

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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital _{cit}	-0.060 (0.445)					
current ratio _{cit}		-0.070*** (0.012)				
cash assets _{cit}			1.127 (1.454)			
liabilities assets _{cit}				-2.002** (0.845)		
return on asset _{cit}					0.0002 (0.001)	
sales assets _{cit}						0.00004 (0.0005)
output _{cit}	-0.052 (0.141)	-0.098 (0.116)	-0.121 (0.161)	-0.110 (0.152)	-0.077 (0.135)	-0.098 (0.112)
employment _{cit}	0.108** (0.053)	0.091** (0.041)	0.124* (0.066)	0.125* (0.066)	0.103* (0.059)	0.091** (0.041)
capital _{cit}	0.637 (0.765)	0.760 (0.732)	0.824 (0.707)	0.797 (0.653)	0.494 (0.726)	0.635 (0.697)
period × policy mandate _c	0.620 (0.890)	-1.878 (1.390)	-1.568 (2.078)	6.683** (3.306)	0.028 (1.113)	-0.187 (0.924)
period × working capital _{cit}	-0.932 (0.643)					
policy mandate _c × working capital _{cit}	0.374 (0.351)					
period × policy mandate _c × working capital _{cit}	-0.478 (0.700)					
period × current ratio _{cit}		-0.183 (0.131)				
policy mandate _c × current ratio _{cit}		-0.139 (0.779)				
period × policy mandate _c × current ratio _{cit}		1.446 (0.939)				
period × cash assets _{cit}			-2.857* (1.562)			
policy mandate _c × cash assets _{cit}			8.646 (10.670)			
period × policy mandate _c × cash assets _{cit}			-5.738 (10.078)			
period × liabilities assets _{cit}				1.500 (0.971)		
policy mandate _c × liabilities assets _{cit}				8.584 (6.512)		
period × policy mandate _c × liabilities assets _{cit}				-13.384** (5.777)		
period × return on asset _{cit}					0.022 (0.036)	
policy mandate _c × return on asset _{cit}					-0.008 (0.040)	
period × policy mandate _c × return on asset _{cit}					-0.103 (0.176)	
period × sales assets _{cit}						0.00004 (0.001)
policy mandate _c × sales assets _{cit}						-0.005* (0.002)
period × policy mandate _c × sales assets _{cit}						0.004 (0.005)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	582	973	441	441	581	837
R ²	0.772	0.725	0.850	0.852	0.767	0.740

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%.