Tourism has become one of the world’s most important sources of employment. It stimulates enormous investment in infrastructure, most of which also helps to improve the living conditions of local people. It provides governments with substantial tax revenues. Most new tourism jobs and businesses are created in developing countries, helping to equalize economic opportunities and keep rural residents from moving to overcrowded cities. Unsurprisingly, many developing countries have recognized tourism as a catalyst for social economic development particularly in the suburban area. In Malaysia, Homestay program is realized by government as a catalyst for rural community development and has been actively promoted by Ministry of Tourism as an alternative form of tourism since 1995. Due to the potential of homestay program to provide additional income and employment, the number of homestay providers in Malaysia is increasing. In 2009, there were 140 homestays with 3,264 participants. Homestay program has been given special emphasis by the Ministry of Tourism, and under the 9th Malaysia Plan, a total of RM40 million has been allocated to the ministry for upgrading infrastructure and facilities in participating villages. On top of that, the program was given an additional boost of RM10 million under the Second Stimulus Package. In addition, the Ministry of Rural and Regional Development spent RM 6.7 million in 2008 for infrastructure development related to rural tourism project. However most of the failure of tourism projects at the community level is due to the lack of attention given on community capacity building to empower the local communities in the tourism development. Thus this study is to explore the process of community capacity building for tourism development in Miso Walai Homestay, District of Batu Puteh, Kinabatangan Sabah. Case study is employed as a deep understanding of the process and phenomenon can be obtained. The findings of research reveal that the process of capacity building exist even before the project starts. With the support of NGO, process of community capacity building started in 1997-2000 with bottom up approach. Starting with non business community organization known as MESCOT (Model Ecological Sustainable Community Tourism), it has evolved to the establishment of community business entity-Koperasi Pelancongan Batu Putih Berhad-KOPEL (Tourism Co-operative) in 2003.
1.0 INTRODUCTION

Tourism has become one of the most important sources of employment that provides governments with substantial tax revenue. It generates various tourism jobs and business opportunities in developing countries, helps to equalize economic opportunities and keeps rural residents from moving to the overcrowded cities (UNWTO, 2007). Such statement highlights the important of tourism development as a strategy for rural community development. Thus, many developing countries use tourism as a catalyst for socio-economic development especially in the rural areas (Hall and Jenkins, 1998). Tourism is therefore viewed as a community and economic development tools that serves certain ends (Forstner, 2004, UNWTO, 2007; Davis & Morais, 2004; McCool, Moisey & Nickerson, 2001). Many rural communities have turned to tourism as a way to diversify their economy activities (Briedenham & Wickens, 2004; Mair, 2006) in response to the global demand towards nature and community based tourism. In mentioning the Community Based Tourism (CBT) approach, the community should be given the opportunity to participate and decide what kind of future living they want (Murphy, 1996). CBT is an alternative form of tourism that is totally managed and controlled by local community. This approach emphasizes the ‘community’ as the focal point. It is different from the traditional top-down tourism development as it emphasizes on local input and control over the type, scale, and intensity of tourism development. Similar to other community initiatives, CBT highlights the importance of community empowerment and ‘ownership’ in tourism development as a means to sustain the community growth (Simpson, 2002). It is also a process generated from the bottom up community approach to develop and manage tourism products or activities at the local level or to craft and implement a tourism strategy (Hall, 2000; Murphy, 1985). This alternative form of development is led by the community using community resources without the involvement of external private or public capital. It focuses more on fair distribution and withholding benefits within a local area compared to traditional forms of tourism development which is based on profit maximization (Blackstock, 2005; Hall, 2000).

