

Table 1: SO2 emission reduction, industry financial ratio and policy mandate

	Dependent variable: SO2 emission												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
log(output)	0.055** (0.024)	0.055** (0.024)	0.055** (0.024)	0.055** (0.024)	0.055** (0.024)	0.055** (0.024)	0.055** (0.024)	0.055** (0.024)	0.055** (0.024)	0.055** (0.024)	0.055** (0.024)	0.055** (0.024)	0.055** (0.024)
log(employment)	0.153*** (0.030)	0.153*** (0.030)	0.154*** (0.030)	0.153*** (0.030)	0.154*** (0.030)	0.154*** (0.030)	0.154*** (0.030)	0.154*** (0.030)	0.154*** (0.030)	0.154*** (0.030)	0.154*** (0.030)	0.154*** (0.030)	0.153*** (0.030)
log(capital)	0.018 (0.019)	0.018 (0.019)	0.018 (0.019)	0.018 (0.019)	0.018 (0.019)	0.018 (0.019)	0.018 (0.019)	0.018 (0.019)	0.018 (0.019)	0.018 (0.019)	0.018 (0.019)	0.018 (0.019)	0.018 (0.019)
credit constraint _i × period × policy mandate _c	−0.200* (0.114)												
rd intensity _i × period × policy mandate _c		22.517 (20.551)											
inventory to sales _i × period × policy mandate _c			0.297 (1.720)										
working capital _i × period × policy mandate _c				0.003** (0.001)									
working capital requirement _i × period × policy mandate _c					0.001 (0.001)								
current ratio _i × period × policy mandate _c						0.083 (0.339)							
cash assets _i × period × policy mandate _c							1.142 (0.800)						
liabilities assets m1 _i × period × policy mandate _c								2.104 (1.442)					
liabilities assets m2 _i × period × policy mandate _c									1.959 (1.469)				
return on asset _i × period × policy mandate _c										−1.620 (1.108)			
sales assets _i × period × policy mandate _c											0.0005 (0.011)		
asset tangibility _i × period × policy mandate _c												−0.0002 (0.0003)	
account payable to asset _i × period × policy mandate _c													1.053* (0.581)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	29,795	29,795	29,795	29,795	29,795	29,795	29,795	29,795	29,795	29,795	29,795	29,795	29,795
R ²	0.882	0.882	0.882	0.882	0.882	0.882	0.882	0.882	0.882	0.882	0.882	0.882	0.882

This table estimates eq(3). Heteroskedasticity-robust standard errors clustered at the city level appear in parentheses. * Significance at the 10%, ** Significance at the 5%, *** Significance at the 1%.