

# THE R1 TRILLION QUESTION: WHY SOUTH AFRICA'S NEXT BUDGET MUST INVEST IN ITS YOUNG, NOT JUST MANAGE ITS DEBT

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

I stand before you today as a young South African woman who believes that the future of our country should not be determined by the circumstances into which a person is born, but by the opportunities our nation is willing to create.

I speak for the young woman who has a qualification but no employment, the young man who has a business idea but no access to capital, and the graduate who has spent years preparing for a future that still seems out of reach. I speak for a generation that is often described as the future of South Africa yet is frequently excluded from building its present.

Honourable Speaker, we cannot continue to ask young people to wait patiently for a better future while the years in which they should be building their lives pass them by.

South Africa has made important efforts to strengthen its public finances. Fiscal discipline matters. Public debt must be managed, government expenditure must be responsible, and public money must be protected from waste. A country cannot build lasting prosperity on financial commitments it cannot sustain.

But I believe we must ask ourselves a question that goes beyond the figures in a budget document: What is the value of financial stability if millions of young South Africans remain unable to participate meaningfully in the economy?

A declining deficit cannot, by itself, put food on a household's table. A stronger credit rating cannot, by itself, employ an unemployed graduate. And a carefully managed debt burden cannot fulfil its purpose if the economy fails to create opportunities for the people whose taxes will sustain it in the years ahead.

These indicators matter, but they are not the final destination. They are instruments through which we should build a stronger, more inclusive country.

My argument is simple: South Africa must move beyond managing its financial difficulties towards investing strategically in its human potential. The next budget must protect the country's financial future while creating credible pathways into employment, entrepreneurship and economic independence for young people.

I am not arguing for reckless spending. I am arguing for smarter spending. I am not asking government to abandon fiscal discipline. I am asking government to ensure that fiscal discipline delivers a future worth protecting.

I propose three practical priorities: turning infrastructure investment into employment, making finance more accessible to small businesses, and connecting education to meaningful work.

**First: Let us build infrastructure and build people at the same time.**

Honourable Speaker, when we invest in roads, railways, water systems and energy infrastructure, we invest in the foundations of economic growth. Reliable infrastructure enables businesses to operate, goods to reach markets and communities to access essential services.

Yet every major infrastructure project should also present an opportunity to develop South African skills and create pathways into employment.

When a road is built, who is trained to maintain it? When water infrastructure is installed, who gains the technical skills to repair it? When rail networks are improved, who is prepared to operate and maintain them?

These questions matter because infrastructure should leave more behind than concrete, steel and completed contracts. It should leave behind skilled workers, experienced artisans and young people who are better equipped to earn a living.

I therefore propose the establishment of a National Youth Infrastructure Corps, a partnership between government, private contractors, infrastructure operators and technical and vocational education institutions.

Through this initiative, qualifying public infrastructure projects would incorporate structured apprenticeships, accredited training and paid entry-level o

opportunities for young people. Participants could develop skills in plumbing, electrical installation, construction, engineering support, road maintenance and other technical fields required by the economy.

The programme should prioritise young people who face barriers to entering the labour market, including those from disadvantaged communities. It should also establish clear standards for training quality, fair remuneration, workplace safety and progression into sustained employment.

Most importantly, participation must lead to genuine skills development. Young people should not be used as inexpensive labour to satisfy a numerical target. They should leave these projects with practical experience, recognised competencies and a stronger chance of securing future employment.

This proposal should be integrated into existing infrastructure planning and skills-development arrangements wherever possible. Its costs must be carefully assessed, and participating contractors must be held accountable for delivering measurable outcomes.

The principle is simple: when public money is invested in building the country, young South Africans should have a meaningful opportunity to help build it.

Let us stop viewing young people only as beneficiaries of public expenditure. Let us recognise them as the skilled workers, entrepreneurs and professionals who can help turn that expenditure into lasting economic value.

## **Second: Let us give small businesses a fairer opportunity to grow.**

Honourable Speaker, South Africa's economic potential does not exist only in boardrooms and established commercial centres. It also exists in township workshops, rural businesses, home-based enterprises and the hands of entrepreneurs who have the determination to build something from very little.