Even though most of tourism scholars have theoretically agreed upon the potential and roles of CBT towards community development, not many government or NGO driven projects have succeeded in reality (Goodwin and Santilli, 2009, Moscardo, 2008). Goodwin and Santilli (2009) revealed that the large majority of CBT projects enjoy very little success, and the most likely outcome for a CBT initiative is its collapse, after funding dries up (Mitchell and Muskyo, 2008). In many other situations, benefits have been slow to emerge. They are modest at best and usually limited to a specific group within the community (Moscardo, 2008). Kiss (2004) also concluded that many projects that are cited as success stories actually provide only a modest supplement to local livelihoods, and remain dependent on external support for long periods; if not indefinitely. There have been apprehensions regarding the real benefits of tourism in rural communities (Butler and Clarke, 1992; Sharpley, 1997; Bourke and Lulooff, 1996). The concerns highlighted, include the inability of the local community to be involved in tourism development, due to the constraints of knowledge, necessary skills, and resources (Jithendran, Baum, 2000). In addition, the local ownership of tourism businesses requires local entrepreneurial skills, which are clearly limited in rural areas (Etchener, 1995). Local participation, investments, and inputs, are some of the important
elements that enhance the chance for success of tourism projects at community level. Consequently, the level of local involvement in tourism development depends on the capacity that they have acquired.

The growth of community tourism perspectives is based on growing awareness of need for more resident-responsive tourism, which involves more participation of grass-roots members of a destination community in tourism decision making (Dann, 1999). As a consequence, the acceptance and involvement of the local people is crucial in order to determine the success of community based tourism development. Active participation of locals will enable them to manage and control the tourism development as well as gain maximum profit. Hence, the success of tourism development must be based on the local value, interest, needs and local setting (Gilled & Reed 1997). As mentioned by Murphy (1985), local participation in tourism planning and management is essential because whenever the development does not fit with local aspiration, value, needs and capabilities, then it will create tension and conflict among the local people towards the development. Lack of awareness, general knowledge of tourism, local leadership, entrepreneurship skills, organization structure as well as networking are among the common barriers of effective rural tourism development. Much of the basis for sustainable bottom-up community development lies on developing community capacity (Cavaye, & Labonte 1999). Even with reference to Simpson et. al. (2003) stressed that the community capacity should be built even before the project or community initiative starts. The literature review provides evidences that the major barrier to the effective use of tourism as a community development strategy is inadequate attention to build community capacity or readiness for development. This aspect of tourism development has been discussed by a few tourism commentators (Bourke and Luloff, 1996; Reid et. al., 2004) as compared to other areas such as education, agriculture and health. Therefore this paper is to discuss the process of capacity building of rural community for tourism development in Miso Walai Homestay, Kinabatangan, Sabah Malaysia. Two main research questions have been identified; first how the community capacity been developed to enable the local people actively participate in the tourism development at the community level, second; how the community based tourism has evolved and contributed to the community development.

2.0 RESEARCH METHODOLOGY

This study has been employed qualitative research approach by selecting Miso Walai Homestay as a case study. The justification of choosing of Miso Walai homestay as a case study is based on the recognitions that have been received and awarded not only at national level but also from the international organization. Semi structured interview has been used in the process of collecting data during the field work, since it is one of the most important sources of information in a qualitative research approach; particularly in a case study (Yin, 2009). This method provides a way of generating data by asking people to talk about or share their views or experiences (Leonard, 2003; Lebar, 2007; Miller and Brewer, 2003, Yin, 2003). Ten pioneer MESCOT members and Tourism Co-operative (Koperasi Pelancongan-KOPEL) management team were interviewed during the field work. All the data were tape recorded and transcribed and been analysed based on thematic analysis.
3.0 MISO WALAI HOMESTAY DEVELOPMENT, MUKIM BATU PUTEH, KINABATANGAN SABAH

The lower Kinabatangan, in eastern Sabah, is an area known for its natural treasures and cultural heritage. The high concentrations, and broad representativeness, of wildlife 2 populations in the area are recognised as having national and international significance. For example in this area, all ten primates species of Borneo can be found, including the endemic Proboscis Monkey, the Bornean Gibbon, three Langur species, and the Charismatic Orang Utan. Many rare and spectacular birds are also present, for example nine out of the eleven Hornbill species found in the island of Borneo (Voger M.P & Mohd Hashim, 2005). The concept and implementation of CCB in the community-based tourism is best depicted through the Misowalai Homestay development at Mukim Batu Puteh, Kinabatangan, Sabah. From a rural community that relies on natural resources such as logging, hunting, fishing, agriculture for survival of life, they latter transformed into an environmentally-conscious community that eventually attract tourists and becomes one of their source of incomes. Miso Walai Homestay is a model of community-based tourism which as a whole is moved by the involvement of local communities.

