

## **ABSTRACT**

The home industry or small and medium industry (IKM) has an important role that is directly, able to boost regional income, become a driver of economic activity that is able to absorb labor, and reduce poverty. In accordance with the goals of Nawacita, SMIs as the backbone of the economy, SMIs are expected to be able to realize economic independence, so as to be able to develop regions and villages. Based on data from the Ministry of Industry, it states that in 2016, SMIs in Indonesia grew to reach 165,983 units, an increase of 4.5 percent compared to 2015 and have absorbed a workforce of 350,000 people (Julianto, 2016). In addition, SMEs are also able to absorb the most labor compared to other sectors. Absorption of labor in the non-oil sector (food, crafts, clothing, etc.) at the beginning of 2016 reached 97.22 percent. Considering the important role of SMIs, therefore, the government strives to always try to improve the competitiveness of SMEs business through coaching and revitalization programs.