

About the Project of Relocating Iran's Capital

ARVAK Center comment, 15.02.2025¹

In January 2025, the Iranian leadership once again announced its intention to move the capital from Tehran to the location called Makran – one of the regions of the Sistan and Baluchestan province, on the shores of the Indian Ocean. According to a representative of the Iranian government, two expert commissions will be created to study the issue in a comprehensive review².

Discussions about relocating the capital have intensified in Iran since September 2024, immediately after the formation of the government by the newly elected president of Iran, Masud Pezeshkian. During his election campaign, Pezeshkian promised his electorate that he would persuade the supreme authority to implement this project, which is of great importance for the country's development.

The idea of a new capital was already being considered even during the reign of Shah Reza Pahlavi. The United States, with which the Shah had established allied relations, recommended moving the capital to the south, as they believed that Tehran was too close to the Soviet border, making it very vulnerable in the event of a war³. The Islamic Revolution in Iran delayed this plan, which was put back on the agenda by the reformist forces led by Hassan Rouhani, who won the presidential election in 2013. However, at that time, Ayatollah Ali Khamenei and the Supreme Council of Clerical Hierarchs (the Guardian Council) rejected the idea as an initiative that did not correspond to the country's current agenda and priorities. Despite the electoral victory, the positions of the reformers in the state system were not strong in the early 2010s, as the conservative forces in Iran, represented by the clergy and the IRGC's generals, were skeptical about various initiatives and programs for the modernization of the country due to the overall escalation of the situation in the Middle East.

Now, it seems that the reformist idea has found a positive response among the conservative forces, who are at least ready to discuss the initiative. This is evidenced by the formation of expert commissions and the discussion of the project in the Iranian media. It should be noted that without the approval of the Rahbar, the issue of relocating the capital would hardly become a subject of active and public discussion in Iran. The IRGC has also shown interest in the idea, with its business structures, according to Iranian sources, expected to receive the most significant contracts for building the new capital and its infrastructure. It is known that IRGC-affiliated companies are engaged in oil production, banking, and construction, and have significant experience and the necessary technical base⁴. Considering that the contracts could amount to tens of billions of dollars, it can be expected that the generals of the elite corps will actively lobby for the project. Moreover,

¹ The original (in Rus.) was posted on our website on 15.02.2025.

² "The authorities of Iran intend to relocate the capital from Tehran to the coast". NEWSRU.CO.IL (in Rus.), 08.01.2025, https://www.newsru.co.il/mideast/8jan2025/tehran_202.html/ (download date: 10.02.2025).

³ "No other choice? What's behind the attempt to relocate Iran's capital?". TASS (in Rus.), 16.09.2024, <https://tass.ru/opinions/21875313/> (download date: 10.02.2025).

⁴ "The IRGC (Islamic Revolutionary Guard Corps) of Iran is involved in the construction of more than 1100 km of highways", IRAN.ru (in Rus.), 25.06.2019, https://iran.ru/news/economics/113543/KSIR_Irana_uchastvuet_v_stroitelstve_bolee_1100_km_avtomobilnyh_dorog/ (download date: 10.02.2025).

besides the socio-economic reasons for relocating the capital cited by the reformists talk about, the IRGC may also be guided by military-strategic motives.

In general, a rather unique situation has arisen in Iran in which the goals of reformists and conservatives may be completely aligned.

According to the official version discussed in the Iranian media, the need to relocate the capital is caused by social problems and economic feasibility.

Firstly, Tehran is highly congested. The city's infrastructure is unable to accommodate comfort for its 12-million inhabitants. As early as the 2000s, the situation in Tehran was characterized as critical. A significant part of the capital was not connected to a centralized sewerage system, and the population suffered from a lack of clean drinking water⁵. There is a lack of green spaces in the city, high levels of air pollution, and frequent sandstorms. The city experiences significant traffic congestion, and waste removed from the capital is not recycled but instead accumulates in large landfills located in the suburbs. Additionally, there is insufficient space for the further expansion of these landfills.

Secondly, according to the reformists, Tehran has long struggled with its role as the industrial center of the country. Iran's main industrial enterprises are concentrated in Tehran, but the supply of raw materials, mainly from the Persian Gulf region, is expensive and affects the profitability of the enterprises. Moreover, Tehran is geographically distant from the logistical infrastructure of the global trade corridors passing through the country. The most important of these is the North-South route, which is supposed to connect the Indian Ocean with the South Caucasus, Europe, and Russia. The "isolation" of the capital and its industrial capacities from the main strategic trade corridor complicates the task of developing the city and attracting investments. Taken together, these problems not only complicate the prospects for the development of the metropolis itself but also negatively affect the socio-economic situation of the country as a whole.

