

Margaryan, Shushanik

Working Paper

Low emission zones and population health

HCHE Research Paper, No. 20

Provided in Cooperation with:

Hamburg Center for Health Economics (hche), University of Hamburg

Suggested Citation: Margaryan, Shushanik (2019) : Low emission zones and population health, HCHE Research Paper, No. 20, University of Hamburg, Hamburg Center for Health Economics (HCHE), Hamburg

This Version is available at:

<https://hdl.handle.net/10419/209648>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



Universität Hamburg

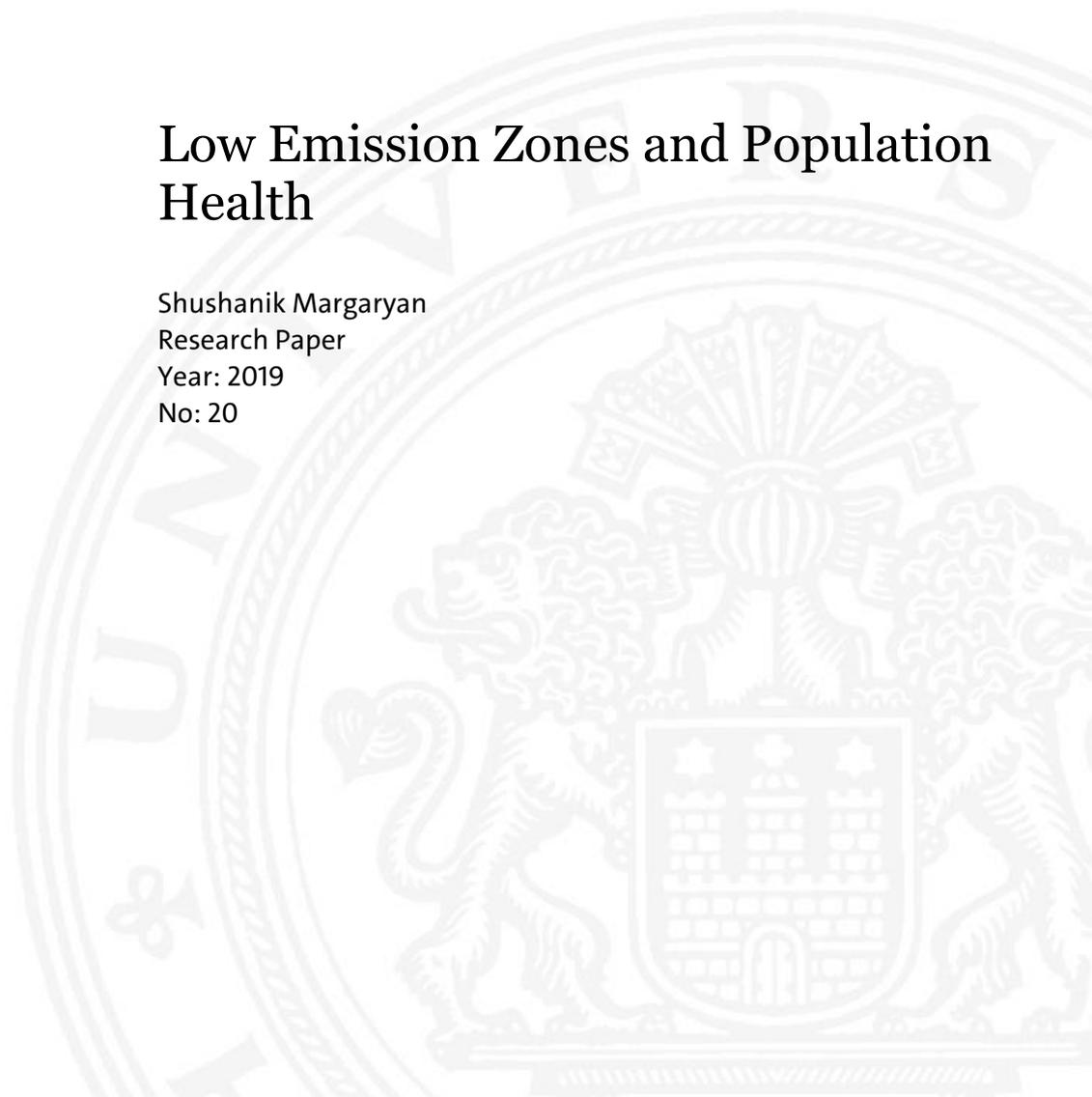
DER FORSCHUNG | DER LEHRE | DER BILDUNG

hche

Hamburg Center
for Health Economics

Low Emission Zones and Population Health

Shushanik Margaryan
Research Paper
Year: 2019
No: 20



Low Emission Zones and Population Health

Shushanik Margaryan
hche Research Paper No. 20
<http://www.hche.de>

Abstract

Air pollution has a major detrimental impact on population health but little is known about the effectiveness of policy measures targeting pollution. I exploit the staggered implementation of low emission zones in large cities in Germany as a natural experiment to assess their health impact. Using outpatient and inpatient health care data, I demonstrate that low emission zones reduce the number of patients with cardiovascular diagnoses by 2-3 percent. This effect is particularly pronounced for the elderly above 65.

