sector Manufacture of Wood

period ×working capital

period ×current ratio<sub>cit</sub>

period  $\times$ cash assets<sub>cit</sub>

policy mandate<sub>c</sub>  $\times$  working capital<sub>cit</sub>

policy mandate<sub>c</sub>  $\times$  current ratio<sub>cit</sub>

policy mandate<sub>c</sub> × cash assets<sub>cit</sub>

period  $\times$ liabilities assets<sub>cit</sub>

period  $\times$ return on asset<sub>cit</sub>

period  $\times$ sales assets<sub>cit</sub>

City

Time

 $\mathbb{R}^2$ 

Observations

period  $\times$  policy mandate,  $\times$  working capital,

period  $\times$  policy mandate<sub>c</sub>  $\times$  current ratio<sub>cit</sub>

period  $\times$  policy mandate<sub>c</sub>  $\times$  cash assets<sub>cit</sub>

period  $\times$  policy mandate,  $\times$  liabilities assets<sub>cit</sub>

period  $\times$  policy mandate<sub>c</sub>  $\times$  return on asset<sub>cit</sub>

period  $\times$  policy mandate<sub>c</sub>  $\times$  sales assets<sub>cit</sub>

the 5%, \*\*\* Significance at the 1%.

policy mandate<sub>c</sub>  $\times$  liabilities assets<sub>cit</sub>

policy mandate<sub>c</sub> × return on asset<sub>cit</sub>

policy mandate<sub>c</sub>  $\times$  sales assets<sub>cit</sub>

	(1)	(2)	(3)	(4)	(5)	(6)
working capital $_{cit}$	-0.060 $(0.445)$					
current $ratio_{cit}$		-0.070*** (0.012)				
$cash assets_{cit}$		, ,	1.127 $(1.454)$			
liabilities assets $_{cit}$			` ′	-2.002** $(0.845)$		
return on asset $_{cit}$				,	0.0002 $(0.001)$	
sales assets $_{cit}$					( )	0.00004 (0.0005)
$\mathrm{output}_{cit}$	-0.052 $(0.141)$	-0.098 (0.116)	-0.121 (0.161)	-0.110 $(0.152)$	-0.077 $(0.135)$	-0.098 (0.112)
$\mathrm{employment}_{cit}$	0.108** (0.053)	0.091** (0.041)	0.124* (0.066)	0.125* (0.066)	0.103* (0.059)	0.091** (0.041)
$\operatorname{capital}_{cit}$	0.637 (0.765)	0.760 (0.732)	0.824 (0.707)	0.797 (0.653)	0.494 (0.726)	0.635 (0.697)
period $\times$ policy mandate <sub>c</sub>	0.620	-1.878	-1.568	6.683**	0.028	-0.187

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

Dependent variable: SO2 emission

(2.078)

-2.857\*

(1.562)

8.646(10.670)

-5.738(10.078)

Yes

Yes

441

0.850

(3.306)

1.500 (0.971)

8.584 (6.512)

-13.384\*\*(5.777)

Yes

Yes

441

0.852

0.022(0.036)

-0.008(0.040)

-0.103(0.176)

Yes

Yes

581

0.767

0.00004(0.001)

-0.005\*(0.002)

0.004(0.005)

Yes

Yes

837

0.740

(1.113)

(0.924)

-0.052	-0.098
(0.141)	(0.116)
0.108**	0.091**
(0.053)	(0.041)
0.637	0.760
(0.765)	(0.732)
0.620	-1.878
(0.890)	(1.390)
-0.932	, ,

(0.643)

0.374(0.351)

-0.478(0.700)

Yes

Yes

582

0.772

Yes

Yes

973

0.725

This table estimates eq(3). Heteroskedasticity-robust standard errors clustered at the city level appear in arentheses. \* Significance at the 10%, \*\* Significance at

-0.183(0.131)

-0.139(0.779)

1.446 (0.939)