

Table 1: Baseline estimate, SO2 emission reduction, policy mandate, individual sector Special Purpose Machinery

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital _{cit}	0.187 (0.227)					
current ratio _{cit}		0.059 (0.153)				
cash assets _{cit}			-1.713 (1.997)			
liabilities assets _{cit}				-0.421 (0.883)		
return on asset _{cit}					0.037 (0.059)	
sales assets _{cit}						0.00003 (0.0001)
output _{cit}	0.004 (0.055)	0.019 (0.031)	0.047 (0.043)	0.050 (0.048)	0.044 (0.034)	0.026 (0.032)
employment _{cit}	0.030 (0.037)	0.045*** (0.016)	0.033 (0.057)	0.029 (0.059)	0.035 (0.037)	0.040** (0.017)
capital _{cit}	-0.362 (0.310)	-0.351** (0.149)	-0.403 (0.318)	-0.431 (0.318)	-0.372 (0.281)	-0.313* (0.160)
period × policy mandate _c	-0.033 (0.750)	-0.231 (2.337)	-3.430 (4.630)	1.682 (3.398)	-0.030 (0.862)	0.155 (0.611)
period × working capital _{cit}	0.055 (0.174)					
policy mandate _c × working capital _{cit}	-0.129 (0.519)					
period × policy mandate _c × working capital _{cit}	-0.016 (0.190)					
period × current ratio _{cit}		0.075 (0.198)				
policy mandate _c × current ratio _{cit}		0.849 (1.129)				
period × policy mandate _c × current ratio _{cit}		0.291 (1.940)				
period × cash assets _{cit}			-0.254 (2.406)			
policy mandate _c × cash assets _{cit}			13.601 (18.011)			
period × policy mandate _c × cash assets _{cit}			-14.644 (19.725)			
period × liabilities assets _{cit}				-0.044 (0.957)		
policy mandate _c × liabilities assets _{cit}				8.303 (6.322)		
period × policy mandate _c × liabilities assets _{cit}				-2.209 (5.185)		
period × return on asset _{cit}					0.025 (0.057)	
policy mandate _c × return on asset _{cit}					-1.137 (1.053)	
period × policy mandate _c × return on asset _{cit}					0.191 (0.434)	
period × sales assets _{cit}						0.0005 (0.001)
policy mandate _c × sales assets _{cit}						-0.001 (0.007)
period × policy mandate _c × sales assets _{cit}						-0.00005 (0.009)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	705	1,255	520	520	701	1,066
R ²	0.742	0.626	0.792	0.791	0.738	0.652

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%.