Shushanik Margaryan
Hamburg Center for Health Economics
Universität Hamburg
Esplanade 36
20354 Hamburg
Germany
Shushanik.Margaryan@uni-hamburg.de

1 Introduction

Traffic contributes to more than one quarter of ambient air pollution in urban areas. Various solutions such as direct user charges, congestion pricing, license plate based restrictions, and low emission zones have become popular tools to reduce traffic-induced pollution (Davis, 2008, Simeonova et al., 2018, Wolff, 2014). The policies aiming to improve air quality primarily target population health: pollutants such as particulate matter, nitrogen oxides and ozone can exacerbate already existing medical conditions and in some cases even cause them. Despite the considerable attention paid to traffic and pollution effects of such regulations, little is known about extent of health effects they entail.

This paper studies the effects of one particular regulatory instrument, namely low emission zones (LEZs) on air pollution and cardiovascular health. LEZs are designated areas that restrict cars' access based on their emission class. Since 2007, multiple cities in Europe and particularly in Germany enacted such zones. Across countries and cities LEZs vary in their operating hours and vehicle exclusion restrictiveness. LEZs in Germany are among the tightest, as they impose a permanent ban over all week days and hours, and the restrictions apply to all vehicles, with few exemptions. The roll-out started in 2008 as a response to most major cities not complying with the EU Air Quality Standards. They were phased in a discrete nature, having three phases and each phase excluding an additional emission class of vehicles. The rich temporal and spatial variation in LEZs implementation combined with their restrictiveness provides a compelling setting to study the impact of LEZs on ambient air pollution and population health in the German context.

This paper focuses on cardiovascular disease. Series of epidemiologic studies show the adverse effects of air pollution on cardiovascular health (Pope C A, 2000, Brook et al., 2004, Peters et al., 1999, Tsai et al., 2003). The adverse relationship can be observed even at levels below commonly targeted concentrations (Mills et al., 2009). The toxicity of PM_{10} depends on its size and its chemical composition: many of the individual components of atmospheric PM are not especially toxic at ambient levels, whereas combustion-derived particles carry hazardous compounds on their surface (Mills et al., 2009). Particles have two major pathways that trigger the health impact: they can cause a systemic inflammation and can translocate directly into the circulation. Regardless of the pathway, the inhaled particles trigger a range of biological responses, such as elevated heart rate, blood pressure

and heart variability, which onset cardiovascular disease.¹ The burden of cardiovascular risk from pollution exposure mainly falls on elderly and individuals with pre-existing chronic medical conditions (Brook et al., 2010, Wellenius et al., 2005, Hong et al., 2002).

The recent economic literature also provides rich evidence on adverse health effects of air pollution, however, the focus is often on infants and respiratory health of children. A common approach in this strand of literature is to use externally induced variation in levels of various air pollutants to tease the effect of the pollutants on health. Chay and Greenstone (2003) estimate that recession-induced reductions in total suspended particles lower infant mortality in the US. Similarly, Currie and Neidell (2005), Currie et al. (2009), Coneus and Spiess (2012) link pollution to residential location and show that higher levels of carbon monoxide both before and after birth aggravate infant health. The evidence also shows that exposure to air pollution adversely affects child respiratory health, particularly asthma (Neidell, 2004, 2009, Lleras-Muney, 2010, Beatty and Shimshack, 2011, Janke, 2014, Simeonova et al., 2018). Only few papers also examine the effect on the elderly. Schlenker and Walker (2016) and Beatty and Shimshack (2011) show that adults and elderly also bare negative effects, Deryugina et al. (2016) show that pollution-induced mortality effects are concentrated in 25 percent of the elderly population.

I exploit the across-space and over time variation in the introduction of LEZs across Germany in a difference-in-differences design as a quasi-experiment to study the impact of LEZs on air pollution and cardiovascular health. I use air pollution measurements from the German Environmental Agency covering the period 2004-2016. I focus on two criteria pollutants: particulate matter of aerodynamic diameter below ten (PM_{10}) and nitrogen dioxide (NO_2), since vehicle exhaust is a dominant source of their emission.² To evaluate the impact on health, I use a novel data that covers all outpatient statutory health insurance claims in Germany in the period 2009-2017. I complement the outpatient data with administrative records from hospital admissions for the years 2004-2014.

