Table 1: Baseline estimate, SO2 emission reduction, policy mandate, individual sector Smelting Non-ferrous Metals

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital$_{cit}$	0.019					
	(0.166)					
current ratio$_{cit}$		0.001				
		(0.013)				
cash assets$_{cit}$			−1.232			
			(1.564)			
liabilities assets$_{cit}$				1.067		
				(0.706)		
return on asset$_{cit}$					−0.061	
					(0.061)	
sales assets$_{cit}$						0.0003
						(0.0003)
output$_{cit}$	−0.006	0.008	0.004	−0.001	−0.001	0.003
	(0.020)	(0.011)	(0.017)	(0.017)	(0.014)	(0.011)
employment$_{cit}$	0.051	0.011	0.060	0.075*	0.041	0.019
	(0.035)	(0.017)	(0.044)	(0.039)	(0.033)	(0.021)
capital$_{cit}$	0.054	−0.010	0.085	0.106	0.048	0.022
	(0.157)	(0.097)	(0.190)	(0.164)	(0.153)	(0.114)
period ×policy mandate$_{c}$	−0.125	−1.352	−2.181	−3.528	1.482	−0.042
	(0.813)	(1.587)	(3.151)	(3.300)	(1.137)	(0.527)
period ×working capital$_{cit}$	0.012					
	(0.122)					
policy mandate$_{c}$ × working capital$_{cit}$	−0.141					
	(0.369)					
period ×policy mandate$_{c}$ × working capital$_{cit}$	0.072					
	(0.290)					
period ×current ratio$_{cit}$		0.005				
		(0.244)				
policy mandate$_{c}$ × current ratio$_{cit}$		−0.249				
		(0.636)				
period ×policy mandate$_{c}$ × current ratio$_{cit}$		1.180				
		(1.681)				
period ×cash assets$_{cit}$			0.231			
			(1.732)			
policy mandate$_{c}$ × cash assets$_{cit}$			19.437			
			(18.729)			
period ×policy mandate$_{c}$ × cash assets$_{cit}$			−10.840			
			(13.604)			
period ×liabilities assets$_{cit}$				−1.405*		
				(0.723)		
policy mandate$_{c}$ × liabilities assets$_{cit}$				−8.239		
				(5.102)		
period ×policy mandate$_{c}$ × liabilities assets$_{cit}$				5.728		
				(5.660)		
period ×return on asset$_{cit}$					0.112*	
					(0.061)	
policy mandate$_{c}$ × return on asset$_{cit}$					0.419	
					(0.413)	
period ×policy mandate$_{c}$ × return on asset$_{cit}$					−0.589	
					(0.395)	
period ×sales assets$_{cit}$						0.001
						(0.002)
policy mandate$_{c}$ × sales assets$_{cit}$						−0.001
						(0.002)
period ×policy mandate$_{c}$ × sales assets$_{cit}$						0.003
						(0.004)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	784	1,283	599	599	783	1,096
R^2	0.825	0.755	0.862	0.862	0.828	0.778

This table estimates eq(3). Heteroskedasticity-robust standard errors clustered at the city level appear inp arentheses. * Significance at the 10%, ** Significance at the 5%, *** Significance at the 1%.