

Table 1: Baseline estimate, SO2 emission reduction, policy mandate, individual sector Foods

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital _{cit}	0.593 (0.581)					
current ratio _{cit}		0.006*** (0.001)				
cash assets _{cit}			0.701 (1.406)			
liabilities assets _{cit}				-0.153 (0.370)		
return on asset _{cit}					-0.019 (0.063)	
sales assets _{cit}						0.00000 (0.0003)
output _{cit}	0.058 (0.045)	0.005 (0.040)	0.053 (0.055)	0.075 (0.053)	0.040 (0.045)	0.040 (0.043)
employment _{cit}	0.032 (0.029)	0.027 (0.030)	0.045 (0.028)	0.047* (0.028)	0.034 (0.029)	0.013 (0.033)
capital _{cit}	-0.051 (0.158)	-0.273* (0.141)	-0.107 (0.181)	-0.100 (0.181)	-0.125 (0.160)	-0.304** (0.137)
period × policy mandate _c	0.520 (0.559)	0.295 (1.317)	1.232 (1.493)	3.477 (2.543)	0.468 (1.051)	-0.019 (0.459)
period × working capital _{cit}	-0.665 (0.537)					
policy mandate _c × working capital _{cit}	-1.143* (0.583)					
period × policy mandate _c × working capital _{cit}	0.434 (0.429)					
period × current ratio _{cit}		0.051 (0.114)				
policy mandate _c × current ratio _{cit}		-0.348 (0.601)				
period × policy mandate _c × current ratio _{cit}		-0.284 (0.842)				
period × cash assets _{cit}			-1.285 (1.771)			
policy mandate _c × cash assets _{cit}			-3.374 (6.357)			
period × policy mandate _c × cash assets _{cit}			4.027 (5.159)			
period × liabilities assets _{cit}				1.082 (0.703)		
policy mandate _c × liabilities assets _{cit}				-1.452 (3.633)		
period × policy mandate _c × liabilities assets _{cit}				-6.001 (4.824)		
period × return on asset _{cit}					-0.001 (0.064)	
policy mandate _c × return on asset _{cit}					0.110 (0.395)	
period × policy mandate _c × return on asset _{cit}					-0.122 (0.366)	
period × sales assets _{cit}						0.00000 (0.0003)
policy mandate _c × sales assets _{cit}						0.00004 (0.001)
period × policy mandate _c × sales assets _{cit}						0.002 (0.003)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	951	1,624	714	714	947	1,385
R ²	0.791	0.696	0.841	0.842	0.791	0.714

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%.