European Research Studies Journal
Volume XX, Issue 3A, 2017

pp. 783-801

The Impact of Trust-Distrust toward Quality of Life: The Case of Poor and non-Poor Household in Indonesia

Rizal Edy Halim[1]

Abstract:

The quality of life is strongly related to consumer trust in market related institution. The higher trust in market related institution, the higher quality of life received. The research serves two purposes.

First, examine the relationships between consumer trust in market related institutions (CTMRI), distrust for individuals (DFI) and Quality of Life (QoL).

Second, compare those relationships between two social-economic groups (poor household and non-poor household). The research employed the model developed by Ekici and Peterson (2009).

The study found that poor people shows a low quality of life and tend to have a low level of trust towards market related institutions while people above the poverty line tend to show high level of trust towards market related institutions and tend to show a higher quality of life.For both group, the trust in Manufacturer and Business has contribute the strongest relationship toward trust in market related institutions.

Surprisingly, the research found that there is no relationship between trust of government regulation and trust in market related institution for poor people group. This lack of trust raises a speculative issue for poor government intervention policy.

Finally, the research also found the greater trust in market related institutions will reduce the distrust in individuals thus enhance quality of life.

Keywords*: consumers' trust, institutional trust, quality of life, above the poverty line community, below the poverty line community.*

[1] *Faculty of Economics and Business, Universitas Indonesia*
Email: rizaledy@gmail.com

1. Introduction

A reliable and transparent institution is needed by developing countries to translate economic growth into improved quality of life of poor people (Wolfensohn, 2000). Researchers continuously observe market or physical market as a set of institutions that have an important contribution in determining the welfare of society (Mittelstaedt and Kilbourne, 2006; Wilkie and Moore, 1999). Therefore, Indonesia, as one of developing country (UN, 2014) need to pay more attention to it. According to data reported by Statistic Bureau of Indonesia (Biro PusatStatistik)) in 2015, Indonesia have 28.59 million people considered poor or equal to 11.22% of the total population. This number is increased compared to 2013 and 2014 data.

***Table 1**: Number of Poor People in Indonesia 2010-2015*

Year	Amount of Poor (in million)	Presentage
2010	31,02	13,33%
2011	29,89	12,36%
2012	28,59	11,66%
2013	28,55	11,47%
2014	27,73	10,96%
2015 (Maret)	28,59	11,22%

***Source:** Statistic Bureau of Indonesia*

Through a series of study, institutional researchers assume that trust is a mechanism that connects sellers and buyers in the exchange market (Fligstein and Dauter, 2007). More importants the scope of influence of trust has overstepped the boundaries of market itself. Various studies have found that the degree of trust between one people to another and to institutions in society give a positive contribution to them (Michalos, 1990). Referring to this, it is necessary to retrace the formation of beliefs to gain knowledge about how trust can differently affect the quality of life the poor and non-poor people in developing countries especially in Indonesia.

This study try to sharpen the understanding of perception of consumer confidence towards market related institution such as (1) government or regulator (2) consumer group (3) manufacturing and business and 4) news media and entertainment media. The key features of this research design is allowing us to compare people above the poverty line (non-poor) and people below the poverty line (poor) in the context of a developing country like Indonesia. Comparison of polarized relationship between consumer trust in market related institution (CTIMRI), quality of life (QOL), and distrust for individuals (DFI) between two groups separated by poverty line will help policy makers to redesign the relationships among institutions in market to improve the quality of life of people.

In preparation for directing this research, first we will measure the CTMRI and then analyze possible differences in the level of quality of life between consumer with

limited financial capabilities and consumer without limited financial capabilities. Then three research questions in this study are what is consumer trust towards market related institution (CTMRI), quality of life (QOL), and distrust between individuals (DFI)? What is the interaction between CTMRI, QOL, and DFI? and What is the differences between CTMRI, QOL, and DFI viewed from the perspective of poor and non-poor people?

As performed by Ekici and Peterson (2009) this research focused on consumers' confidence towards four institutions namely (1) government or regulators (2) consumer group (3) manufacturers and businesses (4) news media and entertainment media. The trust is associated with the quality of life and distrust towards other individuals. Those interactions then compared between those who live below the poverty line and those who live above poverty line.The unit analysis of this study is men and women from two economics category which are below the poverty line and above poverty line. The criterion of poor household refers to the BPS definition of the poverty line and its attributes. In the geographic coverage of this study are the area of Jakarta, Bogor, Depok, Tangerang, and Bekasi.

2. Literature Review

2.1 Trust in Government Institution

Trust is an important strategy to face the uncertain and uncontrolled future. This way, trust can be understood as simplification of strategies that enables people to adapt in complex and uncertain environment (Earle &Cvetcovich, 1995). Various definition of trust have been proposed and formulated. But, the key elements of all definition is trust is become more important when people have to deal with uncertain and risky environment.The relationship between human also won't established without the presence of trust between two parties. Trust is needed to solve bounded rationality problems and incentive conflict which refers to possibility that one party will cancel contracts because of another more profitable opportunity (Gulati, Lawrence &Puranam, 2005).

Institutional trust can be defined as public trust toward specific institution where actions and interactions happens (Sztompka, 1999). The objects of trust itself are media, military, police or other governmental agents and other kinds of institution such as schools, universities, bank, worshipping or prayer place, and business entity (Rose and Mishler, 1997; World Value Survey, 2008). People's trust towards institution positively affects people's trust that derived from assumption that community cohesion and social capital are affected by perception from institution's environment and good institution performance (Sechi et al., 2012). McLaren (2012) also said that people's trust towards institution can be seen as people's readiness to take risk to let their representatives to make a decision for them.

