

BUDGET 2026

PEOPLE AGAINST BUDGET CUTS / CRY OF THE XCLUDED WORKSHOP

PUBLIC SPENDING

01. THE LIMITS OF MACROECONOMIC STABILITY

AUSTERITY, INEQUALITY, AND THE SHRINKING STATE



46,4%

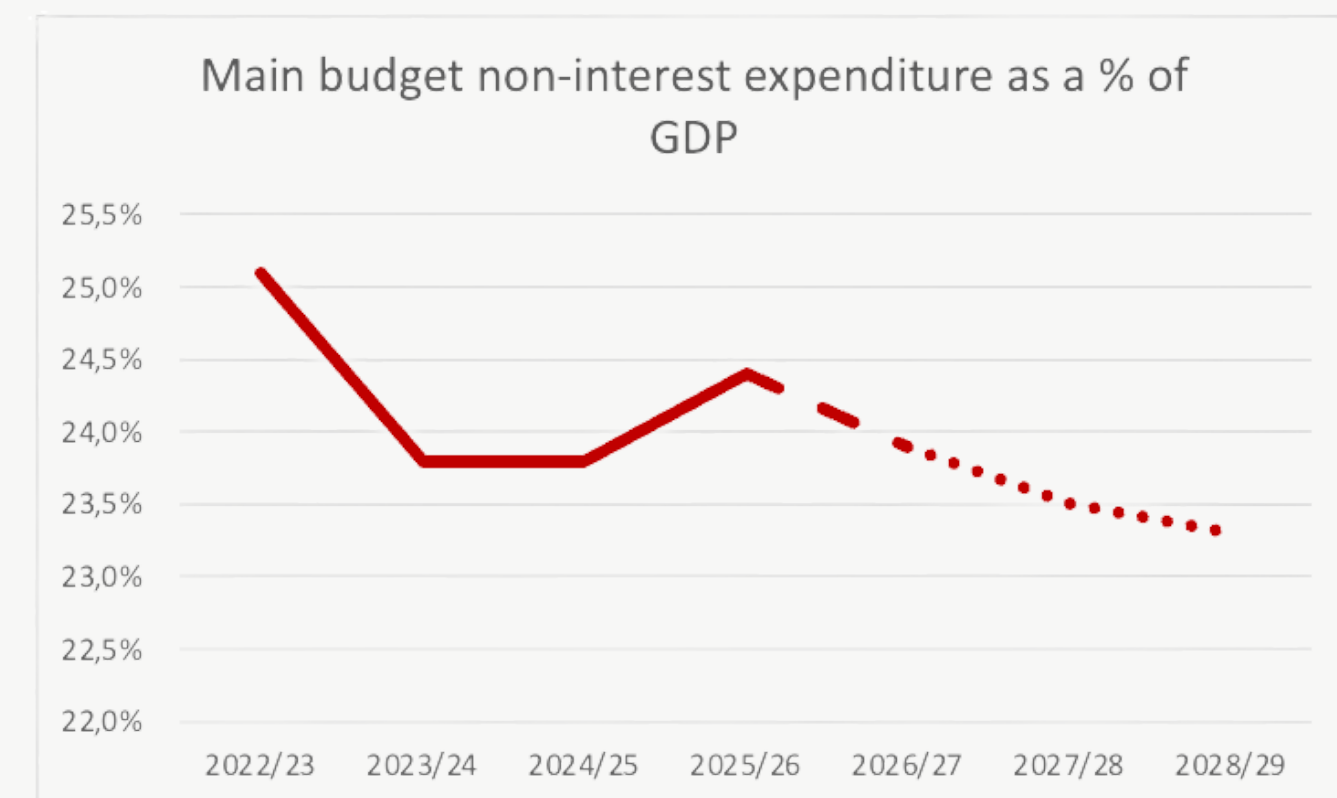
of all children
under 5 in the WC
are stunted (the
highest rate in the
country!)

