

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

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output _{cit}	0.064** (0.029)	0.063*** (0.023)	0.052** (0.022)	0.056** (0.022)	0.053** (0.023)	0.052** (0.022)	0.052** (0.022)
employment _{cit}	-0.089** (0.035)	-0.094** (0.036)	-0.086** (0.034)	-0.092*** (0.033)	-0.084** (0.034)	-0.085** (0.035)	-0.087** (0.035)
capital _{cit}	0.188*** (0.056)	0.180*** (0.057)	0.182*** (0.055)	0.184*** (0.052)	0.175*** (0.057)	0.182*** (0.055)	0.183*** (0.055)
period × policy mandate _c	-0.607 (0.507)	-0.454 (0.719)	-0.366 (1.124)	-2.631 (2.459)	0.063 (1.998)	-0.465 (2.200)	-0.385 (0.409)
period × working capital _{ci}	-0.439 (0.405)						
period × policy mandate _c × working capital _{ci}	0.579 (0.665)						
period × asset tangibility _{ci}		-0.143 (0.101)					
period × policy mandate _c × asset tangibility _{ci}		0.059 (0.219)					
period × current ratio _{ci}			0.002 (0.146)				
period × policy mandate _c × current ratio _{ci}			-0.077 (1.021)				
period × cash assets _{ci}				3.965* (2.172)			
period × policy mandate _c × cash assets _{ci}				-10.599 (11.077)			
period × liabilities assets _{ci}					-0.078 (0.491)		
period × policy mandate _c × liabilities assets _{ci}					-1.011 (4.193)		
period × return on asset _{ci}						0.015 (0.186)	
period × policy mandate _c × return on asset _{ci}						0.021 (1.229)	
period × sales assets _{ci}							0.001 (0.001)
period × policy mandate _c × sales assets _{ci}							-0.002 (0.002)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	530	521	535	522	522	528	534
R ²	0.853	0.854	0.856	0.856	0.853	0.853	0.856

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%.