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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital$_{cit}$	−0.215					
	(0.282)					
current ratio$_{cit}$		0.103***				
		(0.030)				
cash assets$_{cit}$			−0.307			
			(0.837)			
liabilities assets$_{cit}$				0.010		
				(0.591)		
return on asset$_{cit}$					0.015	
					(0.042)	
sales assets$_{cit}$						−0.0001**
						(0.0001)
output$_{cit}$	0.005	0.044	−0.134**	−0.135**	−0.035	0.032
	(0.068)	(0.058)	(0.052)	(0.052)	(0.059)	(0.062)
employment$_{cit}$	−0.006	0.038	0.020	0.021	−0.001	0.030
	(0.034)	(0.026)	(0.049)	(0.048)	(0.032)	(0.025)
capital$_{cit}$	−0.122**	−0.078	−0.126*	−0.116*	−0.124*	−0.101
	(0.059)	(0.083)	(0.065)	(0.059)	(0.072)	(0.076)
period ×policy mandate$_{c}$	−0.305	−1.127	−1.629	−1.039	−0.370	−0.697*
	(0.615)	(1.276)	(1.540)	(1.972)	(0.749)	(0.406)
period ×working capital$_{cit}$	−0.443					
	(0.279)					
policy mandate$_{c}$ × working capital$_{cit}$	1.442**					
	(0.675)					
period ×policy mandate$_{c}$ × working capital$_{cit}$	0.300					
	(0.348)					
period ×current ratio$_{cit}$		0.073				
		(0.082)				
policy mandate$_{c}$ × current ratio$_{cit}$		−1.734**				
		(0.669)				
period ×policy mandate$_{c}$ × current ratio$_{cit}$		0.399				
		(1.152)				
period ×cash assets$_{cit}$			1.155			
			(1.029)			
policy mandate$_{c}$ × cash assets$_{cit}$			2.543			
			(9.653)			
period ×policy mandate$_{c}$ × cash assets$_{cit}$			−6.840			
			(7.254)			
period ×liabilities assets$_{cit}$				0.270		
				(0.557)		
policy mandate$_{c}$ × liabilities assets$_{cit}$				−3.019		
				(3.837)		
period ×policy mandate$_{c}$ × liabilities assets$_{cit}$				1.334		
				(3.255)		
period ×return on asset$_{cit}$					0.001	
					(0.037)	
policy mandate$_{c}$ × return on asset$_{cit}$					−0.144	
					(0.296)	
period ×policy mandate$_{c}$ × return on asset$_{cit}$					0.053	
					(0.272)	
period ×sales assets$_{cit}$						0.0001
						(0.0004)
policy mandate$_{c}$ × sales assets$_{cit}$						0.001*
						(0.0004)
period ×policy mandate$_{c}$ × sales assets$_{cit}$						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^2	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 inp arentheses. * Significance at the 10%, ** Significance at the 5%, *** Significance at the 1%.