current ratio $_{cit}$

cash assets_{cit}

liabilities assets_{cit}

return on asset $_{cit}$

sales assets_{cit}

 $employment_{cit}$

period \times policy mandate_c

period \times working capital_{cit}

period \times current ratio_{cit}

period \times cash assets_{cit}

policy mandate_c × working capital_{cit}

policy mandate_c \times current ratio_{cit}

policy mandate_c × cash assets_{cit}

period \times liabilities assets_{cit}

period \times return on asset_{cit}

period \times sales assets_{cit}

City

Time

 \mathbb{R}^2

Observations

period \times policy mandate_c \times working capital_{cit}

period \times policy mandate_c \times current ratio_{cit}

period \times policy mandate_c \times cash assets_{cit}

policy mandate_c \times liabilities assets_{cit}

policy mandate_c \times return on asset_{cit}

policy mandate_c × sales assets_{cit}

period \times policy mandate, \times liabilities assets_{cit}

period \times policy mandate \times return on asset_{cit}

period \times policy mandate_c \times sales assets_{cit}

the 5%, *** Significance at the 1%.

output_{cit}

capital_{cit}

sector Plastics

	
working capital _{cit}	0

_	_		
_	_	_	_

0.794**(0.361)

0.006

(0.046)

0.034

(0.023)

-0.020

(0.277)

0.148

(0.436)

0.049(0.160)

-0.813(0.540)

-0.097(0.126)

Yes

Yes

459

0.838

Yes

Yes

824

0.663

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

(1)

-0.490**(0.209)

0.020

(0.047)

-0.004

(0.017)

-0.031

(0.125)

3.032

(2.292)

0.372(0.264)

2.431*(1.396)

-2.997(1.922)

Dependent variable: SO2 emission

0.395(1.314)

-0.007

(0.056)

0.096*

(0.052)

-0.181

(0.314)

-1.190

(5.000)

0.157(1.186)

-13.378*(7.964)

2.048 (9.204)

Yes

Yes

339

0.877

-0.071

(0.095)

-0.241(0.492)

0.398(0.473)

Yes

Yes

458

0.832

0.001**

(0.001)

-0.001(0.001)

-0.002(0.002)

Yes

Yes

694

0.695

0.100 (0.107)

0.012

(0.048)

0.067***

(0.024)

-0.037

(0.276)

-0.879

(0.916)

-0.011(1.789)

-0.021

(0.058)

0.092*

(0.054)

-0.124

(0.307)

1.249

(1.546)

-2.309(1.729)

10.533(9.804)

4.214(8.211)

Yes

Yes

339

0.877

(6)

0.0001

(0.0001)

0.032

(0.045)

-0.004

(0.015)

0.011

(0.146)

-0.387

(0.476)

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