

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

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output _{cit}	0.016 (0.040)	0.015 (0.035)	0.013 (0.032)	0.016 (0.032)	0.016 (0.031)	0.013 (0.030)	0.017 (0.031)
employment _{cit}	0.046*** (0.016)	0.047*** (0.016)	0.045*** (0.015)	0.045*** (0.015)	0.044*** (0.015)	0.043*** (0.015)	0.043*** (0.015)
capital _{cit}	-0.375** (0.152)	-0.374** (0.151)	-0.362** (0.148)	-0.346** (0.145)	-0.359** (0.147)	-0.328** (0.148)	-0.329** (0.150)
period × policy mandate _c	-0.029 (0.766)	-0.071 (0.790)	-2.429 (2.545)	-2.926 (3.281)	2.070 (3.724)	0.486 (0.998)	0.091 (0.634)
period × working capital _{ci}	0.018 (0.163)						
period × policy mandate _c × working capital _{ci}	0.064 (0.132)						
period × asset tangibility _{ci}		0.036 (0.254)					
period × policy mandate _c × asset tangibility _{ci}		0.121 (0.229)					
period × current ratio _{ci}			-0.051 (0.061)				
period × policy mandate _c × current ratio _{ci}			2.681 (2.522)				
period × cash assets _{ci}				1.283 (1.873)			
period × policy mandate _c × cash assets _{ci}				-14.079 (14.857)			
period × liabilities assets _{ci}					-0.598 (0.820)		
period × policy mandate _c × liabilities assets _{ci}					-2.701 (5.732)		
period × return on asset _{ci}						0.205** (0.099)	
period × policy mandate _c × return on asset _{ci}						-0.131 (0.640)	
period × sales assets _{ci}							0.002*** (0.001)
period × policy mandate _c × sales assets _{ci}							-0.002 (0.014)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,252	1,245	1,257	1,248	1,248	1,252	1,252
R ²	0.626	0.623	0.626	0.625	0.626	0.628	0.629

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%.