My findings suggest that LEZs reduce monthly PM_{10} concentrations by 2-3%. The reductions in monthly NO_2 concentrations are smaller in magnitude and often imprecisely estimated. The findings regarding population health from outpatient data suggest a reduction in cardiovascular disease in the magnitude of 2-3%. The reductions are particularly

¹For a detailed discussion please see Mills et al. (2009).

²Vehicle exhaust is a major contributor of carbon monoxide (CO) emissions as well. However, there are fewer CO monitors and CO concentrations are significantly below the limit values across the country.

strong for cerebrovascular disease (7-12.6%) and for the elderly. The analysis of the hospital admission data suggests a reduction in the number of people admitted with a cardiovascular disease as well, however the point estimates are imprecisely estimated.

Evaluating the effects of LEZs on population health is important for multiple reasons. First, despite the rich evidence available on the direct link between pollution and health, little is known on policy instruments targeting air pollution. Two studies using policy-induced variation exploit electronic toll collection in New Jersey and Pennsylvania (Currie and Walker, 2009) and congestion pricing in Stockholm (Simeonova et al., 2018). The LEZs have been previously evaluated in terms of their effect on air pollution, particularly PM_{10} , whereas it is unclear whether they generate health benefits as well. Quantifying the latter is important since the main argument for enacting LEZs is population health. Second, while most studies looking at the relationship between air pollution and health focus on infant and child health, my data allow to analyse the effects on adult population and the elderly. The elderly are of particular interest here, because of their susceptibility and the commonness of circulatory system illnesses. Third, most studies evaluating the effect of air pollution on health use temporal variations in pollution levels over a short period of time (typically a day or a week), which allows to estimate the impact of immediate exposure, but provides little guidance in terms of long-term exposure effects (Schlenker and Walker, 2016, Neidell, 2009, Deryugina et al., 2016). The nature of the present quasi-experiment and the availability of the rich and novel data over a long period allow to evaluate longer term effects as well. Fourth, it is important to understand the effects of marginal reductions in pollution in a setting with relatively low pollution levels. Both short-term and long-term exposure to air pollution is detrimental, even at low levels (An et al., 2018). The national annual average level of PM_{10} in Germany was around $23 \mu g/m^3$ in 2007—before the roll-out of LEZs. Typical background concentrations of PM_{10} range between 20 and $50 \mu g/m^3$ in developed countries and increase to between 100 and $250 \mu g/m^3$ in developing countries (Mills et al., 2009).

The remainder of the paper is organized as follows: the next section provides the background on LEZs in Germany and section three describes the data. Section four discusses the empirical strategy and the results for air pollution. Section five presents the main results, alongside with robustness checks. Finally, section six concludes.

2 Low Emission Zones

The EU Clean Air Directives are among the strictest air quality standards worldwide. The first attempt to regulate the air quality in EU member states has been the directive 96/62/EC of the Council of the European Union, establishing the legal framework for ambient air quality regulation in all member states “to avoid, prevent or reduce harmful effects on human health and the environment as a whole”. The directive defines how air quality should be assessed, specifies the pollutants for which alert thresholds and limit values should be introduced, and lists the measures member states should take to improve air quality. The daughter Directive 1999/30/EC establishes numerical limit values and alert thresholds for criteria pollutants. It divides the PM_{10} regulations into two phases: 2005-2009 and 2010 onwards with the aim to tighten PM_{10} regulations in 2010. Effective January 1 2005, the daily average of PM_{10} concentrations must not exceed $50 \mu g/m^3$, and the yearly average should not exceed $40 \mu g/m^3$. For the daily threshold 35 transgressions days are permitted. For NO_2 , the daily average concentrations are limited to $200 \mu g/m^3$, with 18 transgression days and the yearly average should not exceed $40 \mu g/m^3$. The stricter regulations have not been phased-in as most EU members struggled to meet the 2005 regulations.³ Table 1 summarizes these regulations.

Between 2005 and 2007, 79 cities in Germany violated the daily threshold for PM_{10} and among them 12 violated the yearly threshold as well according to estimations in Wolff and Perry (2010). The EU can impose significant financial penalties and even start infringement proceedings in case of non-compliance. Hence the German government mandates that cities where even one pollution monitoring station violates the thresholds must develop a clean air action plan. Clean Air Action plans include four main elements: expanding public transportation, utilising ring roads, improving traffic flow and most importantly implementing LEZs (Wolff, 2014).⁴ LEZs are designated areas that ban cars from accessing the zone based on their emission class.

LEZs are phased-in with increasingly stricter restrictions. Vehicle restrictions are motivated by EU-wide tailpipe emission categories that correspond to four emission classes. Each car receives a windscreen badge of the respective colour. Phase 1 bans access only to vehicles with no stickers (Euro 1 or lower). Subsequently, Phase 2 additionally bans red

³Instead EU introduced new regulations for $PM_{2.5}$ in 2008 (directive 2008/50/EC).