Trust towards givernmentalinstitution as a concept is different than dyadic trust. In the concept of institutional trust, people believe that institutions will play their role. In other words, trust towards institution represent how well people perceived the work of the institution (Stokes, 1962; Miller, 1974; Hetherington, 1998). As an example, lack of trust towards media make people rely the most on other source of information such as family and friend. Lipset and Schneider (1987) also said that trust towards media will be followed by the presence of trust towards other institutions.Trust towards institutions (such as government and bank), trust towards corporation, and trust towards other people are important things to strenghtening corporation and social capital in the community (Baron *et al.,* 2000).

2.2 Relationship between Trust towards Institution and Quality of Life

Previous research found that there is a positive relationship between economic performance and people's trust towards public institution. Knack and Keefer (1997) said that trust towards institution associated with social capital that become the engine of economic growth and development. Social capital can be defined as social relationship that facilitateteh achievement of objective (Coleman, 1990 in Gabbay & Leenders, 1999). People's believe in higher institution tend to improve the performance of the institution where the performance of the institution is related to economic growth (Effendic *et al.,* 2011). But most of the studies related to this topic is more focused on the public's perception of governemnt institutions (political trust) and paying less attention to other important institutions in society such as market related institution.

Trust acts like a lubricant and make group activities runs more efficiently (Fukuyama, 1995). Sociologists assume that trust is essential for the existence of social institutions (Lewis &Weigert, 1985). Researchs that study the concept of quality of life consider trust as an important requirement of quality of life, safety and market and economic based exchange (Michalos, 1990). Quality of life is defined as an individual perception towards their position in the context of culture and value system in where they lived that related to goals, expectation and their standard of life (Salehi *et al.,* 2015)

Tokuda *et al* (2008) in Salehi *et al* (2015) said that positive psychological factor such as sociability, trust and optimism play an important role in determining quality of life. Previous researches also found that trust have a significant contribution to happiness, quality of life, and life satisfaction. Because of that reason, Michalos (1990) suggested a possitive association between trust and subjective welfare. Inglehart & Rabier (1996) using people in teh community as the unit analysis in their studies and they found that there is a positive relationship between level of trust and subjective welfare of the community. Current studies usually combine stwoarea which are trust towards institution and quality of life. There are several literature discussing about trust in the context of social science. Dyadic or horizontal trust defined as trust towards other individual. This kind of trust is closely associated with social trust

(Freitag, 2003), who believes that foreigners can be trusted (Uslaner, 2002). However there only a few reseach that discuss about holistic (Hudson, 2006), vertical (Newton, 1999) and institutional trust (Rose & Mishler, 1997).

There are a lot of research related to quality of life and consumer's perseption towards business entities and marketing practices (Sirgy, 2001; Sirgy *et al.* 2006). But there haven't been a study that simultaneously analyze the relationship between government organization and quality of life of the Indonesian people. In the context of developing country like Indonesia, the important and relevant question is how strong is the relationship between trust toward market related institution and quality of life of people in Indonesia. The quality if life depends on the quality of some important aspects in life such as relationship with other, health, employment, income, spirituality, and happiness (Diener & Biswas-Diener, 2008). Market that work well tend to elleviate people's psychological burden (reducing the uncertainty or fear about the economic outlook) and liberating people's capability to do something because it is reducing corruption rate reducing economic injustice. Therefore, a positive relationship between CTMRI and quality of life can be revealed. The problem that is interesting to study is how the relationship strength can be different between people below poverty line or above poverty line.

There are two conflicting explanation regarding institutional trust (Hudson, 2006). Cultural theory identify the institutional trust as an exogenous thing tha based on interpersonal and social trust that learned since early (Inglehart, 1997). In contrast to previous theory, institutional theorists believe that institutional trust is endogenous and is affected by the performance of the institution itself (Hetherington, 1998; Hudson, 2006; North, 1990). Cultural theorists said that people's assesment of institution is learned in a cultural context and passed from one generation to another without affected by the performance of the institution. In addition, trust towards institution may be considered as a function of culture in the form of culture of trust (Inglehart, 1997).

Consistent with that view, interpersonal and social trust are associated with institutional trust. Hudson (2006) also said that this two view regarding institutional trust can be considered complementary. For that reason, this study incorporate both perspective in a model. Institutional theory view is considered in the formation of CTMRI nad cultural theory view is considered in the fromation of DFI.

3. Conceptual Model

After analyzing the results of in-depth interviews and FGDs with consumers in the Midwestern and Western in the USA, Ekici (2004) describes how consumers view the role of institution-related on the market in the food safety system. The study indicates that instituisional confidence in the food safety system may be associated with CTMRI for food. However, the research will be measured CTMRI, a key measure of market functions. CTMRI likely to be measured through factor analysis

approach to order-two (Bollen 1989). With this way, trust in institutions, such as business or agent of government regulators, will be combined with meta-construction representing CTMRI.To making a way for measure CTMRI is a valuable contribution to the research on trust institutions because most of the research trust institutional done, only focusing on the micro level that one or several elements from several institutions, for example, the Federal Trade Commission or the Federal Communications Commission (Abbott & Dalton, 1999; Lazarus, 1991; McGarity 1986; Renn and Levine, 1991). As far as researchers observation, various institutional research has not been using a macro view that comprehensively revieweda number of institutions or aggregate functions institutions simultaneously as part of an ecosystem of markets in society such as the media, business, or government regulation (Hudson, 2006; Norris 1999; Rose and Mishler 1997). From the perspective of institutional theory and QOL within the framework of marketing, CTMRI can be understood by assessing the level of effectiveness of public and private institutions that were involved in marketing quality of life. This can be measured by the consumer confidence that this institution will provide results such as (1) a safe product, (2) appropriate regulations, (3) news accurate and positive exposure of news, and (4) the activity of non-governmental organizations for consumersimportances that are free of corruption. Consumers will trust in the public and private institutions as long as they believe that this institution will do a good job and have high integrity.

