

## **ABSTRACT**

The fundamental essence of sustainable tourism lies in striking a balance between the economic benefits of tourism development and its associated impacts. The impacts arising from tourism development encompass environmental, social, and economic dimensions. The objective of this research is to provide solutions to the three-dimensional issues faced by the tourism destination of Saba Budaya Baduy Village by proposing policies guided by the principles of sustainable tourism. This study employs a combination of the Soft System Methodology (SSM), interpretative structural modeling (ISM), and System Dynamics to analyze the problems, formulate policy strategies, and simulate the effects of these policies. The results from SSM and ISM yield five policy strategies to address the issues, which include funding policy, regulations for tour guides and travel services, promotion, and evaluation of achievements. The Ministry of Tourism is the initiator or implementer of these policies. The outcomes of the dynamic system simulation model are chosen using scenario 2 (two), which involves funding for a 10% annual increase in the quality of tourism and a 15% annual village budget allocation to boost the number of visitors, along with setting a tolerance threshold of 30% for controlling visitor numbers. Scenario 2 (two) successfully balances the economic growth of the village resulting from the increase in visitors with the control of visitor numbers.