A young woman who starts a catering business, a mechanic who opens a workshop, or a rural entrepreneur who develops an agricultural enterprise is doing more than earning an income. Each is creating the possibility of employment, supporting a household and contributing to the local economy.

Yet determination alone is not enough. Many promising businesses struggle to access the capital required to purchase equipment, secure premises, expand production or employ additional workers. Without suitable financing, an

enterprise with real potential may remain small or fail before it has the opportunity to grow.

I therefore propose a Township and Rural Enterprise Guarantee Fund, designed to improve access to responsible lending for viable small businesses that struggle to meet conventional financing requirements.

The proposed fund would work with participating banks, development finance institutions and other eligible lenders to guarantee an agreed portion of qualifying loans. Rather than giving money away indiscriminately, it would help reduce some of the lending risk while requiring businesses to demonstrate their viability and take responsibility for repayment.

I propose that government explore a R5 billion facility, subject to an independent feasibility assessment, appropriate funding arrangements and a clear evaluation of the potential fiscal risks. The amount should not be treated as a commitment until the costs, expected demand and likely economic benefits have been established.

The fund should be accompanied by practical business support, including financial literacy, bookkeeping, digital skills, market access and guidance on meeting regulatory requirements. Access to capital is important, but entrepreneurs also need the knowledge and opportunities to use that capital effectively.

The programme should be transparent, independently monitored and assessed against measurable outcomes, including businesses supported, jobs created or sustained, loan repayment performance and the extent to which enterprises continue operating after assistance ends.

This is not a proposal to remove risk from entrepreneurship. Business will always involve risk. It is a proposal to ensure that a lack of collateral or a limited credit history does not automatically prevent a viable enterprise from accessing the finance it needs.

We cannot keep telling young people to become entrepreneurs while leaving them without a realistic opportunity to finance their ambitions.

If we want small businesses to become engines of employment, our policies must help them move from survival to sustainability, and from sustainability to growth.

### Third: Let us connect education to employment.

Honourable Speaker, education is one of the most powerful investments a country can make in its people. It equips individuals with knowledge, strengthens communities and expands the possibilities available to future generations.

But we must be honest about the frustration experienced by young South Africans who complete their studies only to discover that employers want experience they have never had the opportunity to acquire.

A qualification should open doors, not lead to an endless search for someone willing to provide a first opportunity.

When a graduate remains unemployed for an extended period, the consequences extend beyond that individual. Families continue to provide support, skills remain underutilised, and the public and private resources invested in education do not generate their full potential economic return.

I therefore propose a Graduate Employment Incentive that would encourage eligible employers to recruit first-time graduates into genuine, paid positions.

Under this proposal, qualifying employers could receive a temporary, targeted tax incentive for hiring eligible graduates into substantive roles and retaining them for a defined period, potentially 24 months. The incentive would need to be carefully designed, costed and evaluated before implementation.

It should reward additional employment rather than subsidise appointments that would have occurred anyway. Employers should be required to provide fair remuneration, appropriate supervision and opportunities for professional development. Clear safeguards should prevent businesses from replacing existing employees simply to qualify for support.

The programme should also be assessed against a crucial question: do these placements lead to sustained employment after the incentive ends?

I would further encourage partnerships between universities, TVET colleges and employers to identify skills shortages, strengthen practical training and help students gain workplace exposure before completing their studies.

Where effective programmes already exist, government should strengthen a

and coordinate them rather than create unnecessary duplication.

Our goal must be to replace the cycle of qualifications without opportunities with a pathway from education to experience, from experience to employment, and from employment to independence.

For a young woman who has worked hard to obtain a qualification, that first opportunity can mean more than a monthly salary. It can mean the ability to support her family, make independent decisions, contribute to her community and begin building the life for which she has prepared.

We must not allow talent to become another resource South Africa possesses but fails to use.

### **Conclusion: A budget that measures more than money**

Honourable Speaker, these three proposals are connected by one principle: public expenditure must create value that extends beyond the immediate transaction.