⁴Wolff (2014) shows that the other elements of APs in general do not have a significant effect on PM_{10} .

sticker vehicles (Euro 2), and Phase 3 further restricts access of yellow sticker vehicles (Euro 3).⁵ Figure 1 plots the timing of the three phases.⁶ The fine for violation is 40 Euro and a driving penalty point.⁷

There is a vast temporal and spatial variation in the introduction of zones. The first zones were enacted in 2008. Among early introducers are Berlin, Hannover and Cologne, as well as cities in the Ruhr area, which in January 2012 united into a common LEZ for the Ruhr area, covering 869 km^2 and including 2.5 million residents. Not all LEZ-cities are non-attainment cities and vice versa: a number of non-attainment cities refrained from implementing LEZs.⁸ Figure 2 illustrates the sample composition as well as spatial and temporal variation that I exploit in the empirical design. White perimeters represent the large cities which by 2017 have had no LEZ. The colour-coded perimeters represent the large cities that introduced an LEZ in the observation period. Each colour represents a group that enacted the zone in the given year. Towns and rural areas, shaded by grey, are excluded from the sample.

Table A.2 in the Appendix presents the detailed list of the LEZ cities, with the enactment date, the areal coverage, and the attainment status of treated cities. Since each city is responsible for designing, enacting, and enforcing the LEZs, there is large variation in the proportional size of LEZs: the coverage ranges from as little as 1% of the city area to just below 100% covering the entire city. The perimeters are not randomly drawn—they mainly cover (potential) non-attainment areas of cities. Additionally, factors such as composition of the local fleet, urban layout, and social justice matter for designing the zones.

Previous evaluations of LEZs in Germany all suggest that the zones reduce PM_{10} concentrations in treated cities. The first evidence comes from Wolff (2014), who analyses the short-term effects of LEZs until October 2008. He finds around a 7-9% drop in daily PM_{10} levels. Further evaluations support these initial findings, despite differences in time span and in composition of treatment and control units (Malina and Scheffler (2015), Morfeld et al. (2014), Jiang et al. (2017), Gehrsitz (2017)). In the most recent evaluation Gehrsitz (2017) finds around a 4-8% reduction in daily PM_{10} levels, and around a 3.4% decrease in daily nitrogen dioxide (NO_2) levels. Gehrsitz (2017) additionally analyses potential effects on infant health, measured by birth weight, the incidence of low birth weight, and still birth.

⁵Table A.1 in the Appendix present details on tailpipe emission regulations.

⁶Some cities that introduced LEZs in 2011 or later, enacted zones already as phase two or three.

⁷The drivers lose their license after accumulating 18 points. However the fine for LEZ violation was replaced with 80 Euro and no penalty points in May 2014.

⁸Attainment and non-attainment in this context mean cities that comply with air pollution regulations and cities that do not.

He finds virtually no effect.

3 Data

To study the effect of LEZs on air pollution I combine data from multiple sources. I obtain daily PM_{10} and NO_2 measurements from the German Environmental Agency for the period 2004 to 2016. The sample consists of 264 PM_{10} monitoring stations and 261 NO_2 monitoring stations in 69 cities. Using the precise geographic coordinates of each station I locate whether it is inside or outside an LEZ. To account for weather-pollution interaction, I additionally collect weather data from the German Weather Service (Deutscher Wetterdienst, DWD). The data contain information on daily temperature, wind speed, precipitation, cloud cover, vapour, air pressure, and relative humidity. I match each air quality monitoring station to its geographically closest weather station and aggregate the daily measurements at the monitoring station-month level.

To study the health impact of LEZs, I draw on outpatient health data from the Central Research Institute of Ambulatory Health Care (Zi). These data comprise nationwide ambulatory care claims for patients of all statutory health insurance funds in Germany. The data are yearly and cover the period 2009-2017. This is a novel data source, which contains information on patients' postal code of residence. Because of data protection laws, it is not possible to obtain data on the postal code level directly. Instead, I obtain the number of patients with the diagnosis of interest, aggregated separately for control cities and by the areas inside and outside a low emission zone for treated cities. The diagnoses are coded according to the 10th revision of International Classification of Disease (ICD10). Figure 3 illustrates the observation level with the example of Berlin. The grey shaded area covers the Berlin LEZ. Hence for Berlin, I obtain yearly aggregated data for the grey and white shaded areas separately. The advantage of this breakdown is that the treatment status can be defined very precisely. For cities that have no LEZ, I obtain the aggregated number of patients for the city as a whole.

