

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

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output _{cit}	-0.004 (0.005)	-0.004 (0.004)	-0.007* (0.004)	-0.007* (0.004)	-0.006 (0.004)	-0.006 (0.004)	-0.006 (0.004)
employment _{cit}	0.014 (0.009)	0.012 (0.009)	0.016* (0.009)	0.015 (0.009)	0.015* (0.009)	0.015* (0.009)	0.015 (0.009)
capital _{cit}	-0.0003 (0.016)	0.0004 (0.016)	0.003 (0.016)	-0.002 (0.016)	-0.001 (0.016)	-0.002 (0.016)	-0.002 (0.016)
period × policy mandate _c	-0.581 (0.486)	-0.818* (0.432)	-3.465*** (1.160)	-1.153* (0.681)	-0.104 (1.064)	-0.502 (0.654)	-0.616* (0.366)
period × working capital _{ci}	-0.056 (0.052)						
period × policy mandate _c × working capital _{ci}	0.039 (0.040)						
period × asset tangibility _{ci}		-0.016 (0.011)					
period × policy mandate _c × asset tangibility _{ci}		0.014 (0.010)					
period × current ratio _{ci}			-0.128 (0.099)				
period × policy mandate _c × current ratio _{ci}			3.030** (1.242)				
period × cash assets _{ci}				0.021*** (0.003)			
period × policy mandate _c × cash assets _{ci}				-2.723 (2.940)			
period × liabilities assets _{ci}					0.106 (0.728)		
period × policy mandate _c × liabilities assets _{ci}					-0.864 (1.991)		
period × return on asset _{ci}						0.001 (0.015)	
period × policy mandate _c × return on asset _{ci}						-0.059 (0.224)	
period × sales assets _{ci}							0.0003 (0.001)
period × policy mandate _c × sales assets _{ci}							-0.0004 (0.008)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,460	1,391	1,460	1,452	1,452	1,460	1,459
R ²	0.816	0.822	0.817	0.815	0.815	0.816	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%.