That is why, according to the government of M. Pezeshkian, the new capital should be located in the most economically and geographically promising area, where trade routes, main raw material deposits, and prospective industrial enterprises converge. According to president Pezeshkian's team, this region is Makran – one of the regions of the Sistan and Baluchestan province, located practically on the border with Pakistan. The Iranian press considers it an "*untouched treasure*" for the country, which has retained its great significance since the times of the Achaemenids⁶.

According to the press secretary of the Iranian government, Ms. Fatemeh Mohajerani, president M. Pezeshkian has already instructed the Iranian ministry of roads and urban development to develop a project to relocate the capital to Makran. According to Mohajerani, the decision has essentially been made; however, she emphasizes that Iran is in no hurry. This statement has strengthened skeptics' belief that the issue of relocating the capital has been introduced into the domestic political agenda to divert public attention from the socio-

⁵ "Currently, 98% of the urban population in Iran uses piped water, and only 20–25% use sewage systems". IRAN.ru, (in Rus.), 09.09.2005, https://iran.ru/news/politics/23609/V_nastoyashchee_vremya_98_gorodskogo_naseleniya_Irana_polzuyutsya_vodoprovodom_i_tolko_20_25_kanalizatsiyev (дата обращения: 10.02.2025).

⁶ "Makran can become Iran's new capital". BLACKSEA CASPIA (in Rus.), <https://blacksea-caspia.eu/ru/mekran-mozhet-stat-novoy-stolicey-irana/> (download date: 10.02.2025).

economic crisis and to instill optimism about the prospects of Iranian statehood. Skeptics claim that under sanctions, Iran does not have the means to carry out such a capital-intensive program. It may seek assistance from China and Qatar, but Egypt's similar experience has shown that in practice, the costs of such projects exceed the initial estimates by multiple times. For example, when Egypt planned the construction of its new capital in 2015 and started in 2016, the authorities did not take into account many problems that arose during the implementation of the large-scale project, which led to extreme public dissatisfaction and skepticism about the success of this initiative⁷.

Unless the Iranian plan is indeed not aimed at diverting public attention, the authorities in Tehran will closely study the Egyptian experience, its positive and negative aspects. Especially considering that they too will also have to build a new metropolis “from scratch” in a desert region, with harsh climatic conditions and a shortage of the most important resource – fresh water. According to international media, the Egyptian public has a mostly negative view of president el-Sisi's government project, believing that most of the funds borrowed at high interest rates from China have been spent on the “pomp” of the new capital: presidential palaces, administrative buildings, skyscrapers, and the largest religious structures in the region. Meanwhile, the housing stock, designed for 7 million people, will be available only to the wealthy segments of the population. They will move to the new capital, while Cairo will be deprived of the central authority's attention, and its current problems will only increase. The new Egyptian capital (which does not yet have a name) will not have production parks and industrial enterprises. It will not produce anything but will consume the country's resources. Therefore, many Egyptians believe that the authorities built it to physically separate themselves and the prosperous part of the society from the socially disadvantaged masses, thus deepening the stratification in the country.

Given the above, the Iranian leadership apparently does not intend to rush and will design its new capital more rationally, trying to avoid mistakes. The new Iranian capital is not intended to consume the country's resources but to stimulate its economic growth and generate large-scale foreign investments. Firstly, Makran is located near a conglomerate of petrochemical plants and ports under construction on the coast of the Gulf of Oman, the most significant of which is Chabahar (Chahbahar). The latter is expected to become the largest logistics hub for trade between the countries of the Indian Ocean basin and the Near Asia region. This status and role for Chabahar is sought primarily by India, which is already investing hundreds of millions of dollars in its infrastructure⁸.

The peculiarities of Makran may indicate the intention of the Iranian authorities to concentrate the main financial and administrative structures, industrial capacities, and logistic hubs of the country in one region. This means geographically unifying the state's main economic assets, as well as shifting the country's political “center of gravity” from the north to the south.

⁷ “How and why is Egypt building a new capital with the tallest building in the world?” BIRD in FLIGHT, 05.07.2021, <https://birdinflight.com/ru/architectura/20210705-egypt-new-capital.html/> (download date: 11.02.2025).

⁸ “Was Iranian – became Indian”. Kommersant (in Rus.), 14.05.2024, <https://www.kommersant.ru/theme/1808/> (download date: 12.02.2025).

Regarding the latter, it should be particularly noted that contrary to the Egyptian experience mentioned above, the Iranian authorities did not even consider the possibility of establishing a new capital relatively close to Tehran. The new Egyptian capital is being built only 50 km away from Cairo, whereas the Iranians have chosen a territory thousands of kilometers from Tehran – in the opposite part of the country. This will significantly increase the project’s costs and complicate the process of relocating government structures and adapting the central government departments to new conditions. Nevertheless, if the authorities in Tehran consider these complexities but deem it necessary to overcome them, it only indicates that the initiative to shift the country’s “center of gravity” to the shores of the Indian Ocean is of existential significance for Iran.

