

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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital <sub>cit</sub>	-0.215 (0.282)					
current ratio <sub>cit</sub>		0.103*** (0.030)				
cash assets <sub>cit</sub>			-0.307 (0.837)			
liabilities assets <sub>cit</sub>				0.010 (0.591)		
return on asset <sub>cit</sub>					0.015 (0.042)	
sales assets <sub>cit</sub>						-0.0001** (0.0001)
output <sub>cit</sub>	0.005 (0.068)	0.044 (0.058)	-0.134** (0.052)	-0.135** (0.052)	-0.035 (0.059)	0.032 (0.062)
employment <sub>cit</sub>	-0.006 (0.034)	0.038 (0.026)	0.020 (0.049)	0.021 (0.048)	-0.001 (0.032)	0.030 (0.025)
capital <sub>cit</sub>	-0.122** (0.059)	-0.078 (0.083)	-0.126* (0.065)	-0.116* (0.059)	-0.124* (0.072)	-0.101 (0.076)
period × policy mandate <sub>c</sub>	-0.305 (0.615)	-1.127 (1.276)	-1.629 (1.540)	-1.039 (1.972)	-0.370 (0.749)	-0.697* (0.406)
period × working capital <sub>cit</sub>	-0.443 (0.279)					
policy mandate <sub>c</sub> × working capital <sub>cit</sub>	1.442** (0.675)					
period × policy mandate <sub>c</sub> × working capital <sub>cit</sub>	0.300 (0.348)					
period × current ratio <sub>cit</sub>		0.073 (0.082)				
policy mandate <sub>c</sub> × current ratio <sub>cit</sub>		-1.734** (0.669)				
period × policy mandate <sub>c</sub> × current ratio <sub>cit</sub>		0.399 (1.152)				
period × cash assets <sub>cit</sub>			1.155 (1.029)			
policy mandate <sub>c</sub> × cash assets <sub>cit</sub>			2.543 (9.653)			
period × policy mandate <sub>c</sub> × cash assets <sub>cit</sub>			-6.840 (7.254)			
period × liabilities assets <sub>cit</sub>				0.270 (0.557)		
policy mandate <sub>c</sub> × liabilities assets <sub>cit</sub>				-3.019 (3.837)		
period × policy mandate <sub>c</sub> × liabilities assets <sub>cit</sub>				1.334 (3.255)		
period × return on asset <sub>cit</sub>					0.001 (0.037)	
policy mandate <sub>c</sub> × return on asset <sub>cit</sub>					-0.144 (0.296)	
period × policy mandate <sub>c</sub> × return on asset <sub>cit</sub>					0.053 (0.272)	
period × sales assets <sub>cit</sub>						0.0001 (0.0004)
policy mandate <sub>c</sub> × sales assets <sub>cit</sub>						0.001* (0.0004)
period × policy mandate <sub>c</sub> × sales assets <sub>cit</sub>						0.003 (0.004)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	567	992	428	428	566	840
R <sup>2</sup>	0.900	0.817	0.909	0.909	0.899	0.840

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%.