My main outcome is the number of patients with cardiovascular disease (I00-I99). The data also allow to separately analyse heart disease (I20-I49) and cerebrovascular disease, including stroke (I60-I66), and to zoom into age groups separately. Of central interest are elderly over 65, however I also show results for the age groups 15-30 and 30-65. The data for younger patients is unreliable: the data confidentiality requires to censor all cells with

less than 30 observations, which for patients under 15 results in a large number of missing values.

I complement the main analysis with additional data from the Hospital Diagnosis Statistics of the Federal Statistical Office. The inpatient administrative register comprises 70% random sample of all hospital admissions between 2004-2014, including emergency room admissions without overnight stay. The data provide information on a patient's date of admission and discharge, primary diagnosis, city of residence, as well as age and gender. However, it has two major caveats: first, identifying whether the patient lives inside or outside an LEZ is not possible. Consequentially, I define the treatment status by city of residence. Second, hospital admission is a severe outcome, particularly so in Germany, where hospitals are obliged to justify that an outpatient treatment is insufficient.

Panel A of Table 2 shows the means of PM_{10} , NO_2 and inpatient health outcomes in 2007 and reports the two-sided p -value of the null hypothesis that the levels of these variables were the same in treated and untreated cities. I choose 2007 as it is the last year before the first roll-out of LEZs. For proxying the baseline differences in health outcomes I use inpatient data, as the outpatient data is available only starting in 2009. Since LEZs are mainly measures employed in urban areas, I restrict the sample to cities with more than 100,000 residents to increase comparability between treated and untreated units. In this sample, the treated units are the cities that have introduced an LEZ during the observation period, and control units are cities that have not introduced an LEZ by the end of the observation period.⁹

The annual average levels of PM_{10} and NO_2 in 2007 are, as expected, different between treated and untreated cities. LEZ cities have on average higher PM_{10} and NO_2 concentrations in 2007, and these differences are statistically significant. Note however, that even in non-attainment cities the annual concentrations of both pollutants are relatively low. Hence results should be interpreted in the context of reductions against already low reference levels. In contrast to pollution, the prevalence of cardiovascular disease, measured as the number of hospital admissions with the given diagnosis per 10,000 inhabitants, appears to be statistically indistinguishable between treated and untreated cities.

It is straightforward to control for baseline differences, as long as the main identifying assumption holds. That is, that the trends between LEZ and non-LEZ cities do not differ

⁹Note that the introduction of the zones continues and by 2019 many of the control units have enacted their LEZs as well.

systematically for reasons other than the implementation of zones. To provide a suggestive evidence towards this assumption, Panel B of Table 2 reports the p -values from a test of the null hypothesis that the year-on-year changes in all outcomes are different from zero. The results show that in the majority of cases the yearly changes in outcomes are not statistically different between treated and untreated cities before 2008.

4 Complementary Evidence: The Effect of LEZs on Air Pollution

I first investigate how LEZs affect air pollution, and then turn to health outcomes. As before I restrict the sample to cities with more than 100,000 residents. To evaluate the effect of LEZs on pollution, I estimate the following equation:

$$y_{ict} = \alpha + \beta LEZ_{ict} + M_t + S_i + W_{ict} + \epsilon_{ict} \quad (1)$$

where y_{ict} is the monthly average concentration of PM_{10} or NO_2 at station i at time t in city c . LEZ_{ict} indicates whether a station i is located inside an LEZ at time t in city c . M_t and S_i are year-month and monitoring station fixed effects. Including station fixed effects accounts for time-invariant differences in the level of pollution between the stations (and, hence, also between the cities as the stations are nested in cities) and ensures that identification comes from within-station variation over time. Year-by-month fixed effects net out time shocks that commonly influence pollution in the cities. Furthermore, the vector W_{ict} includes a set of controls for weather, in particular, average temperature, its quadratic, maximum and minimum temperature, average humidity and its quadratic, an interaction term between average temperature and humidity, average air pressure, average precipitation and its quadratic, average wind speed, a dummy variable indicating rainfall, and an interaction term between average wind speed and average temperature. ϵ_{ict} is the error term. I cluster standard errors at the city level to allow for serial correlation within cities over time.

I estimate a variant of equation (1) excluding all pollution monitoring stations located in a treated city but outside a low emission zone. These stations might be subject to negative spillover if drivers take longer tours to avoid LEZs or positive pollution spillovers if the introduction of zones leads to a change in fleet composition or a drop in car usage in

general.¹⁰

Table 3 reports the results for PM_{10} in columns (1)-(3) and for NO_2 in columns (4)-(6). The results suggest that LEZs reduce monthly PM_{10} concentrations by 0.6-0.9 $\mu g/m^3$. The coefficients are larger in magnitude in the subsample without the monitoring stations located outside LEZs. The estimated coefficient is 0.9 $\mu g/m^3$ in column (3) which translates into a 3% decline in monthly PM_{10} relative to the average concentration levels in pre-LEZ period at treated stations. The findings for NO_2 suggest a small, if any, reductions in monthly concentration. After controlling for weather covariates, the effect becomes statistically insignificant. Importantly, the findings for PM_{10} , being comparable in column (2) and (3) suggest negligible spillovers in either direction.

