

THE R1 TRILLION QUESTION: WHY SOUTH AFRICA'S NEXT BUDGET MUST BET ON ITS YOUNG, NOT JUST ITS DEBT

Honourable Speaker, Mr President, Honourable Members, Fellow South Africans,

I stand before you today not as a politician, but as a young South African woman who has watched this country's fiscal story unfold with a mixture of frustration and cautious hope.

Let me be blunt: we have spent the last decade talking about debt. And we were right to. When public debt stabilises at 78.9% of GDP and the deficit narrows to 4.5%, that is not a small achievement—it is a hard-won stabilisation after years of fiscal slippage. We have withdrawn R20 billion in planned tax increases, protected the social wage, and seen our first credit rating upgrade in 17 years. These are real wins.

But here is the uncomfortable truth: fiscal stability is different from economic vitality. A stabilised debt ratio means nothing to a 24-year-old who has never held a formal job. A narrowed deficit means little to the small business owner who cannot afford to register for VAT.

So, this budget must answer one question: How do we turn stability into opportunity—without borrowing against our children's future?

The problem is clear. South Africa's economy is projected to grow by just 1.4% to 1.6% in 2026. That is not growth—it is stagnation with better bookkeeping. Meanwhile, unemployment stays catastrophic, especially among the youth. Our social wage—the grants, the healthcare, the education spending—supports 26.5 million beneficiaries and accounts for over 60% of spending after interest payments. This is necessary. It is moral. But it is not sufficient.

We cannot redistribute our way to prosperity if there is nothing new being created to redistribute.

My argument is simple: The only way to make fiscal consolidation sustainable is to make growth inclusive. And the only way to make growth inclusive is to invest deliberately, aggressively, and intelligently in the economic participation of young people.

First, we must turn infrastructure spend into youth employment. Over R1 trillion will be spent on infrastructure over the next three years. This is the largest public investment programme in a generation. But here are the question judges and taxpayers should ask: Who builds the roads? Who supports the rail? Who installs the water pipes?

I propose a National Youth Infrastructure Corps—a formal partnership between the state, private construction firms, and TVET colleges. Every major infrastructure project above R100 million should be needed to distribute a percentage of its labour budget to accredited youth apprenticeships. Not "work experience." Not "exposure." Real, paid, certified training that leads to employable skills. The money is already distributed. This is not new spending—it is smarter spending.

Second, we must make small business support radical, not bureaucratic. The budget has raised the VAT registration threshold from R1 million to R2.3 million and increased capital gains tax relief for small business sellers. Good. But the real barrier is not tax—it is access to working capital and markets.

I propose a Township and Rural Enterprise Guarantee Fund—a R5 billion facility, co-funded by the private sector and development finance institutions, that provides first-loss guarantees for microloans to informal and micro-enterprises. The state does not lend directly. It absorbs a portion of the risk so that banks and fintechs can lend where they currently refuse to. This is not a grant. It is a market-maker.

Third, we must reframe education as economic infrastructure. We spend a quarter of our budget on education. Yet thousands of graduates stay unemployed. The missing link is not knowledge—it is connection.

I propose a Graduate Placement Incentive—a temporary tax rebate for companies that hire first-time graduates into permanent roles for a minimum of 24 months. Not

internships. Not learnerships. Real jobs with real contracts. The revenue forgone is an investment in reducing the long-term fiscal burden of unemployment.

Honourable Speaker, we have stabilised the ship. But we have not yet set a new course.

The easy choice is to keep doing what we have done: protect the social wage, manage the debt, hope for global tailwinds. The harder choice—the one this budget demands—is to treat young South Africans not as beneficiaries of the state, but as builders of the economy.

Fiscal discipline gave us the space. Now we must use that space to create momentum. Because a budget that balances the books but leaves a generation behind is not a balanced budget at all.