

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

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output <sub>cit</sub>	0.628*** (0.207)	0.434*** (0.139)	0.333** (0.160)	0.493*** (0.154)	0.491** (0.209)	0.281 (0.232)	0.424* (0.218)
employment <sub>cit</sub>	0.010 (0.019)	0.027 (0.018)	0.031* (0.018)	0.025 (0.021)	0.027 (0.021)	0.036 (0.024)	0.031 (0.019)
capital <sub>cit</sub>	-0.715 (0.681)	-0.646 (0.572)	-0.468 (0.550)	-0.479 (0.571)	-0.461 (0.516)	-0.300 (0.669)	-0.585 (0.557)
period × policy mandate <sub>c</sub>	-0.681 (2.648)	-1.594 (1.036)	9.937 (8.436)	-5.034*** (1.627)	16.350*** (4.610)	5.024 (9.051)	0.019 (1.079)
period × working capital <sub>ci</sub>	-25.531*** (7.255)						
period × policy mandate <sub>c</sub> × working capital <sub>ci</sub>	122.665*** (33.381)						
period × asset tangibility <sub>ci</sub>		-3.021** (1.244)					
period × policy mandate <sub>c</sub> × asset tangibility <sub>ci</sub>		40.290*** (6.361)					
period × current ratio <sub>ci</sub>			0.070 (0.063)				
period × policy mandate <sub>c</sub> × current ratio <sub>ci</sub>			-3.766 (3.443)				
period × cash assets <sub>ci</sub>				6.195** (2.584)			
period × policy mandate <sub>c</sub> × cash assets <sub>ci</sub>				-68.205*** (14.491)			
period × liabilities assets <sub>ci</sub>					-1.426 (2.055)		
period × policy mandate <sub>c</sub> × liabilities assets <sub>ci</sub>					-19.766*** (5.545)		
period × return on asset <sub>ci</sub>						0.264 (0.330)	
period × policy mandate <sub>c</sub> × return on asset <sub>ci</sub>						-0.536 (1.650)	
period × sales assets <sub>ci</sub>							0.003 (0.003)
period × policy mandate <sub>c</sub> × sales assets <sub>ci</sub>							-0.178*** (0.025)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	170	235	235	159	159	170	230
R <sup>2</sup>	0.690	0.736	0.715	0.705	0.741	0.668	0.739

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%.