became dependent on informal livelihoods and sought accommodation in low-income settlements, rented rooms and environmentally vulnerable locations. The resulting urban poverty cannot be understood simply as a consequence of migration; it reflects the interaction between industrial decline, limited economic diversification, inadequate affordable housing and the growing impacts of climate change.

The spatial consequences are increasingly visible. Khulna has experienced peripheral development, the conversion of agricultural and low-lying land, fragmented residential expansion, growing pressure on drainage systems and uneven access to urban services. This produces an apparent paradox: a city can experience outward physical expansion even while its traditional economic base contracts and some established neighbourhoods lose population or economic activity.

The problem is not simply that Khulna is growing without planning. It is that planning has not adequately responded to the changing relationships among the city's economy, population, environment, and spatial development. In our earlier research on urban sustainability and strategic planning in Khulna, we identified significant gaps between the stated ambitions of strategic planning and its actual implementation. Although the city's planning framework embraced the language of sustainability, insufficient attention was given to social justice, employment generation, public participation, marginalised communities and equitable access to infrastructure and essential urban services.

These weaknesses remain highly relevant today. A more fundamental issue is our limited understanding of what previous plans have actually achieved. Yet can any responsible authority confidently state what percentage of the policies, proposals and development interventions contained in these plans have actually been implemented? How many recommendations have been realised, how many remain unimplemented, and what explains the gap between planning and implementation? Unless implementation is systematically evaluated, we risk repeating the same proposals in successive plans without learning from previous failures or understanding the institutional and financial barriers that have prevented their implementation.

The transition from industrial employment to informal livelihoods is one of the most important, yet insufficiently recognised, dimensions of Khulna's urban development and its changing economic landscape.

WHAT KIND OF PLANNING DOES KHULNA NEED?

Khulna requires a shift from conventional land-use planning towards an integrated, strategic and people-centred approach that simultaneously addresses economic restructuring, climate resilience and social inclusion. However, this does not mean abandoning the traditional relationship between industrialisation and urban development. On the contrary, Khulna's experience reinforces the importance of industry-led urbanisation supported by effective urban planning.

First, urban planning must become an instrument of economic regeneration. Khulna needs a coherent strategy for revitalising its industrial economy while diversifying into emerging sectors. Its connections with Mongla Port, regional transport corridors, universities and the surrounding agricultural and coastal economies offer opportunities for new investment in logistics, agro-processing, light manufacturing and knowledge-based enterprises.

However, infrastructure investment alone will not guarantee economic regeneration. Planning must identify where employment can be created, what skills are required, how former industrial workers can be supported and how new economic activities can be connected to existing neighbourhoods. Particular attention should be given to the forward and backward linkages of industrial development. Industries do not operate in isolation. They depend on agricultural production, raw materials, transport, logistics, supporting enterprises, markets and services. Khulna's future industrial development must therefore be planned in relation to the wider regional economy rather than through isolated industrial estates or infrastructure projects.

The redevelopment of underutilised industrial land should be approached strategically. Such sites could accommodate new industries, enterprise clusters, training facilities, mixed-use developments and public amenities, provided that environmental risks, land ownership issues and community interests are properly addressed.

Another important consideration is Bangladesh's demographic dividend and Khulna's ability to benefit from it. Our research on deindustrialisation in Khalishpur reveals a striking contradiction. Industrialisation once attracted workers from different parts of the country and created employment opportunities for thousands of households. The subsequent closure of industries, however, forced many workers into low-paid informal activities, while others, particularly younger and more mobile workers, migrated elsewhere in search of employment. Instead of transforming its human resources into greater economic productivity, Khulna has struggled to retain and productively use its workforce.



Homes damaged by Cyclone Aila in coastal southwestern Bangladesh in 2009. The disaster, along with salinity intrusion and prolonged livelihood insecurity, forced many coastal families to seek alternative livelihoods in urban centres, including Khulna.

PHOTO: ANISUR RAHMAN

This raises a critical question for urban planning: how can Khulna benefit from Bangladesh's demographic dividend without rebuilding its productive economic base? The demographic dividend is not an automatic consequence of having a large working-age population. It requires investment in education, technical skills, industrial diversification, entrepreneurship and employment-generating economic activities. Urban planning must therefore go beyond allocating land for industries and housing to create the spatial and economic conditions necessary for productive employment.

Second, the informal economy must be recognised as an integral part of the city rather than treated as an obstacle to urban development. Evictions, restrictive zoning and the displacement of informal activities do not eliminate informality; they merely transfer hardship from one location to another. Urban planning should instead provide designated, appropriately located vending spaces, neighbourhood markets, affordable workspaces, access to essential services, and practical pathways towards greater economic security.