Infrastructure investment should strengthen productive capacity. Enterprise support should enable viable businesses to grow. Education spending should help people acquire skills they can use in the economy.

None of these interventions is a substitute for sound economic management. None will eliminate unemployment overnight. And none should be implemented without transparent costs, credible funding arrangements and measurable objectives.

However, a responsible budget should not only ask how much a programme costs. It should also ask what the programme achieves, who benefits, what risks it creates and whether the same resources could deliver better results elsewhere.

Government must be disciplined in its spending and accountable for its decisions. Businesses must invest in productive activity and help expand employment. Financial institutions must assess risk responsibly while looking for sustainable ways to support viable enterprises. Educational institutions must continue strengthening the connection between qualifications and the skills the economy requires.

Young people, in turn, must have access to opportunities through which effo

rt, talent and determination can translate into progress.

This is how we build a more inclusive economy: not through promises alone, but through practical partnerships, measurable results and consistent implementation.

The budget should therefore be judged not only by whether public finances improve, but also by whether more young people enter meaningful employment, more small businesses become sustainable, and more graduates find opportunities to apply their knowledge.

These outcomes require patience, accountability and sound planning. But they also require the courage to recognise that economic stability is a foundation for progress, not progress itself.

Honourable Speaker, I stand here as a young South African woman who refuses to believe that unemployment must define my generation or that economic exclusion must determine our country's future.

I recognise the importance of fiscal discipline. I understand that government cannot spend without limits, that debt must be managed and that public money belongs to the people. These responsibilities are not obstacles to development; they are essential to achieving it.

But responsibility also means recognising the cost of inaction.

There is a cost when a skilled graduate cannot find work. There is a cost when a promising business closes because it cannot obtain finance. There is a cost when infrastructure is built without creating meaningful pathways for young people to develop the skills needed to maintain it.

These costs may not always appear as a line item in the national budget, but they are real. They are reflected in lost productivity, unrealised potential and opportunities that never become reality.

We must therefore make a deliberate choice about the future we want to build.

We can continue to measure success primarily through the numbers that describe our financial position, or we can use those numbers as a foundation for a broader measure of national progress: whether South Africans have a fair opportunity to contribute to and benefit from the economy.

I choose the latter.

I believe in a South Africa where a young person from a rural village can acquire technical skills and build a career; where a township entrepreneur can obtain responsible financing and employ others; and where a graduate's first job is not a distant hope, but a realistic next step.

These are not promises that government can fulfil alone. They are goals that require cooperation, careful investment and the willingness to measure ourselves against outcomes rather than intentions.

The National Youth Infrastructure Corps, the Township and Rural Enterprise Guarantee Fund, and the Graduate Employment Incentive are proposals towards that future. Their success would depend on sound design, affordability, accountability and the ability to demonstrate real results. They deserve consideration because they focus on a fundamental question: how can the resources South Africa already commits to development create wider and more lasting opportunities?

Honourable Speaker, our young people do not need to be told indefinitely that they are the leaders of tomorrow. They need the opportunity to become contributors, innovators and leaders today.

A responsible budget must protect the country from unsustainable debt. But it must also protect the potential of the people who will inherit its consequences.

Let us build roads that lead to opportunity, finance that unlocks enterprise, and education that opens the door to meaningful work.

Let us make fiscal discipline serve human development, and make economic growth something that more South Africans can experience in their daily lives.

I am not asking South Africa to choose between financial responsibility and investing in its young people. I am asking us to recognise that, when investment is well designed and responsibly managed, these two goals can strengthen one another.

The question is not simply how much debt we can afford to carry. It is what kind of country we are building while we carry it.

And when history judges the choices we make today, I hope it will not only record how carefully we managed our finances, but also how courageously we expanded opportunity.

Let our next budget be remembered not merely for the debt it managed, but for the potential it unlocked.

Because South Africa's greatest resource is not what lies beneath its soil, what stands within its borders, or what appears on its balance sheet.

It is the untapped potential of its people.

And investing wisely in that potential is not a departure from fiscal responsibility.

It is how we give fiscal responsibility a future worth protecting.

Thank you.