Departing from the previous explanation, cultural theorist who studied the relationship between trust with subjective quality of life in many countries stated that the formation of the trust agency focuses on interpersonal and social trust. Inglehart (1999) found that interpersonal trust associated with subjective well-being. Inglehart and Rabier (1986) reported that people are more likely to be happy if they trust each other. Therefore, this study tries to explain the nature of CTMRI and ability to holistically represent confidence in the marketing system based on consumer confidence in the four institutions which interlinked in the market: (1) business, (2) governance, (3) the media, (4) and consumer groups. In this way, the community feedback on the performance of four institutions can be a measuring tool of trust in the eyes of institutional theorists. While in the perspective of cultural theory, this research involves the DFI in which there is a tendency for people not to believe the opposite to each other represents the major influence of institutional trust. In the end this study sought to compare how CTMRI and DFI correlated with QOL (subjective well-being) in two groups: those who are under the poverty line and those living above the poverty line.

3.1 Subjectives Welfare for Consumers with Financial Limitations

Research on the quality of life of consumers with financial limitations mainly measure certain vulnerable groups, such as recipients, people who are homeless, and poor children and their families who live in developing countries. For example, the recipients of the study suggested that the quality of life of recipients is low because they are not able to get goods and services to meet their basic needs (Hill 1998; Hill

and Macon 1996; Hill and Stephens 1997). Moreover, mothers who receive welfare benefits program may request another form of donations for conditions of their lives.

Biswas-Diener (2008) and Easterlin (2001) describes the relationship between income and quality of life (eg, happiness) is complex. Material well-being appears to be important to subjective well-being of people living in conditions of uncertainty (although a strong desire for the welfare may reduce the subjective well-being that although the rich because of excessive materialism). At the national level (aggregate), Diener and Colleagues (1999) found a strong positive relationship between the welfare state and the average subjective quality of life of people in the country. Because the rich countries tend to be more democratic and egalitarian than poor countries, welfare effects in this study found that there are some indirect impact on other benefits than welfare itself. Various studies on consumer behavior with financial limitations (consumers who are below the poverty line) suggest that income (revenue) is positively related to subjective of the quality of life. About 30 years ago, studies in various countries that focus on poverty (Gallup 1977) found that poverty limited people surveyed claimed not pleased with their lives. In line with these findings, the theory of Maslow's needs explain the relationship between income and quality of life. Based on Maslow's theory, the need for a higher satisfaction level resulting from a higher quality of life. As Sirgy (2001) explain that people who live with a higher income will have a higher basic needs, and produce a high quality of life for subjective. Conversely, people who have low incomes will be difficult to meet their basic needs and will ultimately result in a lower quality of subjective life.

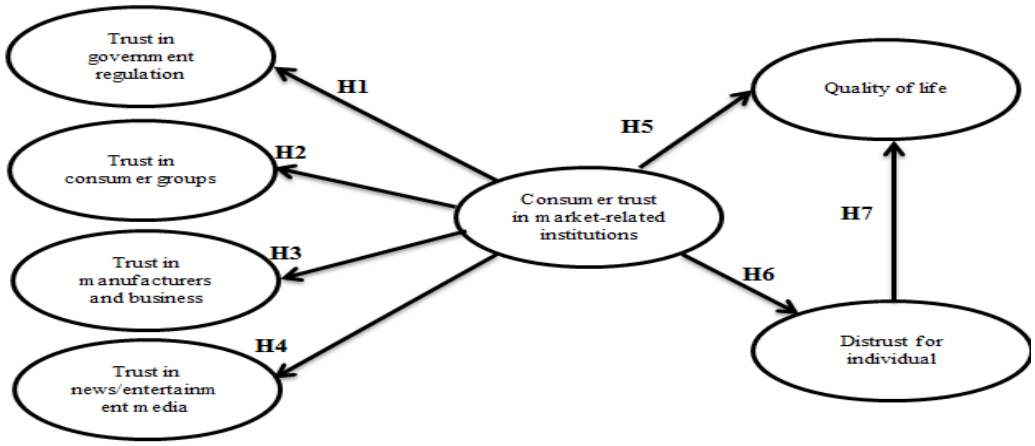
3.2 Differences in the Relationship Trust and Quality of Life among Community Being under and above the Poverty Line

Several previous studies that found the relationship between trust and the quality of life too much in assessing the role of socioeconomic background (high and low earnings ratio) in understanding this relationship. The views of institutional trust theory suggest that trust in the performance of certain institutions affect people vote against the institution. In other words direct and indirect experiences with institutions affect the quality perception of the people towards the institution. This perception then contributes to the levels of trust (or distrust) of a person in an institution (Ekici, 2004; Hudson 2006). Direct experience with institutions showed differences among people with different socioeconomic backgrounds. Low-income consumers may buy low-quality products and may perform different interactions with the retailer when compared to high-income people. Of course, the definition of institutions geographically, such as the development of a number of local retailers, by itself may be different in poor areas to rich areas in terms of customer service, store cleanliness, treatment of consumers, product variation, and design shops. In addition, people from different income groups may have the news and entertainment media outlets are different and therefore may have a different opinion because it could influence whether or not the news and entertainment media can be trusted.

