

Table 1: Baseline estimate, SO2 emission reduction, policy mandate, individual sector Raw Chemical Materials

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output _{cit}	-0.001 (0.006)	-0.005 (0.006)	-0.003 (0.006)	-0.003 (0.006)	-0.003 (0.006)	-0.001 (0.006)	-0.004 (0.006)
employment _{cit}	0.002 (0.005)	0.003 (0.005)	0.003 (0.005)	0.001 (0.005)	0.002 (0.005)	0.002 (0.005)	0.002 (0.005)
capital _{cit}	-0.032 (0.029)	-0.031 (0.029)	-0.040 (0.026)	-0.026 (0.026)	-0.030 (0.026)	-0.035 (0.026)	-0.029 (0.025)
period × policy mandate _c	-0.102 (0.360)	-0.089 (0.393)	-2.528 (1.775)	-0.855 (1.377)	0.318 (1.660)	-0.130 (0.657)	-0.056 (0.287)
period × working capital _{ci}	-0.072 (0.055)						
period × policy mandate _c × working capital _{ci}	0.060 (0.052)						
period × asset tangibility _{ci}		0.019 (0.022)					
period × policy mandate _c × asset tangibility _{ci}		-0.010 (0.044)					
period × current ratio _{ci}			-0.613 (0.421)				
period × policy mandate _c × current ratio _{ci}			2.323 (1.726)				
period × cash assets _{ci}				0.347 (0.976)			
period × policy mandate _c × cash assets _{ci}				-3.265 (5.889)			
period × liabilities assets _{ci}					0.337 (0.509)		
period × policy mandate _c × liabilities assets _{ci}					-0.806 (3.076)		
period × return on asset _{ci}						-0.071 (0.070)	
period × policy mandate _c × return on asset _{ci}						-0.033 (0.321)	
period × sales assets _{ci}							0.002* (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	1,879	1,823	1,879	1,879	1,879	1,879	1,876
R ²	0.859	0.851	0.860	0.858	0.858	0.859	0.859

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%.