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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital$_{cit}$	0.170					
	(0.181)					
current ratio$_{cit}$		−0.174				
		(0.172)				
cash assets$_{cit}$			−1.853			
			(1.802)			
liabilities assets$_{cit}$				0.604		
				(1.168)		
return on asset$_{cit}$					0.069	
					(0.079)	
sales assets$_{cit}$						0.0004
						(0.001)
output$_{cit}$	−0.033*	−0.021	−0.028	−0.029	−0.028	−0.022
	(0.019)	(0.013)	(0.022)	(0.024)	(0.019)	(0.016)
employment$_{cit}$	0.016	0.021***	0.017	0.023	0.026*	0.023***
	(0.014)	(0.007)	(0.022)	(0.022)	(0.014)	(0.008)
capital$_{cit}$	−0.065	0.016	0.009	−0.018	−0.025	0.014
	(0.044)	(0.023)	(0.072)	(0.072)	(0.040)	(0.019)
period ×policy mandate$_{c}$	−0.299	−1.825	2.011	1.156	0.503	−0.450
	(0.512)	(2.764)	(2.353)	(2.890)	(1.314)	(0.583)
period ×working capital$_{cit}$	0.005					
	(0.114)					
policy mandate$_{c}$ × working capital$_{cit}$	−0.062					
	(0.184)					
period ×policy mandate$_{c}$ × working capital$_{cit}$	0.207**					
	(0.102)					
period ×current ratio$_{cit}$		−0.180				
		(0.205)				
policy mandate$_{c}$ × current ratio$_{cit}$		0.272				
		(1.286)				
period ×policy mandate$_{c}$ × current ratio$_{cit}$		1.260				
		(2.459)				
period ×cash assets$_{cit}$			−2.784			
			(1.831)			
policy mandate$_{c}$ × cash assets$_{cit}$			13.170			
			(8.758)			
period ×policy mandate$_{c}$ × cash assets$_{cit}$			5.167			
			(8.017)			
period ×liabilities assets$_{cit}$				0.573		
				(0.973)		
policy mandate$_{c}$ × liabilities assets$_{cit}$				−6.628		
				(6.449)		
period ×policy mandate$_{c}$ × liabilities assets$_{cit}$				−0.948		
				(4.818)		
period ×return on asset$_{cit}$					−0.072	
					(0.096)	
policy mandate$_{c}$ × return on asset$_{cit}$					−0.175	
					(0.475)	
period ×policy mandate$_{c}$ × return on asset$_{cit}$					−0.029	
					(0.636)	
period ×sales assets$_{cit}$						−0.001
						(0.001)
policy mandate$_{c}$ × sales assets$_{cit}$						−0.003
						(0.003)
period ×policy mandate$_{c}$ × sales assets$_{cit}$						0.010
						(0.011)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	611	1,128	455	455	609	952
R^2	0.861	0.807	0.890	0.886	0.856	0.816

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%.