66,7%

of people live
below the upper-
bound poverty line

43,7%

of people are
unemployed



Source: Author's depictions using 2026 National Treasury data

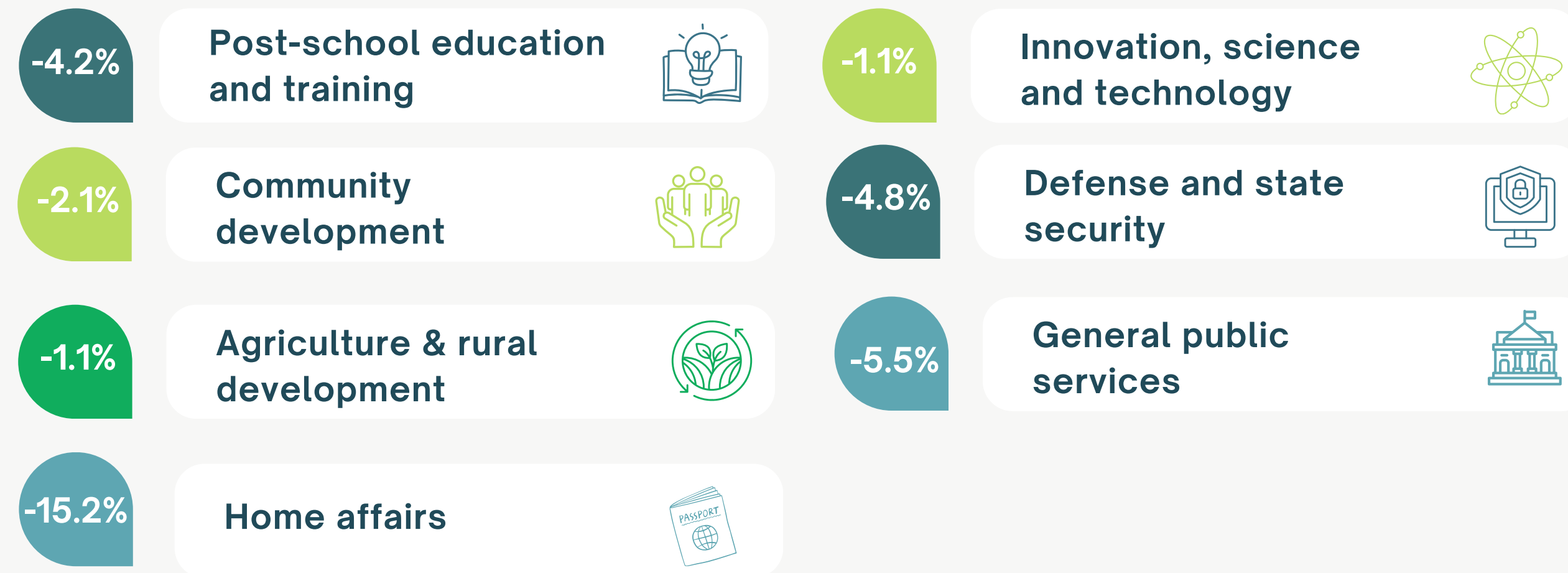


Recommendation:

**Reverse austerity to protect
constitutional rights from
further erosion**

02. THIS IS AN AUSTERITY BUDGET

- There is a **decline** in real terms of non-interest main expenditure **by 1%** between 2025/26 and 2026/27.
- The following data shows real percentage declines in consolidated expenditure:



