

Table 1: Baseline estimate and, SO2 emission reduction, policy mandate, individual sector Non-metallic Products

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital _{cit}	0.456 (0.365)					
current ratio _{cit}		0.026 (0.087)				
cash assets _{cit}			1.353 (0.824)			
liabilities assets _{cit}				0.513 (0.401)		
return on asset _{cit}					-0.006 (0.022)	
sales assets _{cit}						0.0001*** (0.00001)
output _{cit}	-0.009 (0.009)	-0.005 (0.010)	-0.012 (0.010)	-0.013 (0.010)	-0.009 (0.007)	-0.003 (0.009)
employment _{cit}	0.024*** (0.007)	0.010 (0.006)	0.023* (0.012)	0.024** (0.012)	0.026*** (0.008)	0.012* (0.007)
capital _{cit}	-0.030 (0.050)	-0.041 (0.058)	-0.074 (0.060)	-0.068 (0.059)	-0.025 (0.055)	-0.035 (0.056)
period × policy mandate _c	-0.181 (0.217)	-1.436 (1.159)	1.082 (1.145)	0.720 (1.494)	0.219 (0.315)	-0.299 (0.254)
period × working capital _{cit}	-0.186* (0.097)					
policy mandate _c × working capital _{cit}	-0.866 (0.654)					
period × policy mandate _c × working capital _{cit}	0.289** (0.113)					
period × current ratio _{cit}		-0.286* (0.171)				
policy mandate _c × current ratio _{cit}		0.875 (0.630)				
period × policy mandate _c × current ratio _{cit}		1.090 (1.211)				
period × cash assets _{cit}			-0.439 (0.759)			
policy mandate _c × cash assets _{cit}			-7.359 (6.675)			
period × policy mandate _c × cash assets _{cit}			4.974 (5.747)			
period × liabilities assets _{cit}				0.059 (0.370)		
policy mandate _c × liabilities assets _{cit}				-3.988 (2.842)		
period × policy mandate _c × liabilities assets _{cit}				-1.122 (2.406)		
period × return on asset _{cit}					0.008 (0.022)	
policy mandate _c × return on asset _{cit}					0.218 (0.218)	
period × policy mandate _c × return on asset _{cit}					-0.232 (0.220)	
period × sales assets _{cit}						-0.0001*** (0.00001)
policy mandate _c × sales assets _{cit}						-0.001 (0.001)
period × policy mandate _c × sales assets _{cit}						0.001 (0.001)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,108	1,903	826	826	1,106	1,621
R ²	0.898	0.832	0.919	0.919	0.897	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%.