The community of Batu Puteh (or Mukim Batu Puteh) is made up of four villages – Mendaris Village, Batu Puteh Village, Paris Village and Perpaduan Village. Batu Puteh is located in the middle of the Lower Kinabatangan floodplain. It is 146km upstream from the river mouth and the Sulu Sea. The area is connected by road to the main provincial cities of Sandakan and Lahad Datu, Sabah, Malaysia - being 110km from Sandakan and 75km from Lahad Datu (Figure 2: Map of Batu Puteh, Kinabatangan, Sabah, Malaysia). The four villages of Mukim Batu Puteh have a population of approximately 1300 people, with more than half of this population being under 18 years of age. Land-use can be described as 43% undeveloped, 22% oil palm, 12% fruit orchids, 11% hill rice, and 1% coconut and vegetable growing respectively. Income is disproportional with more than 32% of local income generated by those working in local government such as the school, health clinic and local museum. Income generated by those growing oil palm, is officially the next biggest group approximately 24% (All records sourced from Government Census, year 2000). A large percentage of the population could still be considered subsistence farmers, relying on fishing, season fruit harvests, collection and sale of forest produce, and temporary or part-time employment to make a living. Monthly income ranges from RM200 to RM1,500 per month with more than 50% of the working population making less than RM5,000 annually (based on calculations by MESCOT Project, 2003)
3.0 RESEARCH FINDING AND DISCUSSION

i) MESCOT Project

Miso Walai Homestay started with MESCOT (Model Ecological Sustainable Community Tourism) project. The villagers of Batu Puteh Community initiated the MESCOT Project in 1996, in response to the establishment of a protected area – the Lower Kinabatangan Wildlife Sanctuary – which stretches more than 160km along the lower Kinabatangan. At this early stage, tourism was seen as a potential source of income and employment, particularly for the many unemployed youth within the village. Previously, especially from the 1950’s, much of the local income generation within the community had come from seasonal work in nearby timber camps, however with the conversion of forests to agriculture crops in the late 80’s to early 90’s, much of this work had already diminished.

This village initiative later gained support from a local NGO, and the MESCOT Project was later started in Batu Puteh in March 1997, with funding from WWF Norway (Amran Hamzah, Zainab Khalifah, 2009). The project was developed and supported by the then State Ministry of Tourism and Environment Development, and in close cooperation with the Sabah Forestry Department. The project was given the mandate to assist the local community to plan ecotourism activities, and build local human capacity to be able to manage these activities. Mr Martin Paul Vogen (from NGO-WWF Norway) is among the important figure to make the project happen. Previously, Mr Vogen was a tourist guide for a private tourist company known as ‘Uncle Tan Jungle Camp’, which has been operating in the Mukim (Sub-district) of Batu Puteh for more than 10 years (Rosazman, 2006). Since then, Mr Vugen has had a close relationship with the locals, particularly the villagers who are working with him in the company. MESCOT has realized that the crucial issues in the area such as deforestation due to the economic activities, destruction of wildlife, illegal hunting and logging have to be stopped for the purpose of ecotourism development. As a result, in 1999, after around three years of planning, MESCOT produced the idea on paper about Miso Walai Homestay program, which was submitted to the Sabah state Ministry of Tourism, Culture and Environment. Under MESCOT there are five activities such as boat service, guiding service, culture group and Tulun Tukou Handicraft.
Eventually, Miso Walai Homestay program has been a core program or an umbrella to other related activities. In November 2000, the Misowalai Homestay program was officially promoted and launched by the Minister. Miso Walai Homestay in Mukim Batu Puteh, Kinabatangan covers four small villages of Batu Puteh, Menggaris, Perpaduan and Paris. The main objective of Miso Walai Homestay program is to involve local community in community based ecotourism, where the tourists' experiences will be based on orang sungai traditional culture and daily activities. Miso Walai Homestay has its own uniqueness since the location is a part of the Lower Kinabatangan Wildlife Tourism Corridor that is rich with natural biodiversity and culture heritage.

