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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital$_{cit}$	0.396					
	(0.282)					
current ratio$_{cit}$		0.005				
		(0.076)				
cash assets$_{cit}$			−1.428			
			(1.910)			
liabilities assets$_{cit}$				−0.379		
				(1.259)		
return on asset$_{cit}$					0.001	
					(0.001)	
sales assets$_{cit}$						−0.00005
						(0.0002)
output$_{cit}$	−0.039*	0.018	−0.055**	−0.063**	−0.039	0.019
	(0.022)	(0.028)	(0.027)	(0.028)	(0.025)	(0.030)
employment$_{cit}$	0.029	0.017	0.072***	0.075***	0.027	0.015
	(0.021)	(0.013)	(0.023)	(0.024)	(0.020)	(0.015)
capital$_{cit}$	0.029	−0.228*	−0.063	−0.079	−0.028	−0.249*
	(0.218)	(0.138)	(0.182)	(0.185)	(0.176)	(0.142)
period ×policy mandate$_{c}$	0.494	−1.337	1.270	−1.822	0.292	−0.414
	(0.525)	(2.506)	(1.985)	(3.284)	(0.894)	(0.524)
period ×working capital$_{cit}$	−0.245					
	(0.197)					
policy mandate$_{c}$ × working capital$_{cit}$	−0.186					
	(0.329)					
period ×policy mandate$_{c}$ × working capital$_{cit}$	0.128					
	(0.152)					
period ×current ratio$_{cit}$		−0.353				
		(0.373)				
policy mandate$_{c}$ × current ratio$_{cit}$		1.919				
		(1.209)				
period ×policy mandate$_{c}$ × current ratio$_{cit}$		0.567				
		(2.072)				
period ×cash assets$_{cit}$			0.072			
			(1.682)			
policy mandate$_{c}$ × cash assets$_{cit}$			−1.660			
			(8.914)			
period ×policy mandate$_{c}$ × cash assets$_{cit}$			3.109			
			(8.184)			
period ×liabilities assets$_{cit}$				−0.406		
				(1.256)		
policy mandate$_{c}$ × liabilities assets$_{cit}$				7.785		
				(6.174)		
period ×policy mandate$_{c}$ × liabilities assets$_{cit}$				4.041		
				(5.910)		
period ×return on asset$_{cit}$					0.003	
					(0.068)	
policy mandate$_{c}$ × return on asset$_{cit}$					−0.014***	
					(0.004)	
period ×policy mandate$_{c}$ × return on asset$_{cit}$					0.010	
					(0.379)	
period ×sales assets$_{cit}$						−0.001
						(0.002)
policy mandate$_{c}$ × sales assets$_{cit}$						0.00004
						(0.0003)
period ×policy mandate$_{c}$ × sales assets$_{cit}$						0.002
						(0.012)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	678	1,226	508	508	676	1,035
R^2	0.800	0.695	0.830	0.830	0.798	0.727

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