

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

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital _{cit}	-0.231 (0.176)					
current ratio _{cit}		-0.029 (0.332)				
cash assets _{cit}			-2.904 (1.962)			
liabilities assets _{cit}				1.466 (1.191)		
return on asset _{cit}					0.010 (0.122)	
sales assets _{cit}						0.003 (0.003)
output _{cit}	-0.0001 (0.014)	0.003 (0.013)	0.038** (0.017)	0.045** (0.018)	0.010 (0.016)	0.001 (0.017)
employment _{cit}	-0.035** (0.014)	-0.009 (0.009)	-0.035*** (0.012)	-0.038*** (0.012)	-0.041*** (0.012)	-0.034*** (0.013)
capital _{cit}	0.583*** (0.154)	0.241* (0.145)	0.328** (0.129)	0.333** (0.138)	0.530*** (0.163)	0.518*** (0.156)
period × policy mandate _c	-1.217 (1.055)	2.659 (3.994)	-9.666** (3.747)	-12.616*** (3.500)	0.886 (1.736)	-0.907 (0.902)
period × working capital _{cit}	0.047 (0.058)					
policy mandate _c × working capital _{cit}	0.613 (0.518)					
period × policy mandate _c × working capital _{cit}	-0.132 (0.142)					
period × current ratio _{cit}		0.323 (0.527)				
policy mandate _c × current ratio _{cit}		-0.857 (1.982)				
period × policy mandate _c × current ratio _{cit}		-2.712 (3.133)				
period × cash assets _{cit}			2.712 (2.175)			
policy mandate _c × cash assets _{cit}			30.709** (15.511)			
period × policy mandate _c × cash assets _{cit}			-36.493** (14.181)			
period × liabilities assets _{cit}				-1.708 (1.167)		
policy mandate _c × liabilities assets _{cit}				-10.827 (17.232)		
period × policy mandate _c × liabilities assets _{cit}				19.856*** (5.836)		
period × return on asset _{cit}					0.123 (0.134)	
policy mandate _c × return on asset _{cit}					-0.201 (0.657)	
period × policy mandate _c × return on asset _{cit}					-0.754 (0.558)	
period × sales assets _{cit}						-0.003 (0.003)
policy mandate _c × sales assets _{cit}						-0.009 (0.007)
period × policy mandate _c × sales assets _{cit}						0.011 (0.007)
City	Yes	Yes	Yes	Yes	Yes	Yes
Time	Yes	Yes	Yes	Yes	Yes	Yes
Observations	573	734	432	432	573	610
R ²	0.721	0.640	0.803	0.802	0.721	0.682

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%.