Miso Walai is a combination of two words of orang sungai language. The word 'miso' means 'together' and 'walai' means 'house'. Thus, Miso Walai Homestay carries the meaning of 'staying together in one house'.

ii) Process of Community Capacity Building

Empowering Local Community Through Planning and Development Stage

The research findings from the interview with the pioneer MESCOT members revealed that the tourism development in Miso Walai started with the process of building the local capacity to provide them with the knowledge, skills and positive attitude towards tourism project. By using community participatory approach, enable the project that initiated by NGO has been planned and managed by the local people.

Building Awareness, Knowledge and Skills of Local People

The process of community capacity building begins with the building of awareness, knowledge and skills of local people towards tourism development. This is the core component that must be addressed in any community based tourism development. Lack of awareness, knowledge and skills are cause to the limited involvement of the local community. In the context of Miso Walai Homestay development, three years has been used for building the awareness, basic knowledge and skills of local community in tourism development. With the awareness and interest from the MESCOT members, they moved together to explain and reason the villagers about the projects they have planned under MESCOT project that will benefits the development of the community and its economy. Despite the fact that the community is skeptical about the success of the programme in the beginning, the MESCOT members strived to continue their effort to convince the locals through a series of briefings explanations as well as roadshows. After numerous village-level dialogues the fledgling community tourism project took shape, and a small village house was rented to conduct training and planning workshops. MESCOT was the name decided by the villagers involved (mostly unemployed youth from the four villages which make up the Batu Puteh Community). After workshopping the working terms of reference and planning and development process, the MESCOT group began in earnest in June 1997. The planning initiative involved 5 distinct phases, all of which were carried out by the MESCOT group. The summary of these phases is as follows:

Build Knowledge Through Research Phase: (June 1997)
The process of building knowledge among MESCOT members starts with research activities. The purpose of the research is to gather and document information about (a) the surrounding biodiversity, including six different forest types, over 200 species of birds, and features of interest in the 46km² Supu Forest Reserve which surrounds the village, as well as (b) recording and documenting “aural history”, traditional beliefs, traditional medicines, traditional uses of forest resources, indigenous culture and the historic significance of the area. This is the process of providing local people with knowledge and skills that enable them to plan the tourism activities or product. By using experiential learning approach, the local people able to take part actively in the process of learning.

Building Knowledge Through Exposure Phase: at this phase, there were many approaches involved such as training, seminar, and study trips to various tourist attraction, facilities and sites in Sabah and Sarawak such as Mt. Kinabalu, Danum Valley, Gua Mulu and etc. to give first hand experience of service skills, marketing strategies, interpretation and communications requirements, as well as visitor management skills and ideas for the reduction of site impacts. This was also designed to expose the difficulties of travelling and touring to participants. Exposure trips were also intended to compile information about present tourism products offered and uncover gaps and potential activities not yet developed. This phase also involved basic computer training to provide skills for documentation of research and community plans. Organising workshop on involvement of different section of community is another approach in building community capacity at this phase. For example, the local youths could be trained to become guides and culture performer while the women could be hired as caterers and for housekeeping as well as producing handicrafts (Amran Hamzah dan Zainab Khalifah, 2009).

Brainstorming Phase: whereby the MESCOT group identified all potential activities, and shortlisted those, which were most appropriate for the community and surrounding environment and attractions for tourists. This phase involved macro/community scale perspective and spatial planning to provide the widest possible spread of benefits throughout the community. It also involved prioritising the development of tourism activities and products to be developed within the area (Voger M.P & Mohd Hashim, 2005).

Detailed Planning Phase: This is the final phase in the planning stage. The MESCOT group conducted detailed discussion and wider community dialog and further consultation regarding establishing the chosen tourism activities. This phase included the detailed breakdown of costs involved in establishing individual products/activities, appropriate action strategies to implement, establishment of packaging and pricing, appropriate legal procedures for registration and licensing, establishing internal rules and regulations for operations, as well as a code of conduct for tourists.