Previous studies did not provide a clear picture of whether the poor (or rich people) have little (or a lot) of confidence in the relevant institutions. Researchers are linking education and income with social trust, argued that education and income make people become more open (Freitag, 2003). As deduced Hudson (2006) that the more educated and prosperous, one should show a high degree of institutional trust. Access to more social capital allows one to interact more in associations and groups, and this makes them have a level of trust among one another. Then this trust has a relationship with the reduced transaction costs, improve the quality of public institutions, and ultimately contribute to economic performance (Mota and Pereira, 2008). This argument is consistent with the observation Putnam (2000) which states that in all societies the poor tend not to believe more than the rich because the poor feel they are treated unfairly.

However, trust of the poor people for relevant institutions and to each other is not a simplistic phenomenon. Because of their refusal, many poor people have to deal with the dire situation on the material and psychological pressure that lasted for years and does not accept the exclusion of the public (Hill and Stephens 1997). Therefore, Many of them often feel sorry for each other in addition to material deprivation they experience. Briefly, to measure people's trust in the institutions and one another in developing countries is vital work of this study. Therefore, measures the relationship clearly the relationship CTMRI, QOL, and DFI will provide a better understanding of how consumers in developing countries simultaneously thinking about them, other people, and community institutions. As a result, the main formal research question in this study is how similar the pattern of relationship between CTMRI, QOL, and DFI for people living below the poverty line compared with those living above the poverty line. Based on the literature background above, the research model can be described as follows:

Figure 1. *Research Model*



Source: *Adapted from Ekici and Peterson (2009)*

Therefore the hypotheses are the following:

H1: Trust in Government regulation positively related to Customers' Trust in Market-Related Institutions.
H2: Trust in consumer groups positively related to Customers' Trust in Market-Related Institutions.
H3: Trust in manufacturer and business positively related to Customers' Trust in Market-Related Institutions.
H4: Trust in media positively related to Customers' Trust in Market-Related Institutions.
H5: Customers' Trust in Market-Related Institutionshas positive effect on Quality of Life.
H6: Customers' Trust in Market-Related Institution has negative effect on Distrust in Individuals.
H7: Distrust in Individuals has negative effect on Quality of Life.

4. Methodology

The research uses a conclusive and descriptive analytical research design that could be explainthe phenomenon that occurs in society by analyzing the relationship between variables (Malhotra, 2010). We undertook a survey-based data collection approach with two social two social-economic group, poor (below poverty line) and non poor (above poverty line). The profile of poor household was collected from the Statistic Bureau of Indonesia, DKI Jakarta Province. We then selected a number of areas inJakarta which has a larger of poor household as a survey point. The current research uses a self-administered questionnaire as a tool to collect data. For poor group, questionnaire is distributed directly, whilethe questionnaire is distributed using Google Spreadsheet as online media for non-poor group.

4.1 Population, Sample and Mesurement

This research use respondent samples who live in Jakarta great area as the largest city in Indonesia. Based on social-economic condition, research respondent was divided into two, people below poverty line and above poverty line. To obtain the right respondent with social-economic condition, there's a few stage. First, identified demographic data in Jakarta greater area as reference to choose a survey point. Second, categorize the head of family information which include in people below poverty line or people above poverty line. Based on this data, social-economic condition in a certain area can be categorized so the respondent is precisely intended target. Third, decide sample from the selected population.

The study obtained the sampling from two different group has purpose to find out the difference trust-distrust and its interaction factor from people below poverty line and people above poverty line point of view.We received 269 responses from 122 respondents for non poor household and 147 respondents for poor household. The

research employed questionnaire design developed by Ekici and Patterson (2009). All measurement was used from Ekici and Peterson (2009). Before distribute the questionnaire, the research conduct two step approach. First, translate the questionnaire from English to Indonesian language using native. Second, the pretest of 33 respondents was conducted to ensure translations result and all measurement clearly understood.

5. Results

5.1 Validity and Reliability

Pretest conducted to 33 respondents. Pretest was held to verify each indicator in question, whether the indicator was properly represent the variable of the research so that error can be minimized previously. Reliability analysis is based on the parameter inCronbach's Alphameasurement, the variable can be considered as reliable if the value of Cronbach's Alphais ≥ 0,6. For validity analysis, the parameters consist ofthe value of Kaiser-Mayer-Olkin (KMO), Bartlett Test of Sphercity, andComponent Matrix. The variable can be considered as valid if the value of KMO greater than 0.5 and the value of Bartlett's Test of Sphrecity below 0.05, and the value of component matrix above 0.5 respectively for each indicator. Here is the pretest resultfor respondents living above and below the poverty line, each explained in Table 2 below:

