

Table 1: Baseline estimate, SO2 emission reduction, policy mandate, individual sector Manufacture of Wood

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output <sub>cit</sub>	-0.065 (0.119)	-0.068 (0.117)	-0.111 (0.117)	-0.121 (0.119)	-0.105 (0.118)	-0.123 (0.117)	-0.103 (0.118)
employment <sub>cit</sub>	0.095** (0.039)	0.092** (0.040)	0.093** (0.041)	0.094** (0.041)	0.092** (0.041)	0.095** (0.041)	0.093** (0.041)
capital <sub>cit</sub>	0.576 (0.680)	0.484 (0.713)	0.816 (0.738)	0.822 (0.743)	0.792 (0.739)	0.823 (0.737)	0.762 (0.737)
period × policy mandate <sub>c</sub>	1.046 (0.825)	0.782 (0.827)	-2.370 (2.393)	-3.237 (2.397)	-0.160 (2.099)	-0.524 (0.970)	-0.179 (0.948)
period × working capital <sub>ci</sub>	-0.731 (0.616)						
period × policy mandate <sub>c</sub> × working capital <sub>ci</sub>	-0.803 (0.588)						
period × asset tangibility <sub>ci</sub>		-0.549 (0.582)					
period × policy mandate <sub>c</sub> × asset tangibility <sub>ci</sub>		-0.674 (0.542)					
period × current ratio <sub>ci</sub>			-0.123 (0.111)				
period × policy mandate <sub>c</sub> × current ratio <sub>ci</sub>			2.220 (2.437)				
period × cash assets <sub>ci</sub>				-1.309 (1.329)			
period × policy mandate <sub>c</sub> × cash assets <sub>ci</sub>				-16.376 (11.707)			
period × liabilities assets <sub>ci</sub>					0.023 (0.538)		
period × policy mandate <sub>c</sub> × liabilities assets <sub>ci</sub>					0.060 (2.314)		
period × return on asset <sub>ci</sub>						-0.003*** (0.001)	
period × policy mandate <sub>c</sub> × return on asset <sub>ci</sub>						0.194*** (0.056)	
period × sales assets <sub>ci</sub>							-0.001 (0.001)
period × policy mandate <sub>c</sub> × sales assets <sub>ci</sub>							0.014 (0.011)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	974	952	978	970	970	974	975
R <sup>2</sup>	0.726	0.725	0.723	0.726	0.720	0.722	0.720

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%.