

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

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output _{cit}	-0.009 (0.010)	-0.006 (0.010)	-0.009 (0.007)	-0.009 (0.008)	-0.009 (0.008)	-0.010 (0.007)	-0.008 (0.008)
employment _{cit}	0.009** (0.004)	0.008** (0.004)	0.009** (0.004)	0.009** (0.004)	0.009** (0.004)	0.009** (0.004)	0.009** (0.004)
capital _{cit}	0.015 (0.032)	0.016 (0.033)	0.016 (0.032)	0.017 (0.031)	0.020 (0.033)	0.022 (0.033)	0.016 (0.032)
period × policy mandate _c	-0.614 (0.397)	-0.670 (0.429)	-2.114* (1.180)	-1.489 (1.087)	0.404 (0.934)	-0.830 (0.659)	-0.551* (0.306)
period × working capital _{ci}	0.004 (0.049)						
period × policy mandate _c × working capital _{ci}	0.020 (0.091)						
period × asset tangibility _{ci}		-0.020 (0.038)					
period × policy mandate _c × asset tangibility _{ci}		0.037 (0.074)					
period × current ratio _{ci}			0.091 (0.157)				
period × policy mandate _c × current ratio _{ci}			1.794 (1.107)				
period × cash assets _{ci}				0.068 (0.783)			
period × policy mandate _c × cash assets _{ci}				-4.920 (5.527)			
period × liabilities assets _{ci}					-0.403 (0.288)		
period × policy mandate _c × liabilities assets _{ci}					-1.334 (1.345)		
period × return on asset _{ci}						0.030 (0.043)	
period × policy mandate _c × return on asset _{ci}						0.206 (0.391)	
period × sales assets _{ci}							-0.001** (0.0004)
period × policy mandate _c × sales assets _{ci}							0.004** (0.002)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,672	1,643	1,673	1,666	1,666	1,672	1,670
R ²	0.852	0.849	0.852	0.858	0.858	0.852	0.851

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%.