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

	Dependent variable: SO2 emission						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
output_{cit}	0.019	0.036	0.002	−0.003	0.004	0.005	0.003
	(0.015)	(0.051)	(0.012)	(0.012)	(0.013)	(0.013)	(0.013)
employment_{cit}	−0.007	0.068*	−0.009	−0.007	−0.010	−0.009	−0.008
	(0.009)	(0.034)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)
capital_{cit}	0.217	−0.167	0.227	0.246*	0.255*	0.236	0.234
	(0.143)	(0.362)	(0.149)	(0.144)	(0.148)	(0.144)	(0.143)
period ×$\text{policy mandate}_{c}$	−1.061	−0.912	−0.752	−7.803***	−8.586**	1.443	−0.917
	(1.125)	(1.685)	(5.489)	(1.986)	(4.047)	(1.901)	(0.920)
period ×$\text{working capital}_{ci}$	−0.180**						
	(0.089)						
period ×$\text{policy mandate}_{c}$ × $\text{working capital}_{ci}$	0.160*						
	(0.081)						
period ×$\text{asset tangibility}_{ci}$		−0.362					
		(0.423)					
period ×$\text{policy mandate}_{c}$ × $\text{asset tangibility}_{ci}$		0.766*					
		(0.455)					
period ×$\text{current ratio}_{ci}$			0.870				
			(0.715)				
period ×$\text{policy mandate}_{c}$ × $\text{current ratio}_{ci}$			0.062				
			(4.430)				
period ×cash assets_{ci}				2.186			
				(1.684)			
period ×$\text{policy mandate}_{c}$ × cash assets_{ci}				−29.346***			
				(7.595)			
period ×$\text{liabilities assets}_{ci}$					−2.905***		
					(0.942)		
period ×$\text{policy mandate}_{c}$ × $\text{liabilities assets}_{ci}$					12.936*		
					(6.595)		
period ×$\text{return on asset}_{ci}$						0.271	
						(0.198)	
period ×$\text{policy mandate}_{c}$ × $\text{return on asset}_{ci}$						−1.177	
						(0.736)	
period ×sales assets_{ci}							−0.008
							(0.006)
period ×$\text{policy mandate}_{c}$ × sales assets_{ci}							0.017
							(0.015)
City	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	733	233	734	733	733	733	732
R^2	0.642	0.543	0.641	0.648	0.646	0.640	0.639

This table estimates eq(3). Heteroskedasticity-robust standard errors clustered at the city level appear inp arentheses. * Significance at the 10%, ** Significance at the 5%, *** Significance at the 1%.