In this context, the following circumstances should be noted. Iranian politicians and media commentators, who discuss this initiative, justify it exclusively with economic, social, and environmental arguments. However, it can be assumed that in reality, military-political and geostrategic factors play a significant, if not primary, role in the choice of Makran.

Makran is located in the restive province of Sistan and Baluchestan in Iran, which is inhabited by the indigenous Baloch people. Besides Iran, members of this ethnic group also densely populate the southeastern Pakistan and southern Afghanistan. Among the Baloch, the idea of gaining sovereignty is widespread, and a significant portion of the youth is involved in armed groups fighting for the region’s independence from Iran and Pakistan. On Iranian territory, the Baloch periodically carry out terrorist attacks, the most recent of which were recorded in 2024. The fight against Baloch separatists led to a serious confrontation between Iran and Pakistan in January 2024, which almost resulted in a full-scale war⁹. Iran’s experience shows that the tried and tested methods of combating “Baloch extremism” do not produce the desired effect for Tehran, and the province, of Sistan and Baluchestan, which is the most distant from the nation’s capital, poses significant challenges in terms of state governance.

Nevertheless, the main cause of destabilization in this province, according to Tehran, is not the Baluch themselves, but in the Western countries behind their “*extremist movement*”. According to the Iranians, the rebellious Baloch are financed and directed by the intelligence services of the US and Britain, which makes it difficult to achieve any significant success against their movement.

In this context, relocating the capital to the historical lands of the Baloch can address several important issues at once. Firstly, it can significantly change the ethnic composition of the region. Secondly, it can fundamentally improve the economic and social climate of the Iran’s poorest province, where participation in the separatist movement is the only way for many residents to support their families. Thirdly, it can create a natural barrier on the border with Pakistan, through which militant groups constantly infiltrate Iran. Fourthly, it can take reliable control of the coastline of the Sistan and Baluchestan province, which leads to the entrance to the Persian Gulf, Iran’s main geographic and oil asset. There is a great fear in Iran of losing this access to the Indian Ocean, which would threaten the country’s very existence.

⁹ “Common enemy. What do the Baloch groups represent, because of which Iran and Pakistan attacked each other’s territory?” BBC NEWS (in Rus.), 19.01.2024, <https://www.bbc.com/russian/articles/cjkg312lv80> (download date: 12.02.2024).

Additionally, it should be taken into account that the chosen location for the new capital will allow the removal of critically important state objects far from Israel, Azerbaijan, Turkey, and hostile Arab countries. It is obvious that the current capital, Tehran, is within reach of the modern air and missile systems of unfriendly countries, and this is a critical factor. This may have possibly played a decisive role in why the IRGC, and other security structures of the country did not obstruct Pezeshkian's revived idea of relocating the capital. The location of the new capital will not fully protect it from hypothetical attacks from the north and east of Iran, but it will significantly increase the flight time of strike assets, thereby increasing the chances of hitting the means of attack with air and missile defense systems. In this sense, reliance on the sea can also become an additional source of confidence for Iran, helping to overcome the sense of vulnerability and isolation in the region. It should not be overlooked that Tehran is in close proximity to provinces inhabited by Turkic-speaking groups in northwestern Iran, and they constitute a fairly high percentage of the total population of the current capital. Given the vulnerability of this segment of the Iranian society to external nationalist and separatist influences, the Iranian authorities' decision will also help neutralize factors that could undermine the work of central government bodies under conditions of internal political destabilization.

Either way, the relocation of the capital, if implemented, will radically change the internal structure of Iran and, accordingly, adjust many elements of its regional and international policies. This program should be seen as an attempt to achieve a "strong balance" in the conditions of intensified shifts in the geopolitical tectonics of the region and to find ways to strengthen internal political and economic immunity. It is a bold and interesting initiative, but also very complex and risky. Therefore, Tehran is in no hurry to implement it and is carefully studying all aspects.

A significant example for in-depth analysis and calculations for Iran may be not so much Egypt or Brazil, but its own historical experience. Iran is an ancient country that has possibly "swapped" capitals more than any other country in the world on its historical path. From the times of Pasargadae and Persepolis under the Achaemenids to modern Tehran, Persian civilization in its various forms and manifestations has changed dozens of political centers with completely different geographies and cultural-civilizational contents. A trivial approach to this fact may lead to the idea of the inconsistency and chronic instability of this civilization. However, such an assessment can be fundamentally changed if the issue is approached from a different perspective. In this case, "*inconsistency*" can be reinterpreted as "*flexibility*", which has allowed the Iranian civilization to survive for 2600 years and to continue to develop and build new capitals.