The resistance of the older generation to participate in the MESCOT projects was the main challenge at the early stage of development. Many elderly people of village opposed the project. They argued that the project would have a negative impact on the young generation and the orang sungai culture. All of these fear and negative perception have been handled properly by the MESCOT members through building awareness, understanding and trust. Eventually, the involvement of local community has increased, when the projects that have been implemented by MESCOT show encouraging result and positive impact to the community development.
Volunteerism Work

Community involvement in the planning and early development of MESCOT project was done voluntarily by the members MESCOT since early 1997. With high confidence and understanding of the benefits of tourism projects to local communities for the long term, this group of very committed and highly motivated aimed to achieve the project even without the payment of wages. Instead MESCOT members will be given point and will be recorded as evidence of their involvement. This point system is a form of creativity and act as reward that can motivate MESCOT members at that time. This situation has caused many negative perceptions in the community, especially among adults, since they work without any return on their projects and even has not shown any results until in June of 2000, when the first group came and stay at the homestay there. These are the challenges faced by the members at an early stage MESCOT. But the impact of Volunteerism process has developed a positive attitude in which community have a sense of belonging is high and always aim to develop the village or community is more important. This is evident from the results of interviews that were conducted in which most of them stated that they always work to ensure that the community can be developed through the tourism project. Volunteerism process has also encouraged the community to not only concerned about money but purely on community welfare and community development. This is the mentality that has been successfully established through the involvement of MESCOT members in this tourism project.

Develop Local Community Skill

Skills development in the community, particularly through MESCOT was the main focus of the NGOs, Mr. Martin, the representative at that time. This planned skill-building process occurs not only through planning but also through the members indirect involvement in the planning and development of the tourism project. The approach used by MESCOT in developing the skills of its members is through the development of manual open symbols in which there are 14 courses provided in the form module based on discussions with members of the MESCOT based on their needs. The courses included are English language courses, computers, catering, tour guides, receptionists, marketing, wooden handicrafts, agriculture and others. Interview results show that the MESCOT themselves involved in the development of the symbol user. Symbols created are the result of ideas from MESCOT members. User symbol is a course module that has a specific symbol, in which case, any member who has successfully completed the course will be awarded a special symbol. So this is one form of motivation in which each member MESCOT continually strive to improve themselves in order to collect these symbols. This creative approach used by NGOs and members of the MESCOT at that time. Figure 2 below are examples of the symbol ra
Establishing Leadership/Local Champion (from non business oriented to business oriented)

The success of CBT projects is essentially depends on leadership and organization (Arief et. al., 2009). The leader can be a government appointed project manager, a dedicated volunteer hired by an NGO or a self appointed spokesperson for the community (Amran et. al, 2009). Most of the CBT case studies are driven by local champions. The local champions should have the ability to stimulate and transform the community. In the context of Miso Walai Homestay, it is quite different from any other homestay projects in Malaysia. It is not assigned under the Village Development and Security Committee (JKKK) as usual, but it was allocated under the MESCOT with the support from the head of villagers and JKKK. Since the head of villagers are more prone to the matters of administration and management of the village and the homestay project requires someone with the tourism knowledge, vision, wide network and knowledge of entrepreneurship. The Chairman of the Miso Walai Homestay program is Mr Mohd Hashim Abd Hamid. He is originally a Mukim Batu Puteh resident, graduated in economics with honours from one of the prestigious local university in Malaysia. For that reason, he has capability to coordinate the cooperation between three entities; the Miso Walai Homestay Committee, the MESCOT with the support from the Development and Security Committee (JKKK) of Batu Puteh, and the villagers in general has contributed to the successful of the Miso Walai Homestay development (Roszaman, 2006).

Develop Community Based Enterprise (Transformation From Non Business Entity-MESCOT to A Business Entity)

The evolving stages in the product life cycle of CBT projects require different organization structure. In the early stages, all the tourism activities operate under MESCOT project. At that time all planning and management activities were conducted at the villager’s head house. This community organization was initially invented by talented and committed individual from within the community. As CBT project has grown, the business has become complex and needs more well structured business organization. The voluntary based organization was not able to cope with the demand of the diverse market segments.

