

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

	Dependent variable: SO2 emission									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Fur	Chemical Fibers	Rubber	Foods	Artwork	Education and Sport Activity	Manufacture of Wood	Recording Media	Furniture	Unknown
output <sub>cit</sub>	-0.012 (0.024)	0.052** (0.022)	0.042 (0.058)	0.005 (0.039)	-0.074 (0.080)	-0.022 (0.150)	-0.107 (0.118)	-0.068 (0.121)	0.158 (0.106)	0.309* (0.181)
employment <sub>cit</sub>	0.004 (0.005)	-0.086** (0.034)	0.040 (0.026)	0.027 (0.030)	0.065*** (0.020)	0.051* (0.030)	0.093** (0.041)	0.076** (0.035)	0.064 (0.040)	0.031* (0.018)
capital <sub>cit</sub>	0.156 (0.109)	0.182*** (0.055)	-0.098 (0.082)	-0.266* (0.138)	-0.355 (0.447)	-1.093* (0.570)	0.794 (0.742)	-0.028 (0.224)	-1.242** (0.513)	-0.370 (0.563)
period $\times$ policy mandate <sub>c</sub>	-0.401 (0.345)	-0.438 (0.307)	-0.780* (0.420)	-0.090 (0.481)	0.666 (0.583)	-0.473 (0.952)	-0.115 (0.962)	-1.264 (0.864)	-0.325 (1.055)	1.677 (2.513)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	831	535	993	1,627	443	277	979	541	302	237
R <sup>2</sup>	0.780	0.856	0.814	0.696	0.599	0.723	0.723	0.710	0.674	0.705

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%.