To capture the dynamic effect of LEZs on pollution, I estimate an event-study model:

$$y_{ict} = \alpha + \sum_{k=-5, k \neq -1}^5 \beta^k LEZ_{ik} + M_t + S_i + W_{ict} + \epsilon_{ict} \quad (2)$$

where the dummy variables LEZ_{ik} indicate yearly lags and leads of up to five years before and after the introduction of LEZs. The reference category is the period -1, hence the effects are relative to the year immediately before the enactment. The rest of the controls are as specified in equation (1). Figure 4 presents the coefficients from the event study. The graph also provides suggestive evidence for the common-trend assumption if the coefficients in the periods before the introduction of LEZs are zero. The event study plots suggest that common trend assumption is likely to hold, as all coefficients before-LEZ are close to zero and statistically insignificant. The event plots also suggests that the reduction in pollution levels were stronger from the third year onward, compared to the year just before the enactment of the zones.

These results are broadly in line with previous findings (Wolff, 2014, Malina and Scheffler, 2015, Gehrsitz, 2017). For comparison, Wolff (2014) finds a reduction of 9% in PM_{10} , and Gehrsitz (2017) find a reduction of 2.5% on average.

¹⁰In fact, Wolff (2014) shows that the adoption of “green sticker” cars increases the closer the vehicle is registered to a city that has an LEZ.

5 The Effect of LEZs on Cardiovascular Health

This section presents the main findings of the paper. To analyse the outpatient data I estimate the following regression specification:

$$\log(y_{ict}) = \alpha + \beta LEZ_{ict} + transition_{ict} + T_t + D_i + \epsilon_{ict} \quad (3)$$

where the outcome is the number of patients with the given diagnose in logarithms in area i in year t . LEZ_{ict} indicates whether the area i in city c has LEZ in January of year t . While most cities enact their LEZs at the beginning of the year, some introduce theirs later. Thus I separate those periods by including the dummy $transition$ that is one for all years when the zone was active for less than 12 months. T_t and D_i are year and area fixed effects. Including area fixed effects accounts for time-invariant differences and ensures that identifying variation comes from within-area variation over time. It also takes into account general differences in size of the areas. Year fixed effects net out common time shocks and trends that affect all areas similarly.

As section 3 discusses, the main caveat of outpatient data is the unavailability of the data before 2009, while the roll-out of LEZs started already in 2008. This data restriction is particularly meaningful if the effect of LEZs on health is time-varying. Goodman-Bacon (2018) shows in a recent working paper that in difference-in-differences framework (DiD) with timing variation every unit acts as a control unit at some point. Hence, treatment effects that pick up over time in the post-treatment period will lead to a downward bias in the DiD coefficient. Therefore, I also present the results based on the sample that excludes previously treated cities from the estimation. Subsection 5.2 shows the event dynamics of the coefficients and implements the proposed decomposition in Goodman-Bacon (2018).

5.1 Main Results

Table 4 presents the main results for cardiovascular disease. Columns with odd numbers draw no restrictions on the sample, while columns with even numbers restrict observations to cities that introduce LEZs after 2009, thus excluding all previously treated cities from the estimation. Panel A presents the effect of LEZ on all cardiovascular disease. Column (1) suggests a reduction in the number of patients with cardiovascular diagnoses by 1.9%. Column (2) suggests an almost two times larger reduction in the restricted sample (−3.3%)

for patients of all ages. Columns (3) and (4) present the effect for elderly over 65. Again the point estimates suggest a 2-3% reduction in the number of patients. Since cardiovascular disease is more common among elderly, this effect translate into a larger number of patients.

In Panel B and C, I further slice the cardiovascular diagnoses into two subgroups: heart disease and cerebrovascular disease. The estimates suggest that a reduction in heart disease is statistically significant only in the restricted sample. Here the effects are pronounced for elderly above 65. The effect on cerebrovascular disease follows a similar pattern, suggesting a strong reduction of 7-12% both for the overall population and the elderly.

To compare the effect of LEZs across age groups Figure 5 plots the coefficient from the restricted sample for age groups 15-29 and 30-64, juxtaposing these coefficients to the effect for population over 65. The figure shows that the number of all cardiovascular diagnoses decrease for all age groups, however the largest reductions are indeed observed for the elderly patients. The pattern is different when separating the diagnosis group into heart disease and cerebrovascular disease. The estimates suggest that heart disease improves only for the elderly, while cerebrovascular disease improves for middle aged adults as well.