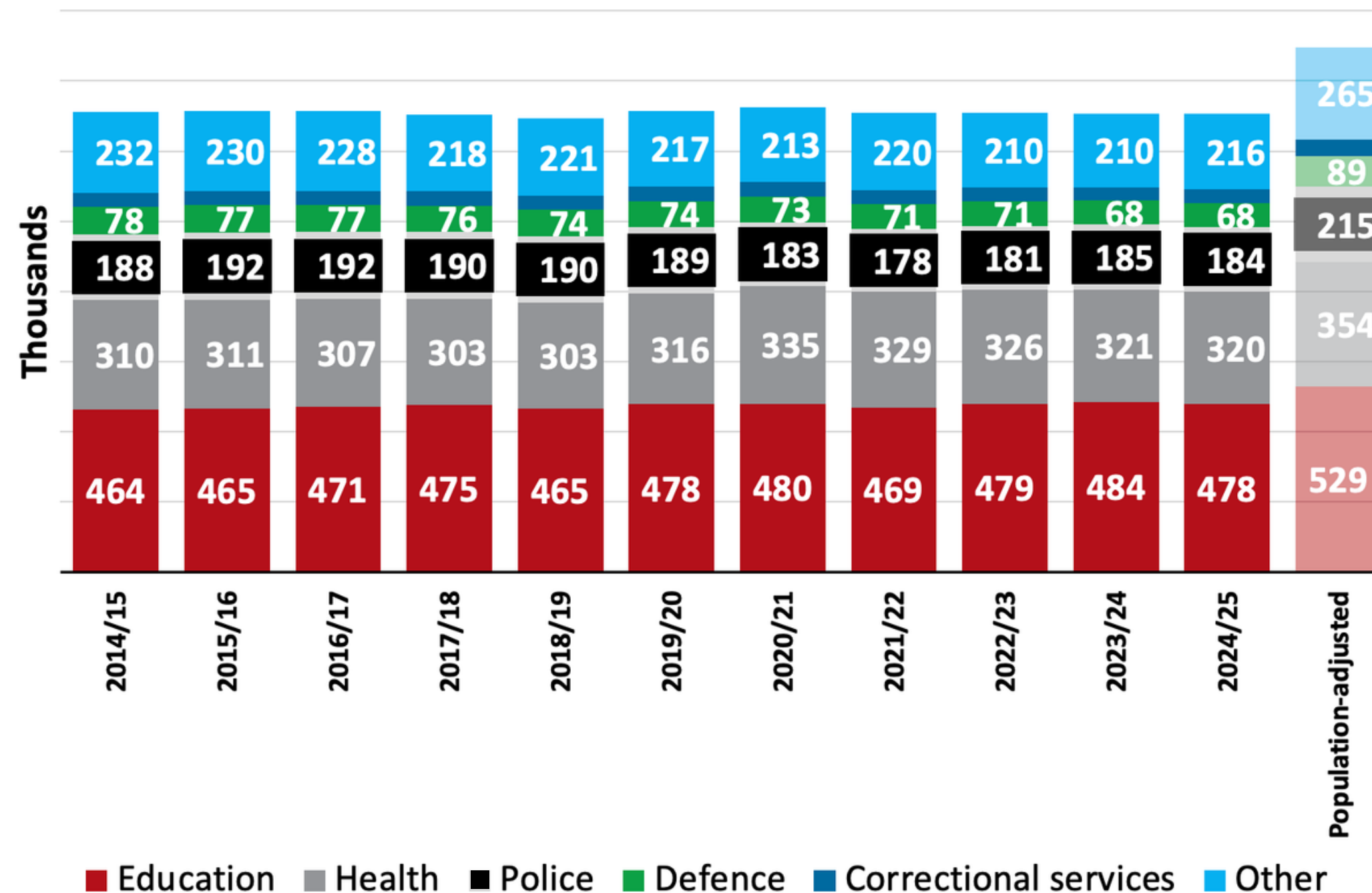
Notes: Real % change between 2025/26 and 2026/27 consolidated expenditure

➤➤➤ Recommendations:

- Ensure real growth across government spending
- Implement a Universal Basic Income Guarantee
- Increase the CSG to at least the FPL
- Remove unfair and unconstitutional barriers to social protection
- Make gender-responsive budgeting an integral component of the budget process

