

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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital <sub>cit</sub>	-0.028 (0.184)					
current ratio <sub>cit</sub>		0.011 (0.010)				
cash assets <sub>cit</sub>			-3.481* (1.857)			
liabilities assets <sub>cit</sub>				0.414 (0.507)		
return on asset <sub>cit</sub>					-0.003 (0.022)	
sales assets <sub>cit</sub>						-0.0002 (0.001)
output <sub>cit</sub>	-0.079 (0.072)	-0.034 (0.044)	-0.053 (0.049)	-0.062 (0.050)	-0.038 (0.055)	-0.021 (0.049)
employment <sub>cit</sub>	0.035 (0.093)	-0.046 (0.073)	0.066 (0.074)	0.067 (0.089)	0.046 (0.114)	-0.067 (0.089)
capital <sub>cit</sub>	0.096 (0.209)	0.109 (0.131)	-0.005 (0.186)	-0.012 (0.194)	0.031 (0.169)	0.106 (0.114)
period × policy mandate <sub>c</sub>	0.416 (1.140)	-0.602 (0.610)	0.318 (1.915)	-2.503 (1.664)	0.362 (0.688)	-0.047 (0.556)
period × working capital <sub>cit</sub>	0.092 (0.131)					
policy mandate <sub>c</sub> × working capital <sub>cit</sub>	0.908 (1.296)					
period × policy mandate <sub>c</sub> × working capital <sub>cit</sub>	-0.481 (0.972)					
period × current ratio <sub>cit</sub>		-0.008 (0.011)				
policy mandate <sub>c</sub> × current ratio <sub>cit</sub>		-0.265* (0.149)				
period × policy mandate <sub>c</sub> × current ratio <sub>cit</sub>		0.284* (0.148)				
period × cash assets <sub>cit</sub>			0.953 (1.558)			
policy mandate <sub>c</sub> × cash assets <sub>cit</sub>			3.614 (7.435)			
period × policy mandate <sub>c</sub> × cash assets <sub>cit</sub>			4.151 (8.256)			
period × liabilities assets <sub>cit</sub>				0.209 (0.538)		
policy mandate <sub>c</sub> × liabilities assets <sub>cit</sub>				-0.247 (3.966)		
period × policy mandate <sub>c</sub> × liabilities assets <sub>cit</sub>				3.693 (2.408)		
period × return on asset <sub>cit</sub>					0.006 (0.023)	
policy mandate <sub>c</sub> × return on asset <sub>cit</sub>					-0.001 (0.125)	
period × policy mandate <sub>c</sub> × return on asset <sub>cit</sub>					-0.017 (0.129)	
period × sales assets <sub>cit</sub>						0.0003 (0.001)
policy mandate <sub>c</sub> × sales assets <sub>cit</sub>						0.004 (0.004)
period × policy mandate <sub>c</sub> × sales assets <sub>cit</sub>						-0.006 (0.006)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	243	492	177	177	241	403
R <sup>2</sup>	0.759	0.697	0.871	0.863	0.757	0.724

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%.