

ABSTRACT

Banyuwangi Ethno Carnival is a form of integration of local arts and traditions into cultural entrepreneurship activities, which aims to support the development of the creative economy in Banyuwangi. Local arts and traditions have strategic value as cultural capital that contributes to the sustainability of the local economy, but challenges in maintaining cultural authenticity and inequality of economic benefits are still important issues. This study aims to analyze the integration process of local arts and traditions in the development of cultural entrepreneurship through Banyuwangi Ethno Carnival and evaluate its influence on the local economy, especially in terms of inclusiveness and sustainability.

This study used qualitative methods with in-depth interview techniques to seven informants from three stakeholder groups: two people from the Banyuwangi Culture and Tourism Office, three local business people, and two local artists involved in the event. The data obtained were thematically analyzed based on The Creative Destruction Theory of Entrepreneurship.

The results of this research are expected to provide a comprehensive understanding of the dynamics of integrating local arts and traditions into culture-based economic activities, their impact on local community empowerment, and the effectiveness of policies in supporting the preservation of arts and traditions. This research also aims to offer strategic recommendations to stakeholders to maximize the potential of cultural entrepreneurship as part of sustainable economic development.

Keywords: *Banyuwangi Ethno Carnival, local arts and traditions, cultural entrepreneurship, local economy.*