

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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital _{cit}	0.580* (0.295)					
current ratio _{cit}		-0.036 (0.044)				
cash assets _{cit}			1.300 (2.363)			
liabilities assets _{cit}				0.582 (0.564)		
return on asset _{cit}					-0.038 (0.138)	
sales assets _{cit}						0.0004 (0.001)
output _{cit}	0.021 (0.036)	0.050** (0.023)	-0.009 (0.034)	-0.005 (0.034)	0.036 (0.033)	0.044* (0.022)
employment _{cit}	-0.020 (0.050)	-0.083** (0.033)	-0.018 (0.042)	-0.026 (0.045)	-0.024 (0.047)	-0.062* (0.036)
capital _{cit}	0.151 (0.322)	0.175*** (0.054)	0.209 (0.216)	0.394 (0.275)	0.190 (0.315)	0.140** (0.058)
period × policy mandate _c	-0.259 (0.433)	-0.858 (1.543)	-1.990 (2.585)	0.570 (1.803)	-1.555 (1.328)	-0.258 (0.289)
period × working capital _{cit}	-0.031 (0.233)					
policy mandate _c × working capital _{cit}	-0.415 (0.470)					
period × policy mandate _c × working capital _{cit}	-0.236 (0.412)					
period × current ratio _{cit}		-0.070 (0.166)				
policy mandate _c × current ratio _{cit}		0.237 (0.311)				
period × policy mandate _c × current ratio _{cit}		0.263 (1.115)				
period × cash assets _{cit}			0.326 (1.991)			
policy mandate _c × cash assets _{cit}			0.963 (12.797)			
period × policy mandate _c × cash assets _{cit}			-7.533 (11.863)			
period × liabilities assets _{cit}				-0.451 (0.738)		
policy mandate _c × liabilities assets _{cit}				-2.457 (3.299)		
period × policy mandate _c × liabilities assets _{cit}				-2.701 (3.824)		
period × return on asset _{cit}					-0.018 (0.114)	
policy mandate _c × return on asset _{cit}					-0.342 (0.727)	
period × policy mandate _c × return on asset _{cit}					0.538 (0.704)	
period × sales assets _{cit}						0.001 (0.001)
policy mandate _c × sales assets _{cit}						-0.0001 (0.001)
period × policy mandate _c × sales assets _{cit}						-0.005 (0.007)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	297	533	222	222	295	448
R ²	0.912	0.861	0.945	0.946	0.914	0.875

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%.