



## Arts Entrepreneurship in Bali: Between Tradition and Innovation in The Creative Industry

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### ABSTRACT

*Art entrepreneurship in Bali operates at the intersection of preserving tradition and adopting innovation within the creative industry. This qualitative research aims to analyze how Balinese art practitioners negotiate cultural identity through their entrepreneurial practices. The findings identify three primary models: the preservation of tradition as a core commodity, contemporary interpretation, and the dominant strategy of creative hybridization that gives birth to a "Modern Balinese" aesthetic. These findings reveal that art entrepreneurship serves as an active site of negotiation, contextually transforming cultural identity to engage with the global market while also acting as a mechanism for participatory cultural transmission. In conclusion, the sustainability of this ecosystem requires policy support that protects communal intellectual property and empowers practices to achieve cultural sovereignty in the creative economy era.*

**Keywords:** *Art Entrepreneurship, Creative Hybridisation, Cultural Identity*

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### I. INTRODUCTION

Bali, with its rich cultural and artistic heritage, has long been an epicenter of creativity in Indonesia. The legacy of artistic traditions, from carving and painting to dance and music, has not only served as a cultural identity but also as the backbone of the local economy. In recent decades, the surge of the global creative industry has brought a wave of change, offering both new opportunities and challenges. This is where arts entrepreneurship emerges as a vital bridge connecting the treasures of tradition with the demands of modern market innovation (Wijaya & Cole, 2022).

Arts entrepreneurship in Bali is not simply an economic activity, but rather a complex dynamic that seeks to maintain the nobility of traditional values while adapting to the competitive and dynamic landscape of the creative industry. Artists from artisans in villages to young designers in urban areas are required to be more than just creators; they must become innovators, managers, and savvy marketers (Darma Putra & Hitchcock, 2020). This process creates an interesting dialectic: how to package the spirituality and sacred meaning of a traditional work into a product that is relevant to contemporary consumers without losing its essence?

This paper will examine the portrait of arts entrepreneurship in Bali, analyzing how balancing maintaining tradition and adopting innovation can be key to sustainability. By highlighting various case studies and current trends, this paper aims to understand the contribution of arts entrepreneurship to strengthening Bali's creative industry, as well as strategies that can be implemented to navigate the tension between cultural preservation and economic transformation in the global era.

### II. RESEARCH METHODS

This research on arts entrepreneurship in Bali, which bridges tradition and innovation in the creative industry, uses a qualitative approach with a case study design. This approach was chosen to explore in depth the complexities, motivations, experiences, and meanings of the social phenomena that cannot be fully measured quantitatively.

Data were collected through a combination of data collection techniques to achieve triangulation and depth of analysis. Primary data collection methods included semi-structured interviews with key actors, including

traditional artisans who have developed businesses, young art entrepreneurs, curators, and managers of creative communities and art villages in Bali. These in-depth interviews aimed to understand their personal narratives, business strategies, challenges, and perceptions regarding the dialectic of tradition and innovation. In addition to interviews, participant observation was also conducted at creative venues such as studios, galleries, art markets, and creative industry events to directly observe the production process, social interactions, and presentation of works.

Secondary data was collected from various documentary sources such as academic articles, industry reports, business profiles on social media, websites, and media content to complement the broader context and trends. Data analysis was conducted thematically, where all interview transcripts, observation notes, and documents were coded and grouped based on inductively emerging themes, such as "traditional incorporation strategies," "forms of innovation," "market pressures," and "cultural sustainability." This analysis process was iterative to build a holistic understanding of how arts entrepreneurship in Bali negotiates the two poles of tradition and innovation, and its impact on cultural and economic sustainability.

### III. RESULTS AND DISCUSSION

Based on the collected data, this study reveals that arts entrepreneurship in Bali is a dynamic ecosystem characterized by hybrid practices between traditional values and innovative strategies. The results indicate that this form of entrepreneurship is not homogeneous, but rather divided into several models that reflect the level of interaction with the modern market and the depth of its traditional roots.

1. Tradition, as the foundation and primary commodity, is found on one spectrum, an entrepreneurial model that positions tradition as the core, irreplaceable commodity. Craftsmen in traditional centers like Mas Village (carving) or Celuk (silver) remain committed to the techniques, motifs, and symbolic meanings of their ancestors. The innovations that emerge are evolutionary, not revolutionary, such as improving the quality of finishing, diversifying sizes to meet souvenir demand, or using more durable raw materials. Tradition is sold in its relative purity, and its economic value lies in its authenticity and connection to sacred Balinese cultural narratives. However, this model is vulnerable to the pressures of mass production and price competition from counterfeit products, which have the potential to diminish the artistic and economic value of the work.