Third, Khulna must adopt a more inclusive approach to housing and settlement development. Our research on the Greenland informal settlement demonstrates the importance of community networks and collective action in improving the living conditions of the urban poor. However, community participation must extend beyond consultation or temporary project-based arrangements. Rather than relying primarily on relocation or conventional housing estates, the city should promote in-situ settlement upgrading, affordable rental housing, incremental housing improvements and community-supported housing initiatives. Such measures are particularly important for low-income workers and climate migrants who cannot afford housing in the formal market.

Fourth, Khulna must reconsider its pattern of outward urban expansion. The continued conversion of agricultural land for residential and commercial development threatens the productive rural economy surrounding the city. Agricultural land is not simply vacant land awaiting urban development. It supports food production, employment, ecological functions and the forward and backward linkages that connect rural production with urban markets and industries. Protecting productive agricultural land should therefore become a core principle of metropolitan planning. Rather than encouraging fragmented peripheral expansion, Khulna should pursue carefully planned urban densification, particularly in areas where infrastructure and services already exist or can be efficiently improved.

Densification, however, should not be confused with overcrowding. It must be accompanied by adequate drainage, open spaces, transport infrastructure, affordable housing and essential public services.

Fifth, climate resilience must become a central organising principle of urban development. Khulna's low-lying geography and exposure to waterlogging, flooding, salinity intrusion and extreme weather events demand an approach that respects the city's natural drainage systems and ecological characteristics. Land-use decisions must therefore be informed by flood exposure, drainage capacity and ecological sensitivity. Climate adaptation should also extend beyond embankments, drainage channels and other engineering infrastructure. It must address the social and economic vulnerabilities of people living in environmentally exposed settlements, particularly those whose livelihoods are already insecure.

Sixth, Khulna needs stronger metropolitan coordination. The city's economic and environmental systems extend beyond the administrative boundaries of Khulna City Corporation. Yet responsibilities for planning, infrastructure, services and environmental management remain distributed among multiple institutions. The Khulna Development Authority, Khulna City Corporation, development agencies, neighbouring local governments and relevant national institutions need a coordinated framework for metropolitan development, with clearly defined responsibilities, institutional roles and effective mechanisms for implementation.

Most importantly, planning must become a continuous process of strategic decision-making rather than a periodic exercise in preparing master plans. In this context, Entrepreneurial Planning and Management (EPM) offers an important complementary approach. International experience, including the regeneration of London's Docklands, demonstrates how strategic public-sector leadership, institutional coordination, infrastructure investment and private-sector participation can help transform declining industrial areas into new centres of economic activity.

The relevance of EPM for Khulna lies not in replicating the physical development model of the Docklands, but in recognising that planning authorities must become active facilitators of investment, economic restructuring and implementation rather than remaining primarily regulators of land use. However, entrepreneurial planning must be accompanied by effective safeguards against speculative land development, displacement, environmental degradation and the exclusion of low-income communities. Economic regeneration should generate productive employment and shared urban benefits rather than merely increase land values or encourage commercially driven development.

A strategic planning approach would allow Khulna to identify its most pressing challenges, establish shared priorities, mobilise institutional and community resources, implement targeted interventions and regularly assess their outcomes. This approach must be supported by genuine public participation. Residents of informal settlements, industrial workers, women, small entrepreneurs, climate migrants, businesses, universities and civil society organisations should all have meaningful opportunities to influence decisions about the future of their city.

Equally important is establishing a transparent system for monitoring the implementation of urban plans. Every major planning proposal should have clearly identifiable responsibilities, implementation timelines, financing arrangements and measurable outcomes. Periodic public reporting on the implementation of master plans and development strategies would strengthen institutional accountability and allow future planning decisions to be informed by evidence rather than assumptions. Khulna's experience also offers an important lesson for urbanisation across Bangladesh. Cities cannot depend indefinitely on their historical economic advantages.

As we mark World Cities Day, Khulna presents an opportunity to reconsider what planning is ultimately meant to achieve. The objective should not simply be to produce a more orderly physical city, but to create an economically productive, socially inclusive and environmentally resilient urban future. Khulna's next chapter should be shaped not by the industries it has lost or the vulnerabilities it has inherited, but by a development vision that connects industrial regeneration, productive employment, demographic opportunities, agricultural land protection, social justice, community participation and climate adaptation.

The future of Khulna will depend not on how much land we develop, but on how effectively we plan for the people who live and work on it.

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