***Table 2**: The Results of Reliability and Validity Check in Pretest*

Latent Variable	Indicator	*Factor Loading*	Conclusion	*Cronbach's Alpha*	Conclusion
Quality of Life	My life is close to my ideal (QOL1)	0,87	Valid	0,82	Reliable
	Conditions of my life are excellent(QOL2)	0,93	Valid		
	1 am satisfied with my life(QOL3)	0,76	Valid		
	1 have gotten the important things I want in life(QOL4)	0,83	Valid		
	If I could live my life over, I would change almost nothing(QOL5)	0,55	Valid		
Trust in Manufacturers and Business	Manufacturers to ensure product safety(TIB1)	0,80	Valid	0,74	Reliable
	Manufacturers to package products appropriately(TIB2)	0,86	Valid		
	Businesses to abide by regulations protecting consumers(TIB3)	0,74	Valid		

	Businesses to efficiently provide what consumers want(TIB4)	0,57	Valid		
Trust in Government Regulation	The government to retain its integrity when lobbied by firms(TIG1)	0,82	Valid	0,93	Reliable
	Government to protect consumers(TIG2)	0,94	Valid		
	Government to appropriately regulate firms(TIG3)	0,95	Valid		
	Government to do research that will ensure public safety(TIG4)	0,93	Valid		
Trust in Consumer Groups	Consumer groups to offer credible information(TIC1)	0,90	Valid	0,80	Reliable
	Consumer groups to educate public(TIC2)	0,90	Valid		
	Consumer groups to remain independent of business(TIC3)	0,78	Valid		
Trust in News/ Entertainment Media	The news media to serve as a watchdog against wrong-doing to consumers(TIM1)	0,90	Valid	0,77	Reliable
	The entertainment media to create enough entertainment that is safe for all consumers(TIM2)	0,90	Valid		
Distrust for Individuals	Most of the time, people care only about themselves(DFI1)	0,80	Valid	0,59	Not Reliable
	Most people would try to take advantage of you if they could(DFI2)	0,89	Valid		
	Generally speaking, you can't be too careful in dealing with people (DFI3)	0,47	Invalid		

Source: *Processed by Researcher*

From the results obtained for group of respondents living above the poverty line, it is known that all of the variables, which are consist of quality of life, trust in manufactures and business, trust in government regulation, trust in consumer groups, and trust in news/entertainment media have values of Cronbach's Alpha greater than 0,6. Those show that each question on the research variables has a good level of reliability and can be used in this study. Only distrust in individuals variable has values below 0,6, specifically is 0,59.

It is also shown in the table that variables of quality of life, trust in manufactures and business, trust in government regulation, trust in consumer groups and trust in news/ entertainment media are meet the minimum requirements of validity, their KMO value is above 0,5. In addition, the value of factor loading in each variable is above 0,5 and has a value of Bartlett's test below 0.05. Those show that each question in the questionnaire has good validity and appropriate to be proceeded in the next stage.Only distrust in individuals variable has KMO value below 0,50, which specifically is 0,48 with DFI3 item has loading factor value below 0,50, specifically is 0,47. But researchers assume that the invalid and not reliable variable is caused by the few numbers of respondents involved in the pretest, which are only thirty three persons. The result still can be different if the numbers of respondents are increased. Therefore, researchers don't decide to remove this variable in the main test.

A sample of 269 respondents was collected in this study consisting of 122 for non-poor and 147 poor households. For non-poor, a 98 respondents are classified as 35-45 years old category (80%), and the rest 20% below 30 and above 45. Meanwhile, the majority of poor respondents are classified as 45 -60 years old category (132 or 89%).

5.2 Measurement Model

Measurement of reflective model emphasizes the measurement between the indicators and variables(latent variable).In this measurement, there are three kinds of measurements that consist of Internal Consistency, Convergent Validity, dan Discriminant Validity. Internal Consistency is measured by Cronbach'sAlpha andComposite Reliability.

***Table 3**: Internal Consistency*

Variable	**Cronbach's Alpha**		**Composite Reliability**	
	Non Poor	**Poor**	**Non Poor**	**Poor**
Quality of Life	0,910	0,885	0,933	0,916
Trust in Manufacturer and Business	0,939	0,784	0,956	0,864
Trust in Government Regulation	0,926	0,897	0,948	0,928
Trust in Consumer Groups	0,904	0,756	0,940	0,86
Trust in News Media & Entertainment Media	0,832	0,797	0,922	0,908

Distrust in Individuals	0,798	0,266	0,879	0,607

Source: *Processed by researcher using SmartPLS3*

From Table 3 above, it is shown that both of variables for non poor respondents and forpoorrespondents havecronbach's alpha value andcomposite reliability more than 0,6. Only distrust in individualvariablefor poor respondents which has Cronbach's Alpha value equal to 0,266. Convergent validity is measured by usingouter loading and average variance extracted (AVE) for each variable. Indicator can be identified as valid if it hasouter loading value more than 0.7. All variable can be identified as valid when having AVE value more than 0.5.

