

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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital _{cit}	0.170 (0.181)					
current ratio _{cit}		-0.174 (0.172)				
cash assets _{cit}			-1.853 (1.802)			
liabilities assets _{cit}				0.604 (1.168)		
return on asset _{cit}					0.069 (0.079)	
sales assets _{cit}						0.0004 (0.001)
output _{cit}	-0.033* (0.019)	-0.021 (0.013)	-0.028 (0.022)	-0.029 (0.024)	-0.028 (0.019)	-0.022 (0.016)
employment _{cit}	0.016 (0.014)	0.021*** (0.007)	0.017 (0.022)	0.023 (0.022)	0.026* (0.014)	0.023*** (0.008)
capital _{cit}	-0.065 (0.044)	0.016 (0.023)	0.009 (0.072)	-0.018 (0.072)	-0.025 (0.040)	0.014 (0.019)
period × policy mandate _c	-0.299 (0.512)	-1.825 (2.764)	2.011 (2.353)	1.156 (2.890)	0.503 (1.314)	-0.450 (0.583)
period × working capital _{cit}	0.005 (0.114)					
policy mandate _c × working capital _{cit}	-0.062 (0.184)					
period × policy mandate _c × working capital _{cit}	0.207** (0.102)					
period × current ratio _{cit}		-0.180 (0.205)				
policy mandate _c × current ratio _{cit}		0.272 (1.286)				
period × policy mandate _c × current ratio _{cit}		1.260 (2.459)				
period × cash assets _{cit}			-2.784 (1.831)			
policy mandate _c × cash assets _{cit}			13.170 (8.758)			
period × policy mandate _c × cash assets _{cit}			5.167 (8.017)			
period × liabilities assets _{cit}				0.573 (0.973)		
policy mandate _c × liabilities assets _{cit}				-6.628 (6.449)		
period × policy mandate _c × liabilities assets _{cit}				-0.948 (4.818)		
period × return on asset _{cit}					-0.072 (0.096)	
policy mandate _c × return on asset _{cit}					-0.175 (0.475)	
period × policy mandate _c × return on asset _{cit}					-0.029 (0.636)	
period × sales assets _{cit}						-0.001 (0.001)
policy mandate _c × sales assets _{cit}						-0.003 (0.003)
period × policy mandate _c × sales assets _{cit}						0.010 (0.011)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	611	1,128	455	455	609	952
R ²	0.861	0.807	0.890	0.886	0.856	0.816

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%.