The community organization in Miso Walai Homestay has evolved from MESCOT to community business entity by establishing a local cooperative known as Koperasi Perlancongan Berhad (KOPEL Bhd) Mukim Batu Puteh, Kinabatangan On July 17, 2003 with a total of 260 members. It operates with the concept of ownership through ownership share. Through the establishment of KOPEL, local communities have the opportunity to be involved directly or indirectly in the tourism development activities. Established cooperative is more structured and has a systematic purpose, vision and strategy. A more structured KOPEL consists of board of members, chairman and six bureaus including Bureau of Boat Service, Bureau of Homestay, Bureau of Culture, Bureau of Transport, Bureau of Promotion and Communication as well as Bureaus of Tourists were established later. KOPEL business activity has grown by the establishment of eco-camp known as Tungup Rainforest Eco Camp. This eco-camp cost more than RM 500,000. An interesting point in the development of the concept of eco-camp is in the
process of *gotong-royong* to construct it. Local people contributed construction materials such as wood, while for others who do not have any, they pitched camp in the construction process. All contributions of the villagers were in the form of convertible shares. Through this approach, local communities have a sense of ownership and a high sense of belonging towards the development of the camp. KOPEL has diversified and ventured to other rural economy sector such protection and conservation projects, reforestation project, agriculture, farming, retailer, Salvenia based organic fertilizer and etc. For instance, in 2008, KOPEL received a RM 50,000 grant for Sabah Forestry Department (SFD) to clear the land in preparing for tree planting activities within the Pin-Supu Forest Reserve. In 2010, SFD provided an additional 1.3 million to fund the tree planting activities covering an area of 250 hectares. KOPEL has even participated in tender bids to get similar projects in Peninsular Malaysia.

**Building Sense of Community**

The initial process of community involvement in the planning of tourism development has created a high sense of community belonging amongst the community. Through the challenges in developing tourism projects since 1997, a high sense of ownership among the community was resulted. They are not only proud but also remain committed to developing their communities. This is evident from the results of interviews conducted on the community, especially among the youth, on average stated that they enjoyed working in the village despite the relatively low income than if working in town, but for them what is more important is the effort and commitment to continue promoting tourism for community development there.

**iii) The Growth of Tourism in Wiso Walai Homestay**

*Tourist Arrival and Total Revenue*

The tourism development at Miso Walai Homestay can be seen from the increasing numbers of tourists to the place. With only around 176 people with 764 occupancy nights, who stayed there as tourist, the number increased to 2556 people in 2010. Nevertheless a small decrease of tourists coming in 2009 was due to global factors and not locally. The total revenue of KOPEL Pty Ltd was RM1,130,344.94. From the total income, the contribution from homestay was RM215,878.50.

*Job Opportunities for Local Community*

With the development of Walai Miso Homestay, a lot of careers opportunities have been generated for the local communities. The local community who are members of the cooperative tourism (KOPEL) is enjoying a return in the form of dividends from their investments. A total of 206 villagers were directly involved in Miso Walai homestay in various forms of employment. Table 1 below is a breakdown of employment:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>9</td>
</tr>
<tr>
<td>Homestay provider</td>
<td>34</td>
</tr>
<tr>
<td>Boat Service</td>
<td>41</td>
</tr>
<tr>
<td>Culturer Performance</td>
<td>15</td>
</tr>
</tbody>
</table>
KOPEL On Going Project and Future Project

The development of community tourism can be seen through projects initiated by KOPEL. Table 2 below is a tourism project is being run under KOPEL.

<table>
<thead>
<tr>
<th>On Going Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Conservation (RM1.3 millions)</td>
</tr>
<tr>
<td>Construction of Camping Facilities (RM240,000)</td>
</tr>
<tr>
<td>Construction of Boardwalk (RM75,000)</td>
</tr>
</tbody>
</table>

Table 2: On Going Project Under KOPEL

4.0 CONCLUSION

The development of Miso Walai Homestay begins with the development of local community capacity. Building the local awareness, knowledge and skills, local leadership and sense of community are among the important components that need to be developed at the community level. The participation of the local people either in the planning or development stage is depend on the capacity of the local people.

5.0 REFERENCES

Ammah Hamzah, Zainab Khalifah, (2009) *Handbook on Community Based Tourism: How to Develop and Sustain CBT*


Miso Walai (2010). *Laporan KOPEL*


