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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital$_{cit}$	0.110 (0.143)					
current ratio$_{cit}$		−0.009 (0.050)				
cash assets$_{cit}$			2.766* (1.561)			
liabilities assets$_{cit}$				0.344 (1.178)		
return on asset$_{cit}$					−0.022 (0.052)	
sales assets$_{cit}$						−0.0001 (0.001)
output$_{cit}$	0.054* (0.028)	0.027 (0.019)	−0.013 (0.025)	−0.013 (0.024)	0.006 (0.025)	0.025 (0.019)
employment$_{cit}$	−0.009 (0.017)	−0.007 (0.009)	0.004 (0.022)	0.003 (0.019)	−0.004 (0.017)	−0.008 (0.011)
capital$_{cit}$	0.219** (0.102)	0.044 (0.137)	0.077 (0.130)	0.090 (0.116)	0.190 (0.122)	0.052 (0.118)
period ×policy mandate$_c$	−0.241 (0.427)	1.370 (2.607)	2.642** (1.186)	−0.637 (2.954)	−0.903 (0.781)	−0.826** (0.378)
period ×working capital$_{cit}$	−0.187 (0.119)					
policy mandate$_c$ × working capital$_{cit}$	−0.518 (0.542)					
period ×policy mandate$_c$ × working capital$_{cit}$	−0.216 (0.232)					
period ×current ratio$_{cit}$		0.464* (0.272)				
policy mandate$_c$ × current ratio$_{cit}$		1.449** (0.626)				
period ×policy mandate$_c$ × current ratio$_{cit}$		−2.055 (2.307)				
period ×cash assets$_{cit}$			−3.187** (1.478)			
policy mandate$_c$ × cash assets$_{cit}$			0.403 (7.697)			
period ×policy mandate$_c$ × cash assets$_{cit}$			10.738** (4.417)			
period ×liabilities assets$_{cit}$				−2.323** (0.916)		
policy mandate$_c$ × liabilities assets$_{cit}$				−0.431 (6.450)		
period ×policy mandate$_c$ × liabilities assets$_{cit}$				1.201 (4.889)		
period ×return on asset$_{cit}$					0.021 (0.052)	
policy mandate$_c$ × return on asset$_{cit}$					0.351 (0.403)	
period ×policy mandate$_c$ × return on asset$_{cit}$					0.064 (0.235)	
period ×sales assets$_{cit}$						0.0001 (0.001)
policy mandate$_c$ × sales assets$_{cit}$						−0.003 (0.003)
period ×policy mandate$_c$ × sales assets$_{cit}$						0.005 (0.004)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,023	1,667	769	769	1,020	1,418
R^2	0.818	0.740	0.862	0.863	0.821	0.754

This table estimates eq(3). Heteroskedasticity-robust standard errors clustered at the city level appear inp arentheses. * Significance at the 10%, ** Significance at the 5%, *** Significance at the 1%.