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### **Abstract No. 33**

#### **CSR , SOCIAL CAPITAL, SUSTAINABLE PERFORMANCE SMES**

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#### **ABSTRACT**

SMEs play an important role in the economy of Semarang City. This important role is shown by the number and potential of these SMEs to process local wisdom. SMEs have a closer relationship with their stakeholders, therefore SMEs can make greater contributions to their stakeholders through Corporate Social Responsibility (CSR). The business paradigm that is oriented to the Triple Bottom Line, namely, Profit, People and Planet is a challenge for SMEs to run a business oriented to these three things. SMEs can use CSR as a strategy to create social capital that will increase competitive advantage and ultimately have an impact on its performance in the long run. CSR that is market-oriented, labor, society and the environment will create social capital providing long-term benefits in the form of sustainable performance. This study aims to examine the impact of CSR on competitive advantage in improving sustainable performance. The data needed in the study are mainly primary data obtained through structured questionnaires. The analytical tool used is the analysis of Structural Equation Model (SEM). The results of the model testing show that; Market-oriented CSR and environment-oriented CSR have a positive effect on trust; Labor-oriented CSR and Community-oriented CSR have a positive effect on harmonious collaboration; Harmonious collaboration and trust have a positive effect on social capital; Social capital has a positive effect on sustainable performance. Meanwhile, trust and harmonious collaboration also have a positive effect on sustainable performance

**Keywords :** *Corporate Social Responsibility, Social Capital, Sustainable Performance*