Table 4*: Convergent Validity*

Variable	**Indicator**	**Outer Loading**		**AVE**	
		Non Poor	**Poor**	**Non Poor**	**Poor**
Quality of Life	QOL1	0,910	0,867	0,738	0,688
	QOL2	0,908	0,906		
	QOL3	0,883	0,827		
	QOL4	0,843	0,832		
	QOL5	0,740	0,701		
Trust in Manufacturer and Business	TIB1	0,931	0,583	0,845	0,619
	TIB2	0,912	0,818		
	TIB3	0,940	0,873		
	TIB4	0,894	0,838		
Trust in Government Regulation	TIG1	0,799	0,838	0,821	0,764
	TIG2	0,947	0,880		
	TIG3	0,937	0,915		
	TIG4	0,933	0,861		
Trust in Consumer Groups	TIC1	0,932	0,802	0,840	0,672
	TIC2	0,956	0,814		
	TIC3	0,859	0,843		
Trust in News Media & Entertainment Media	TIM1	0,926	0,916	0,856	0,831
	TIM2	0,925	0,908		
Distrust in Individuals	DFI1	0,843	0,629	0,707	0,357
	DFI2	0,838	0,355		
	DFI3	0,842	0,741		

Source: *Processed by researchers using SmartPLS 3*

From the Table above, we can see that all of indicators and variablesfornon poorrespondents haveouter loading value more than 0,7, so that all the indicators can be identified as valid, excepting for three variables which are the indicators of Consumers' Perception of Trust in Market-Related Institutions. They consist of TIG1, TIM1, and TIM2. The AVE scorefor all variables fornon poor respondentsare also more than 0,5 so that all the variables for non-poor respondents can be identified as valid.

For poor respondents, there are some indicators that don't qualify for outer loadingvalue more than 0,7 those indicators consist of TIB1, DFI1, DFI2 and indicators which are the elementof Consumers' Perception of Trust in Market-Related Institutions variable, specifically TIB1, TIB3, TIB4, TIG1, TIG2, TIG3, TIG4, TIC1,TIC2, and TIC3. AVE value for poor respondents variable are overall qualify the minimum standard of AVE (>0,5), excepting forDistrust in IndividualsandConsumers' Perception of Trust in Market-Related Institutionsvariable with AVE value respectively is 0,357 and 0,394. Discriminant validity is measured by usingcross loading, which compares loading of an indicator in one variable, where the value of loading indicator is existed in another variable.

Table 5: *Cross Loading for Non Poor Respondents*

Variable	**Indicator**	**QOL**	**TIB**	**TIG**	**TIC**	**TIM**	**DFI**	**CTMRI**
Quality of Life	QOL1	0,910	0,504	0,324	0,479	0,202	0,332	0,491
	QOL2	0,908	0,572	0,412	0,521	0,335	0,338	0,584
	QOL3	0,883	0,479	0,397	0,366	0,276	0,238	0,488
	QOL4	0,843	0,411	0,296	0,390	0,214	0,259	0,420
	QOL5	0,740	0,412	0,352	0,261	0,304	0,206	0,419
Trust in Manufacturer and Business	TIB1	0,469	0,931	0,525	0,546	0,388	0,247	0,786
	TIB2	0,575	0,912	0,496	0,578	0,399	0,276	0,779
	TIB3	0,493	0,940	0,631	0,543	0,512	0,270	0,849
	TIB4	0,522	0,894	0,606	0,606	0,471	0,361	0,832
Trust in Government Regulation	TIG1	0,380	0,425	0,799	0,334	0,405	0,170	0,627
	TIG2	0,365	0,609	0,947	0,551	0,519	0,260	0,835
	TIG3	0,379	0,546	0,937	0,502	0,464	0,186	0,783
	TIG4	0,395	0,632	0,933	0,560	0,428	0,251	0,827
Trust in Consumer Groups	TIC1	0,443	0,576	0,475	0,932	0,285	0,337	0,716
	TIC2	0,440	0,582	0,484	0,956	0,344	0,335	0,738
	TIC3	0,433	0,540	0,540	0,859	0,406	0,294	0,724

Trust in News Media & Entertainment Media	TIM1	0,303	0,475	0,429	0,363	0,926	0,168	0,602
	TIM2	0,273	0,419	0,501	0,335	0,925	0,310	0,598
Distrust in Individuals	DFI1	0,366	0,261	0,074	0,233	0,190	0,843	0,230
	DFI2	0,211	0,150	0,116	0,222	0,208	0,838	0,199
	DFI3	0,229	0,338	0,372	0,396	0,247	0,842	0,426

Source: *Processed by researchers using SmartPLS 3*

From the cross loading table ofnon poor respondents above, it is shown that each indicator in each variable has qualified thediscriminant validity, because the overall outer loadingin each indicator has exceeded0.7 theloadingvalue ofthe indicator in the other variables.

Table 6: *Cross Loading for Poor Respondents*

Variable	**Indicator**	**QOL**	**TIB**	**TIG**	**TIC**	**TIM**	**DFI**	**CTMRI**
Quality of Life	QOL1	0,867	0,278	-0,329	0,297	0,021	0,313	0,326
	QOL2	0,906	0,265	-0,285	0,264	0,162	0,280	0,332
	QOL3	0,827	0,253	-0,321	0,151	0,118	0,262	0,293
	QOL4	0,832	0,330	-0,319	0,259	0,145	0,351	0,365
	QOL5	0,701	0,316	-0,266	0,308	0,353	0,042	0,409
Trust in Manufacturer and Business	TIB1	0,336	0,583	-0,258	0,560	0,373	0,330	0,600
	TIB2	0,290	0,818	-0,371	0,364	0,625	0,328	0,735
	TIB3	0,321	0,873	-0,140	0,391	0,590	0,156	0,674
	TIB4	0,157	0,838	-0,082	0,473	0,623	0,106	0,673
Trust in Government Regulation	TIG1	-0,232	-0,265	0,838	-0,149	-0,256	-0,599	-0,513
	TIG2	-0,381	-0,121	0,880	-0,174	-0,097	-0,652	-0,439
	TIG3	-0,373	-0,327	0,915	-0,287	-0,232	-0,586	-0,602
	TIG4	-0,300	-0,211	0,861	-0,072	-0,146	-0,460	-0,447
Trust in Consumer Groups	TIC1	0,261	0,468	-0,188	0,802	0,435	0,301	0,618
	TIC2	0,207	0,562	-0,115	0,814	0,569	0,152	0,665
	TIC3	0,302	0,347	-0,203	0,843	0,509	0,227	0,607
Trust in News Media & Entertainment	TIM1	0,127	0,621	-0,168	0,678	0,916	0,206	0,757