The analysis in this section suggests that the LEZ-induced reductions in air pollution lead to a lower number of patients with cardiovascular disease, particularly among the elderly.

5.2 Event study and Goodman-Bacon decomposition

The estimated coefficients in the Tables 4 report the effect of LEZ averaged over the entire study period. However, the LEZ-induced pollution reductions may have a lagged effect on health that may also change over time. Hence, I estimate an event-study model as follows:

$$\log(y_{ict}) = \alpha + \sum_{k=-3, k \neq -1}^4 \beta^k LEZ_{ik} + T_t + D_i + \epsilon_{ict} \quad (4)$$

Figure 6 presents the event study graphs for all cardiovascular diagnoses for the entire population and elderly over 65.¹¹ Each figure presents the coefficients and their 95% confidence intervals from the entire sample (red line) and after restricting the sample to cities treated after 2009 (blue line). The left panel plots the results for the entire population, and the right panel—for the elderly. Both graphs shows that the trends in cardiovascular disease between treated and untreated cities display no clear trend before the implementation of LEZs.

¹¹Figure A.1 in the appendix presents the event study graphs for outpatient data.

Upon LEZs' enactment, the number of patients falls in treated cities at a faster rate than in untreated cities. Both graphs also show that the treatment effects are not time-constant: their absolute magnitude tends to become larger the longer are LEZs in place.

Time-varying treatment effects might bias the DiD estimate away from the true effect, as discussed in Goodman-Bacon (2018). The author shows that in difference-in-differences designs with timing variation the DiD regression coefficient is a weighted average of all possible DiD coefficients of two-group two-period (2x2) comparisons, where the weights depend on the sample share and the treatment variance in each pair. It is possible to decompose and visualize each of these 2x2 DiD estimates against their weight. The decomposition illustrates how average DiDs vary across types of comparisons and which comparisons matter most.

To illustrate the proposed decomposition, Figure 7 plots the DiD estimates for cardiovascular health for the present setting. The graphs refer to all cardiovascular diagnoses from the entire sample for the overall population and the elderly. The vertical axis plots the 2x2 estimate for each pair and the horizontal axis plots the weight each of these pairs receive. The horizontal line shows the DiD estimate. The figure highlights the influential role of the pair "treatment versus never treated". In both figures 68% of the variation comes from this comparison. This is not coincidental, as the variation share reflects the sample shares and the treatment variance, which are identical for both outcomes. The pure timing group comparisons get very small weights (2.5% for "earlier group treatment versus later group control", and 6.4% for "later group treatment vs earlier group control").

The figures also illustrate that the regression DiD coefficients might be smaller in magnitude due to time-varying effects. As the hollow circles show, the treatment versus already treated comparison mostly generates positive DiD coefficients with non-negligible weight (23.6%). It is possible to take out the bias from time-varying effects by subtracting the weighted average of all 2x2 DiD comparisons where the controls are the already treated units. This provides insight into why the DiD coefficients in Table 4 become larger in magnitude after excluding cities, which introduce LEZs before 2010. This empirical exercise supports the main findings and motivates the latter specification as the preferred specification.

5.3 Additional results: Inpatient hospital data

I supplement the evidence from outpatient data with inpatient data from the hospital admission records. The inpatient data offers the advantage of encompassing a longer time period

before the roll-out of the zones. To construct the outcome variable I count the number of episodes with cardiovascular diagnosis for each calendar year for the entire population and for elderly above 65 separately. To evaluate the effect of LEZs on health using hospital data I estimate a variant of equation (3), where the outcome is the number of hospital admissions with the given diagnosis per 10,000 population in logarithms in city c in year t . I add further time-varying controls at the city level, namely GDP per capita, unemployment rate, average age of the population and the number of deceased. Table 5 presents the results. All estimates point to reductions in hospital admissions with cardiovascular disease. However, none of the estimates are precisely estimated at the 95% significance level. Two shortcomings of hospital data might explain this imprecision. First, the data contains no information on whether the person lives inside or outside an LEZ. Second, the inpatient data includes the cases that end up in a hospital, hence while it is ideal for studying severe cases, it is less suited for studying all cases that can be handled by outpatient care.

5.4 Additional results: Change in Car Fleet Composition

It is important to note that the bite of LEZs has changed since their early implementation as the composition of the car fleet adapted. Figure 8 illustrates this development. I draw the data from the German Federal Motor Transport Authority (Kraftfahrtsbundesamt Flensburg). It includes the yearly total number of passenger vehicle registrations by Euro-class for large cities between 2007 to 2017 reported on January 1 of each year. Although the assigned emission group also depends on the tax class of the car and the existence of a particle filter, it is still mainly determined by the Euro class of the car.¹² In 2007, the share of Euro 1 cars was close to 20% of the entire passenger car fleet, while in 2017 this share was below 2%. In the meantime, the share of Euro-4 and higher class cars has increased rapidly. The rapid adaptation of the fleet reduces the practical effectiveness of the policy.

