

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

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output _{cit}	-0.049 (0.040)	-0.047 (0.040)	-0.032 (0.044)	-0.030 (0.045)	-0.031 (0.043)	-0.030 (0.044)	-0.038 (0.046)
employment _{cit}	-0.038 (0.074)	-0.039 (0.075)	-0.039 (0.074)	-0.048 (0.075)	-0.039 (0.074)	-0.035 (0.075)	-0.045 (0.074)
capital _{cit}	0.079 (0.114)	0.090 (0.133)	0.052 (0.149)	0.128 (0.129)	0.057 (0.123)	0.049 (0.121)	0.106 (0.158)
period × policy mandate _c	-1.276 (0.886)	-3.730*** (1.117)	-0.252 (0.646)	-0.021 (0.813)	-0.209 (0.931)	0.214 (0.626)	-0.356 (0.609)
period × working capital _{ci}	-0.027 (0.135)						
period × policy mandate _c × working capital _{ci}	0.737 (0.539)						
period × asset tangibility _{ci}		-0.134 (0.152)					
period × policy mandate _c × asset tangibility _{ci}		2.911*** (0.772)					
period × current ratio _{ci}			0.022 (0.099)				
period × policy mandate _c × current ratio _{ci}			0.079 (0.305)				
period × cash assets _{ci}				1.399 (1.213)			
period × policy mandate _c × cash assets _{ci}				-0.111 (3.128)			
period × liabilities assets _{ci}					-0.222 (0.428)		
period × policy mandate _c × liabilities assets _{ci}					0.123 (1.274)		
period × return on asset _{ci}						0.036 (0.030)	
period × policy mandate _c × return on asset _{ci}						-0.128 (0.139)	
period × sales assets _{ci}							0.001 (0.001)
period × policy mandate _c × sales assets _{ci}							-0.007 (0.006)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	450	481	495	438	438	444	494
R ²	0.677	0.701	0.693	0.677	0.676	0.676	0.693

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%.