Media	TIM2	0,224	0,680	-0,228	0,442	0,908	0,057	0,725
Distrust in Individuals	DFI1	0,153	0,140	-0,533	0,117	0,132	0,629	0,316
	DFI2	0,012	-0,012	-0,246	-0,027	0,060	0,355	0,090
	DFI3	0,277	0,273	-0,391	0,270	0,075	0,741	0,351

Source: *Processed by researchers using SmartPLS 3*

From cross loading table for poor respondents above, it is shown that each indicator in each variable has qualified discriminant validity because the overallouter loadingin each indicator has exceeded theloadingvalue ofthe indicator in the other variables.There is only onevariable that doesn't qualify discriminant validity, specifically Trust in Government Regulation variable(TIG1, TIG2, TIG3, dan TIG4).

5.3 Path Analysis

The study found that three sub factors (trust in consumer groups, trust in business and trust in media) has positively related toCustomers' Trust in Market-Related Institutionsfor both poor and non-poor household. Thus hyphotheses 2,3,4 accepted. Suprprisingly, the positive relationship between trust in government and customers' trust in market-related institutions, only found for non-poor household (H1 partially accepted). The lack of relationshiop between trust in government and customers' trust in market-related institutions for poor housholds could be due to insufficient regulation or intervention policy for them.The study also found that customers' trust in market-related institutions has positive effect on quality of life for both poor and non-poor, thus H5 accepted. The higher customers' trust in market-related institutions would be increase the quality of life. Customers' trust in market-related institutions also has a negative effect on distrust in individuals for both poor and non-poor. The greatercustomers' trust in market-related institutions will reduce distrust in individuals, vice versa (H6 accepted). Finally, the distrust in individuals has a negative effect on quality of life for both poor and non-poor. Thus H7 accepted.

Table 7: *Structural model results*

Hypothesis	**Poor (Below poverty line)**		**Non-Poor (Above poverty line)**	
	Coefficients	**t-value**	***Coefficients***	**t-value**
H1: Trust in Government Regulation positively related to Customers' Trust in Market-Related Institutions	-0,581	-1,508 ns	0,853	23,536**
H2: Trust in Consumer Groups positively related to Customers' Trust in Market-Related Institutions	0,770	13,909**	0,793	13,791**

H3: Trust in Manufacturers and Business positively related to Customers' Trust in Market-Related Institutions	0,859	19,897**	0,884	29,664**
H4: Trust in News Media & Entertainment Media positively related to Customers' Trust in Market-Related Institutions	0,813	14,217**	0,648	8,93**
H5: Customers' Trust in Market-Related Institutions has a positive effect on Quality of Life	0,351	1,805*	0,515	6,023**
H6: Customers' Trust in Market-Related Institutions has a negative effect on Distrust in Individuals	-0,474	-1,671*	-0,357	-2,246**
H7: Distrust in Individuals has a negative effect on Quality of Life	-0,141	-1,694*	-0,141	-1,980**

Notes: **) significant at α =10% ; **)significant at α = 5%; ns=not significant*
Source: *Processed by researchers using SmartPLS 3*

6. Conclusions

For both groups (poor and non-poor), the higher consumer trust towards market related institutions the higher quality of life; the higher consumer trust towards market related institutions, thus the lower distrust for individual.The higher trust toward market related institutions willreduce the level of distrust in individuals and vice versa. The greater distrust in individuals will reduce the quality of life for both groups, and vice versa.

This findings suggest that to improve the quality of life of consumers for both groups, policy makers should create public policy that improve consumer confidence towards government policies, consumer groups, business community and media by maintaining and increasing their credibility. To increase public trust towards public policy, the government should make public policies that pro poor, protect the consumer rights, make regulations appropriate for the companies so not detrimental to consumer, ensure public safety related products and services by doing proper research. To increase public trust towards business, the government should urge the business to provide product safety, good product packaging, obey the rule of consumers protect, and provide efficient service. To increase consumers' s trust towards consumer groups, the government should ask the consumer groups to give believable information and educate consumers about their rights and obligation.

References:

Abbott, Alison, and Rex Dalton, 1999. Science Comes to Terms with the Lessons of Fraud.

