# ABSTRACT

The purposes of this research are : (1) analysing the profile of poor people who are unemployed, who are still in the productive age and who have the potentials to improve their lives in kota Semarang; (2) analysing market needs to develop entreprenuership skills among the poor; (3) formulating empowerment strategy for the poor; (4) Development a model for empowering the poor; and (5) estimating a transaction cost needed for implementing empowering programs for the potentials to improve their lives. This research used primary data which were collected through interviews multi-stage random sampling procedure, 152 samples were selected from among the poor who were unemployed, 65 of them were head of households. Secondary data were also collected from the poor who were unemployed, who were still productive and have potentials to get out of poverty from the districts of Semarang Barat, Semarang Timur, Semarang Tengah, Semarang Utara and Gajahmungkur. Similar data were collected from journals, books and past research findings. Descriptive statistics were used to analyze the profile of the poor who were unemployed and have the potentials to get out of poverty, maket needs in terms of employability and the possibility of self-employment through enterprenuership activities. A transaction cost model was developed to estimate the cost needed for employability and self-employment through enterprenuership activities.

The profile of the poor in Kota Semarang can be categoryzed into two, this is, fizical and non-fizical. Fizical proverty refers to ownership of houses (either own ownership or state owned), condition of the houbes and the furnitures size, wall either concrete or wood, flooring either wood or cementand types of furnitures (tables, chairs, closets, etc either in good condition or ofherwise). Non-fizical proverty refers to income and all respondents income were low between 400.000 to 700.000 rupiah. Employment of head of households were part time and members of households were not employed. Generally, the respondents were still in the productive age, have education and skills. For basic necessary needs such as food, the study found that it was still inadequate. Market need for employment and self-employment are avaitable aither in business or industry suchas saloon, motor worshop, garment, bread making and shoe making. There are four (4) scenarios that can be developed to empower the poor through training to develop their knowledge and skills to motivate them and to change their attitudes as well as to indentify alternatives to migrate to other areas: (1) Those that have needs but not capability; (2) Those that have capability but not needs; (3) Those that have needs and capability but not interested to expand further due to the feeling of adecuacy; and (4) those that have needs and capability but are not interested to expand further duelaziness.

An overall strategy would be through a continuous program of awareness, transformation and building intellectual capacity.

A strategy for community empowerment model needs a transaction budget for imformation cost, decision making cost and operational cost to ensure success. The transaction cost is calculated based on an empowerment group, each with 10 members, with a total cost of Rp. 25.000.000,- to be disburssed by the goverment. This cost is subyect to changes due to inflation. For scenario (1) it is estimated the cost for empowerment is around Rp. 40.000.000; For scenario (2) the cost is estimated around Rp. 31.000.000; For scenario (3) The cost is estimated around Rp. 30.000.000; and for scenario (4) The cost is estimated around Rp. 25.000.000. An overall cost empowering programs for the poor in Kota Semarang is estimated to be Rp. 239.028.000.000,-

To overcome the issue of poverty, either through employment or self-employed in business and industry should be based on local, national and, where necessary, international needs. In an effort to reduce poverty among the people, the government should provide support in form of budget and or information.