

Table 1: Baseline estimate, SO2 emission reduction, policy mandate, individual sector Smelting Non-ferrous Metals

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output _{cit}	0.023 (0.015)	0.022 (0.014)	0.008 (0.011)	0.007 (0.011)	0.006 (0.011)	0.010 (0.011)	0.008 (0.011)
employment _{cit}	0.005 (0.018)	-0.002 (0.017)	0.011 (0.017)	0.012 (0.017)	0.013 (0.016)	0.008 (0.017)	0.011 (0.018)
capital _{cit}	-0.021 (0.101)	-0.005 (0.101)	-0.004 (0.101)	-0.002 (0.104)	0.006 (0.098)	-0.007 (0.101)	-0.005 (0.101)
period × policy mandate _c	-0.239 (0.940)	-0.998 (1.101)	-1.658 (2.104)	-1.194 (2.984)	-5.721* (2.950)	1.438 (1.214)	-0.246 (0.544)
period × working capital _{ci}	-0.199 (0.159)						
period × policy mandate _c × working capital _{ci}	0.101 (0.373)						
period × asset tangibility _{ci}		-0.178* (0.107)					
period × policy mandate _c × asset tangibility _{ci}		0.472 (0.396)					
period × current ratio _{ci}			0.003 (0.180)				
period × policy mandate _c × current ratio _{ci}			1.602 (2.161)				
period × cash assets _{ci}				-0.193 (1.744)			
period × policy mandate _c × cash assets _{ci}				-5.052 (13.541)			
period × liabilities assets _{ci}					-1.762** (0.796)		
period × policy mandate _c × liabilities assets _{ci}					9.229* (5.149)		
period × return on asset _{ci}						0.100 (0.063)	
period × policy mandate _c × return on asset _{ci}						-0.694 (0.429)	
period × sales assets _{ci}							-0.003 (0.002)
period × policy mandate _c × sales assets _{ci}							0.015 (0.012)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,284	1,218	1,284	1,276	1,276	1,284	1,276
R ²	0.755	0.752	0.755	0.756	0.758	0.756	0.757

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%.