Nature, 398 (6722), 13–17.
Bollen, K.A. 1989. Structural Equations with Latent Variables. New York: John Wiley & Sons.
Diener, E. and Robert Biswas-Diener, 2008. Happiness: Unlocking the Mysteries of Psychological Wealth. Malden, MA: Blackwell Publishing.
Diener, E., Eunkook, M.Suh, R.E. Lucas, and H.L. Smith 1999. Subjective Well-Being: Three Decades of Progress. Psychological Bulletin, 125 (2), 276–302.
Earle, T.C. and G.T. Cvetkovich, 1995. Social Trust: Towards a Cosmopolitan Society. Westport, CT: Greenwood Publish Group.
Easterlin, R.A. 2001. Income and Happiness: Towards a Unified Theory. The Economic Journal, 111, 465–484.
Ekici, A. 2004. Consumer Trust and Distrust in the Food System: Some Implications for the Debates on Good Biotechnologies. In Advances in Consumer Research, Vol. 31, B.E. Khan and M.F. Luce, eds. Toronto: Association for Consumer Research, 555-563.
Ekici, A. and Peterson, M. 2009. The Unique Relationship Between Quality of Life and Consumer Trust in Market-Related Institutions Among Financially Constrained Consumers in a Developing Country, 28(1), 56-70.
Fligstein, N. and L. Dauter 2007. The Sociology of Markets. Annual Review of Sociology, 33 105-128.
Freitag, M. 2003. Social Capital in (Dis)SimilarDemocracies: The Development of Generalized Trust in Japan and Switzerland. Comparative Political Studies, 36(8), 936-966.
Fukuyama, F. 1995. Trust: The Social Virtues and Creation of Prosperity. New York: The Free Press.
Gallup, G.H. 1977. Human Needs and Satisfaction: A Global Survey. Public Opinion Quarterly, 40(4), 459-467.
Hetherington, M.J. 1998. The Political Relevance of Political Trust. American Politician Science Review, 92, 791-808.
Hill, R.P. 1998. The Social Welfare System as a Consumer Net. In Rebuilding Efforts: Impact, Challenges, and Opportunities: Proceedings of the 23rd Annual Macromarketing Conference, Clifford Shultz II and Jonathon Schroeder, eds. Kingston: University of Rhode Island, 1-9.
Hill, R.P. and D.L. Stephens 1997. Impoverished Con- sumers and Consumer Behavior: The Case of AFDC Mother. Journal of Macromarketing, 17, 32-48.
Hill, R.P.and S. Macon 1996. Consumer Survival on Welfare with an Emphasis on Medicaid and the Food Stamp Program. Journal of Public Policy & Marketing, 15, 118-127.
Hudson, J. 2006. Institutional Trust and Subjective Well-Being Across the EU. KYKLOS, 59 (1), 43-62.
Inglehart, R. 1997. Modernization and Postmodernization: Cultural Economic and Political Change in 41 Societies. Princeton, NJ: Princeton University Press.
Inglehart, R. and R. Jacques-Rene 1986. Aspirations Adapt to Situations—But Why Are the Belgians So Much Happier Than the French? in Research on the Quality of Life, F.M. Andrews, ed. Ann Arbor, MI: Survei Research Centre, Institute for Social Research, University of Michigan, 1-56.
Lazarus, R.J. 1991. The Tragedy of Distrust in the Implementation of Federal Environmental Law. Law and Contemporary Problems, 54(4), 311-374.
Lewis, D. and A. Weigert 1985. Trust as a Social Reality. Social Forces, 63(4), 967-985.
McGarity, T. 1986. Risk and Trust: The Role of Regulatory Agencies. Environmental Law Reporter, 16(10),198-229.

Michalos, A. 1990. The Impact of Trust on Business, International Security, and the Quality of Life. Journal of Business Ethics, 9(8), 619-638.

Mittelstaedt, J. and W. Kilbourne 2007. Macromarket- ing as Agorology: Macromarketing Theory and the Study of the Agora. Journal of Macromarketing, 26(2), 131-142.

Newton, K. 1999. Social and Political Trust in Established Democracies, in Critical Citizens: Global Support for Democratic Government, P. Norris, ed. New York: Oxford University Press, 169-187.

Norris, Pippa, ed. 1999a. World Values Survei, in Critical Citizens: Global Support for Democratic Government. New York: Oxford University Press.

North, D.C. 1990. Institutions, Institutional Change and Economic Performance. New York: Cambridge University Press.

Putnam, R.D. 2000. Bowling Alone: The Collapse and Revival of American Community. New York: Simon & Schuster.

Renn, O. and D. Levine 1991. Credibility and Risk in Risk Communication, in Communicating Risk to the Public: Inter- national Perspectives, R.E. Kasperson and P.M. Stallen, eds. Amsterdam: Kluwer, 175-218.

Rose, R. and W. Mishler 1997. Social Capital in Civic and Stressful Societies. Studies in Comparative Inter- national Development, 32(3), 84-110.

Sirgy, M.J. 1986. A Quality-of-Life Theory Derived from Maslow's Developmental Perspective: 'Quality' Is Related to Progressive Satisfaction of a Hierarchy of Needs, Lower Order and Higher. American Journal of Economics and Sociology, 45, 329-342.

Sirgy, M.J. 2001. Handbook of Quality of Life Research. Boston: Kluwer.

Sirgy, M.J., A.C. Michalos, A.L. Ferriss, R. Easterlin, D. Patrick, and W. Pavot 2006. The Quality-of- Life (QOL) Research Movement: Past, Present, and Future. Social Indicators Research, 76(3), 343-466.

Sztompka, P. 1999. Trust: A Sociological Theory. Cambridge, UK: Cambridge University Press.

Uslaner, E.M. 2002. The Moral Foundation of Trust. New York: Cambridge University Press.

Wilkie, William L. and Elizabeth S. Moore (1999), "Marketing's Contributions to Society. Journal of Marketing, 63, (Special Issue), 198-218.

Wolfensohn, J.D. 2000. The Quality of Growth: The World Bank Millennium Project. New York: Oxford University Press.