2. Innovation as contemporary interpretation and adaptation on the other spectrum, a rapidly growing entrepreneurial model driven by young artists and designers, often graduates of formal art institutions. This group takes traditional elements such as the *kawung motif*, the *Barong form*, or the *Tri Hita Karana philosophy* as sources of conceptual inspiration, then reinterprets them in new mediums, forms, and functions. Woodcarving motifs can be reduced to digital graphics on apparel, mask elements translated into modern jewelry designs, or the *Ramayana story* narrated in short animations. The innovation here is radical and oriented towards the global creative market. The main challenge in this model is maintaining the "spirit" or *ethos* of Bali in a highly personal and sometimes abstract interpretation, so as not to fall into the trap of cosmetic cultural exploitation.

3. Hybridization as a key strategy: "Modern Bali" The main finding of this study is the dominance of the third model, the creative hybridization strategy, which successfully bridges the two poles in a more sustainable way. Entrepreneurs in this category, often intergenerational collaborations, create what can be called a "Modern Bali" aesthetic. They maintain core local techniques and wisdom (such as silver *petrification* or the *traditional color composition* of Kamasan paintings) but apply them to products with contemporary functions. Examples include silver jewelry using traditional techniques for minimalist designs, *endek weaving* used for laptop or shoe casings, or wood carvings in the form of ergonomic furniture. Innovation occurs not in replacing tradition, but in its contextualization. Their selling point is a unique blend of authentic cultural stories and utility for modern lifestyles.

### IV. DISCUSSION

#### Negotiating Identity in the Global Market

The dynamics found in Balinese arts entrepreneurship, from traditional preservation to contemporary interpretation to creative hybridization, are essentially a concrete manifestation of a vibrant and pulsating process of cultural identity negotiation. Bali is no longer merely a passive object exposed to the global market, but has become an active actor, consciously reformulating its cultural expression in dialogue with market forces, technology, and international consumer tastes. This negotiation process is multidirectional; it occurs between older and younger generations, between traditional villages and urban creative centers, and between sacred meaning and commodity value (Reuter, 2021).

The process of identity negotiation through arts entrepreneurship in Bali, while yielding brilliant creativity and hybrid solutions, is inseparable from its inherent tensions. These tensions arise as a logical consequence of efforts to reconcile two often-conflicting logics: the logic of preserving sacred and communal values, with the logic of the market oriented towards profit, efficiency, and mass appeal (Picard, 2020). One of the most fundamental tensions lies in the commodification of sacred symbols. When religious motifs such as the *karang boma* (guardian giant face) or certain ritual objects are adapted into fashion product designs or home decor,

critical questions arise about appropriate boundaries. Is this process a form of respect for and dissemination of cultural values, or a shallowing and exploitation of their meaning? Artists and entrepreneurs often have to walk this fine line, negotiating not only with the market but also with conscience and the potential criticism of traditional elders or communities who feel their cultural ownership has been reduced to mere trends (Mantra & Dewi, 2023).

Another tension arises in production relations, particularly between traditional artisans as owners of technical skills and designers or young entrepreneurs as capital mobilizers and marketers. Ideal collaboration is often marred by inequality in the distribution of economic value and creative recognition. The greatest risk is being trapped in a "*put-out*" relationship pattern, where artisans are merely paid workers with marginalized creative contributions, while the greatest added value is enjoyed by those who control market access and branding. This tension threatens the sustainability of the collaboration model if it is not built on a foundation of equality and fair recognition (Bakker & Padmo, 2020).

More broadly, these negotiations also face external pressures from a homogenizing global market. The pressure to meet stringent quality standards, order volumes, and production timelines can erode traditional creative processes steeped in contemplation, ritual, and unhurried timing. There's a trade-off between producing *crafts* (crafts with artistic and narrative value) and mere *commodities* (mass-produced goods). If the pull toward *commodities* is too strong, the differentiation and unique value that are a selling point will fade.

Therefore, the sustainability of the entire Balinese arts entrepreneurship ecosystem depends crucially on the ability to manage these tensions productively, rather than avoid them. This requires collective awareness, inclusive governance, and supporting mechanisms such as ethical certification, transparent collaborative contracts, and platforms that enable a holistic cultural narrative to accompany each product. In this way, tensions will not be destructive, but rather a catalyst for the development of more ethical, sustainable, and dignified practices in preserving cultural heritage amidst the global creative economy.

On the one hand, there is a pressure to maintain purity and authenticity as the primary symbolic resources that distinguish Balinese products in a saturated market. On the other hand, there is a growing demand to adapt, be relevant, and meet the practical standards of the global market. It is in this tension that the most fertile creativity is born. The "Modern Bali" aesthetic resulting from this hybrid strategy is both a creative compromise and a clever solution. It is a form of successful negotiation, where identity is not sacrificed but rather contextually transformed. The *pepen* (leaf carving) motif applied to minimalist lamp designs, for example, is no longer merely a ritual decoration, but a marker of cultural identity that can be read in a global design language, while its philosophical meaning remains traceable and narrated.

This process also shifts the center of cultural authority. While the meaning and form of art were once closely guarded by indigenous community structures and traditional studios, now art entrepreneurs, with their understanding of the market, are becoming cultural curators and interpreters. They choose which elements of tradition are "marketable" and how to package them. This has the consequence that some aspects of tradition deemed less palatable to market tastes may be marginalized, while others gain new life. Thus, the creative industry is not only an economic arena, but also a selective and participatory arena for cultural inheritance (Astawa et al., 2022).

