

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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital <sub>cit</sub>	−0.137 (0.092)					
current ratio <sub>cit</sub>		−0.050 (0.098)				
cash assets <sub>cit</sub>			−0.457 (1.267)			
liabilities assets <sub>cit</sub>				0.252 (0.507)		
return on asset <sub>cit</sub>					0.041 (0.035)	
sales assets <sub>cit</sub>						0.0004 (0.0003)
output <sub>cit</sub>	−0.014 (0.012)	−0.007 (0.007)	−0.037*** (0.013)	−0.034*** (0.013)	−0.019* (0.010)	−0.008 (0.008)
employment <sub>cit</sub>	0.012** (0.006)	0.008** (0.004)	0.021** (0.010)	0.020* (0.011)	0.012** (0.005)	0.008** (0.004)
capital <sub>cit</sub>	0.087* (0.048)	0.017 (0.032)	0.008 (0.046)	0.005 (0.046)	0.057 (0.045)	0.032 (0.032)
period × policy mandate <sub>c</sub>	−0.194 (0.397)	−1.128 (0.700)	0.197 (1.328)	0.776 (1.843)	−0.133 (0.705)	−0.549 (0.339)
period × working capital <sub>cit</sub>	0.038 (0.042)					
policy mandate <sub>c</sub> × working capital <sub>cit</sub>	0.002 (0.164)					
period × policy mandate <sub>c</sub> × working capital <sub>cit</sub>	−0.006 (0.078)					
period × current ratio <sub>cit</sub>		0.181 (0.145)				
policy mandate <sub>c</sub> × current ratio <sub>cit</sub>		−0.537 (0.844)				
period × policy mandate <sub>c</sub> × current ratio <sub>cit</sub>		0.669 (0.666)				
period × cash assets <sub>cit</sub>			−0.296 (1.178)			
policy mandate <sub>c</sub> × cash assets <sub>cit</sub>			−9.364 (10.450)			
period × policy mandate <sub>c</sub> × cash assets <sub>cit</sub>			−0.304 (6.700)			
period × liabilities assets <sub>cit</sub>				−0.085 (0.533)		
policy mandate <sub>c</sub> × liabilities assets <sub>cit</sub>				1.784 (1.886)		
period × policy mandate <sub>c</sub> × liabilities assets <sub>cit</sub>				−0.797 (3.023)		
period × return on asset <sub>cit</sub>					0.012 (0.038)	
policy mandate <sub>c</sub> × return on asset <sub>cit</sub>					−0.207 (0.365)	
period × policy mandate <sub>c</sub> × return on asset <sub>cit</sub>					0.070 (0.366)	
period × sales assets <sub>cit</sub>						−0.0004 (0.0003)
policy mandate <sub>c</sub> × sales assets <sub>cit</sub>						−0.001 (0.001)
period × policy mandate <sub>c</sub> × sales assets <sub>cit</sub>						0.001 (0.001)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	960	1,669	711	711	959	1,426
R <sup>2</sup>	0.894	0.859	0.906	0.905	0.894	0.869

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%.