sector Chemical Fibers

working capital<sub>cit</sub>

current ratio<sub>cit</sub>

 $cash assets_{cit}$ 

liabilities assets

return on asset<sub>cit</sub>

sales assets<sub>cit</sub>

employment<sub>cit</sub>

period ×policy mandate

period ×working capital<sub>cit</sub>

period  $\times$ current ratio<sub>cit</sub>

period  $\times$ cash assets<sub>cit</sub>

policy mandate<sub>c</sub> × working capital<sub>cit</sub>

policy mandate<sub>c</sub>  $\times$  current ratio<sub>cit</sub>

policy mandate<sub>c</sub> × cash assets<sub>cit</sub>

period  $\times$ liabilities assets<sub>cit</sub>

period  $\times$ return on asset<sub>cit</sub>

period  $\times$ sales assets<sub>cit</sub>

City

Time

 $\mathbb{R}^2$ 

Observations

period  $\times$  policy mandate,  $\times$  working capital,

period  $\times$  policy mandate<sub>c</sub>  $\times$  current ratio<sub>cit</sub>

period  $\times$  policy mandate,  $\times$  cash assets<sub>cit</sub>

policy mandate<sub>c</sub> × liabilities assets<sub>cit</sub>

policy mandate<sub>c</sub>  $\times$  return on asset<sub>cit</sub>

policy mandate<sub>c</sub>  $\times$  sales assets<sub>cit</sub>

period  $\times$  policy mandate,  $\times$  liabilities assets<sub>cit</sub>

period  $\times$  policy mandate<sub>c</sub>  $\times$  return on asset<sub>cit</sub>

period  $\times$  policy mandate<sub>c</sub>  $\times$  sales assets<sub>cit</sub>

the 5%, \*\*\* Significance at the 1%.

output<sub>cit</sub>

capital<sub>cit</sub>

## -

0.5

0.580\* (0.295)

0.021

(0.036)

-0.020

(0.050)

0.151

(0.322)

-0.259

(0.433)

-0.031(0.233)

-0.415(0.470)

-0.236(0.412)

Yes

Yes

297

0.912

Yes

Yes

533

0.861

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

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

-0.036 (0.044)

0.050\*\*

(0.023)

-0.083\*\*

(0.033)

0.175\*\*\*

(0.054)

-0.858

(1.543)

-0.070

(0.166)

0.237 (0.311)

0.263 (1.115)

Dependent variable: SO2 emission

0.582

(0.564)

-0.005

(0.034)

-0.026

(0.045)

0.394

(0.275)

0.570

(1.803)

-0.451(0.738)

-2.457(3.299)

-2.701 (3.824)

Yes

Yes

222

0.946

-0.018(0.114)

-0.342(0.727)

0.538 (0.704)

Yes

Yes

295

0.914

0.001 (0.001)

-0.0001 (0.001)

-0.005(0.007)

Yes

Yes

448

0.875

-0.038(0.138)

0.036

(0.033)

-0.024

(0.047)

0.190

(0.315)

-1.555

(1.328)

1.300

(2.363)

-0.009

(0.034)

-0.018

(0.042)

0.209

(0.216)

-1.990

(2.585)

0.326

(1.991)

0.963 (12.797)

-7.533 (11.863)

Yes

Yes

222

0.945

(6)

0.0004

(0.001)

0.044\*

(0.022)

-0.062\*

(0.036)

0.140\*

(0.058)

-0.258

(0.289)