03. “STRICT HEADCOUNT CONTROLS AT THE PROVINCIAL LEVEL” WILL UNDERMINE SERVICE DELIVERY

Headcounts in the public service between 2014/15 and 2024/2025



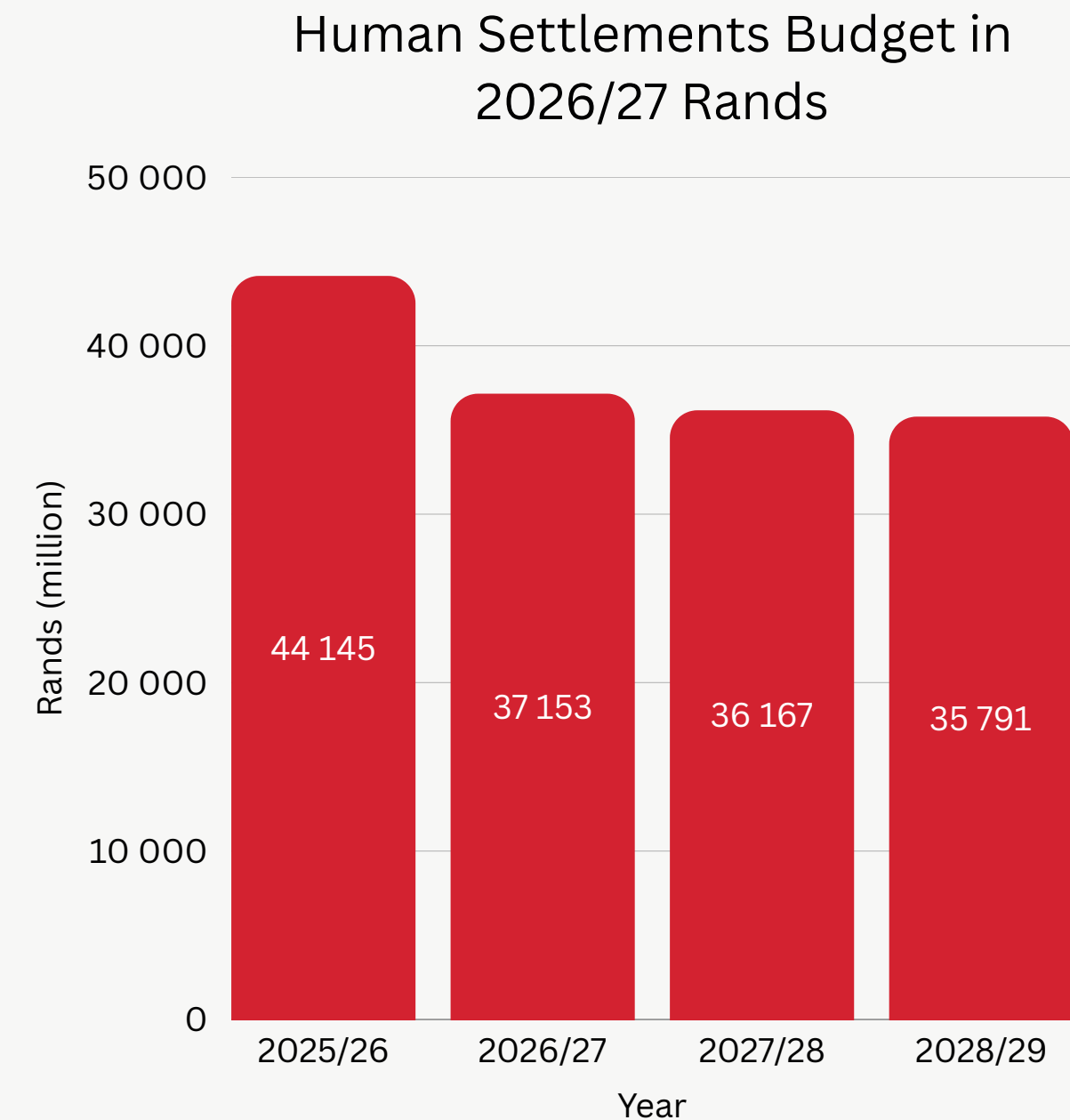
➤➤➤ Recommendations:

- Ensure that recommendations by the portfolio committees are adequately addressed by the Executive
- Ensure that there is no real per capita erosion

Source: National Treasury 2025 MTBPS and author's calculations

04. HOUSING & LAND REFORM

- Housing backlog of 3.7 million units - impacts more than 12 million people
 - About 30,000 units are delivered annually
- Underspensing referenced in many metros for reductions in budgetary allocations
- Over the past 20 years, the City of Cape Town's housing delivery has steadily declined from an average of about 9,000 units to approximately 5,000 per year, while the housing backlog has surged to roughly 600,000 units.
- Real cut of 6.6% in land reform between 2025/26 and 2026/27



05. HEALTH

- Overall, there are real increases to the health budget, but these increases are insufficient to reverse years of budget cuts
- HIV & TB and emergency medical services still face cuts of 1.4% and 1.8% between 2025/26 and 2026/27
- Shortage of at least 34,000 healthcare workers
- Example of Chris Hani Baragwanath:
 - 587 vacant posts, including 60 medical officers and over 300 nurses
- Government claims that additional allocations have been made to protect posts, but vacancies remain.

06. HOW DOES THE 2026 BUDGET RESPOND TO THE JOBS CRISIS?

- South Africa's capital-intensive, financialised economy will not deliver employment at scale.
- Despite President Ramaphosa's emphasis on addressing unemployment at SONA, there is a cut in the Basic Education Employment Initiative's (BEEI) budget to R318 million in 2026/27 from R6 billion in 2021.
- Operation Vulindlela is one of the government policies geared towards indirect job creation, but even though billions have been invested, the Budget Review shows that additional electricity generation projects will include R16 billion of investment for a modest 4,000 jobs once constructed. Furthermore, simplifying visa applications for tourists has only added an estimated 3,000 more jobs. Privatisation under OV also risks hiding the full scale of debt, and it could turn rights-holding citizens into clientele.
- The 2026 Budget offers very little to meaningfully shift the needle on unemployment.
- Social protection serves as a vital complement to preserving dignity when the labour market fails to create jobs at scale.
- What is also required is a deliberate industrialisation agenda rooted in mass employment, localisation, and climate responsiveness.

➤➤➤ **Recommendations:**

- **Expand funding for public employment programmes.**
- **Build a deliberate state-led industrialisation agenda rooted in mass employment, localisation, and climate responsiveness, and reject the privatisation of public goods and public services.**

THANK YOU!

**Alternative Information &
Development Centre**

 www.aidc.org.za

 aliya@aidc.org.za