The continuity and sustainability of the cultural identity negotiation process in Bali cannot rely solely on the individual passion and creativity of arts entrepreneurs. Going forward, the quality and fairness of this entire process will be largely determined by the strength and interconnectedness of the surrounding supporting ecosystem. Without a solid ecosystem foundation, the current positive dynamics risk stalling or, worse, shifting toward unequal exploitation, where only those with the most access to capital and networks reap the ultimate benefits.

Strengthening this ecosystem must first begin with the regulatory and protection aspects. The existence of a clear and enforceable legal system to protect communal Intellectual Property Rights (IPR) is a key foundation. This not only prevents plagiarism by external parties, but more importantly, creates a framework for recognition and equitable benefit sharing among Bali's internal stakeholders, between traditional villages as holders of traditional knowledge and the entrepreneurs who develop it. Without this protection, sacred collective knowledge can easily lose its economic value and become detached from its community roots.

Furthermore, the ecosystem requires an inclusive knowledge and capacity infrastructure. Education and training need to reach not only young people in urban areas but also maestros and artisans in remote villages. The materials must also be holistic, combining financial and digital literacy, business management, contemporary marketing, and, importantly, a deep understanding of the cultural philosophy and ethics behind their work. This way, all actors can negotiate from a position of equal knowledge, understand the true value of their cultural capital, and make strategic decisions that are economically profitable without sacrificing cultural integrity.

Finally, a healthy ecosystem requires collaborative networks and platforms built on a spirit of mutual cooperation. Digital and physical platforms that connect artisans, designers, curators, marketers, and investors with transparency can shorten the distance between production and high-value markets. Furthermore, a widely recognized certification or labeling mechanism needs to be established that not only guarantees product quality but also ensures that the production process adheres to principles of social justice, environmental sustainability,

and respect for cultural values. With a strong, inclusive, and justice-oriented supporting ecosystem, identity negotiation through arts entrepreneurship will be able to generate more equitable and sustainable impacts, ultimately affirming Balinese cultural sovereignty in the global arena, not as a passive commodity, but as a dignified and equal creative partner.

The cultural diplomacy carried out by these entrepreneurs needs to be supported by policies that protect communal intellectual resources, such as traditional motifs and techniques, from plagiarism. Culture-based entrepreneurship education is also key to empowering more traditional actors to negotiate from an equal footing and understand the true value of their cultural capital. Ultimately, this negotiation of identity through arts entrepreneurship is an effort to achieve cultural sovereignty in the creative economy era—a sovereignty that does not isolate itself but confidently determines the terms under which its traditions are lived, adapted, and valued on the world stage.

Arts entrepreneurship is a field where the meaning of “Bali-ness” is continuously reproduced and redefined. Purely tradition-based models serve as guardians of the *cultural reservoir*, while innovative models serve as *cultural ambassadors*, making Balinese culture relevant to new audiences. However, the success of the “Modern Bali” hybrid strategy demonstrates that the key to sustainability lies in the ability to create added cultural value. This added value does not arise from abandoning tradition or simply following trends, but from in-depth creative translation. This process requires a strong philosophical understanding of cultural heritage as well as market and technological literacy. The challenge ahead is to build a supportive ecosystem—such as access to financing, intellectual property management training for traditional artists, and collaborative marketing platforms that enable more grassroots actors to engage in high-value creation, not just mass production. Thus, arts entrepreneurship is not only an economic driver but also a resilient mechanism for preserving a vibrant and inclusive culture in Bali.

## V. CONCLUSION

Based on the analysis conducted, it can be concluded that arts entrepreneurship in Bali is a complex and dynamic phenomenon that successfully bridges traditional heritage with the demands of innovation in the global creative industry. This research reveals that this process does not occur linearly or uniformly, but rather through various strategic models, ranging from traditional preservation and contemporary interpretation to the most dominant and sustainable: creative hybridization. This hybrid model produces a “Modern Balinese” aesthetic, where traditional techniques, motifs, and philosophical values are intelligently contextualized into products and services relevant to today's markets and lifestyles.

At its core, this practice of arts entrepreneurship is more than just an economic activity; it is an active and ongoing process of negotiating cultural identity. Artists, both traditional artisans and innovative designers, act as cultural agents, translating, curating, and promoting “Bali-ness” in dialogue with the global market. Through this negotiation, Balinese cultural identity is not static or eroded, but rather transformed, revitalized, and given significant added economic value.

For this arts entrepreneurship ecosystem to grow inclusively and sustainably, strong systemic support is required. This support includes protecting communal intellectual property, access to culture-based entrepreneurship education, and the development of collaborative marketing platforms. Thus, arts entrepreneurship will not only establish Bali as the epicenter of Indonesia's creative industry but also become a vital mechanism for achieving cultural sovereignty a position where Balinese people can consciously, critically, and creatively determine the past, present, and future of their own culture amidst the currents of globalization.

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