5.5 Robustness checks

One concern is that the implementation of LEZs might be correlated with simultaneous socioeconomic changes that affect pollution and health outcomes. To test for such violations, I run balancing regressions that use socioeconomic characteristics of cities as dependent variables (Pei et al., 2018, Alexander and Schwandt, 2019). I collect data on unemployment rate,

¹²It is likely that the share of the Euro-1 cars in the graph is the upper bound.

GDP per capita, industrial output, output of health and other services and population density for the years 2004-2016 from the Federal Statistical Office. Table 6 shows corresponding results. I regress the outcome variables (in the heading) on the low emission zone indicator, along with city and year fixed effects. Reassuringly, the coefficients on the LEZ indicator are insignificant in all regressions.

Table 7 performs several sensitivity checks to test the robustness of the main findings.¹³ As Table 2 shows, treated cities had a higher level of pollution in 2007, compared to untreated cities. This raises worries about policy endogeneity. To mitigate these concerns Panel R1 tests the sensitivity of the coefficients to the sample composition. Namely, it restricts the estimation sample to treated cities, meaning that the variation comes solely from the timing of the policies. Reassuringly, the point estimates remain similar.

A further issue might be the implementation of anti-pollution measures other than LEZs. As discussed in Section 2 LEZs are not the only instruments that cities enacted as a part of Clean Air Action Plans. If these measures are successful in reducing pollution in untreated cities, the DiD estimates will be downwardly biased. Thus in Panel R2, I add a contemporaneous indicator variable for Clean Air Action Plans in untreated cities. The results in Panel R2 show that the point estimates remain similar to the baseline results. Wolff (2014) also shows that there is little indication that other elements of Clean Air Action Plans have been effective.

Next I address the sensitivity of results with respect to the definition of the outcome. In Panel R3 of Tables 7 I use the number of patient-cases as the outcome instead of the number of patients as in the main specification. This definition of the outcome should capture the intensive margin of the treatment effect as it also counts the multiple visits by the same patient. The results suggest that there is little difference between the intensive and extensive margin of the treatment effect. In Panel R4 I modify the definition of the outcome in a different way. Here I calculate prevalence rates by dividing the number of patients with a given cardiovascular diagnoses by the number of all patients with any diagnoses in the respective age group. This definition is also useful as the total number of patients is likely to approximate the population numbers, which are not available at the observation level of the health data. As the panel R4 shows, the results remain comparable in magnitude to the main estimates.

¹³Table A.3 in the appendix presents the sensitivity checks of air pollution results.

In Panel R5, I generate the timing of the LEZ enactment randomly for all treated cities and drop all the observations after the true treatment date. Reassuringly, the placebo timing has no effect on health outcomes.

In Panels R6-R8 I aggregate the outpatient data at the city level. The aggregation helps to examine whether the cardiovascular health improvements exist at the level of a treated city or only within the boundaries of LEZs. This aggregation also allows to adjust the outcome by population size. Panel R6 presents the results from a specification equivalent to the main regression, where the outcomes are aggregated at the city level. The point estimates are very small and statistically insignificant both for the entire population and the elderly. This emphasizes the importance of treatment definition precision. To examine the issue further, Panel R7 replaces the binary LEZ indicator with the size of the zone, calculated as a percentage of the entire area of the city, ranging between 0 and 1. The point estimate suggest that when the relative size of the zone increases by 10 percentage points, the number of patients with cardiovascular disease in a city decreases by 5% for the entire population and by 8% for elderly over 65. Panel R8 further adjusts the outcome by the population numbers in the respective age group by calculating the number of patients per 10.000 inhabitants in the respective age group. The estimates suggest an around 7% reduction in cardiovascular diagnoses per 10.000 inhabitants for a 10 percentage points increase in the relative size of the zone.

6 Conclusion

This paper examines the effect of low emission zones in Germany on population health. Despite the well-established understanding that pollution is detrimental to human health, little empirical evidence exists that evaluates the existing policies. I use the across space and over time variation in implementation of low emission zones to estimate their impact on population health.

First, I demonstrate that LEZs reduce monthly PM_{10} concentrations by $0.9 \mu g/m^3$, which translates into a 3% decline. The findings for NO_2 suggest a small and statistically insignificant reductions. Next, using a novel outpatient health care data, I show that the zones improve cardiovascular health outcomes: they reduce the number of patients receiving cardiovascular diagnoses by 2-3%. The effect is particularly strong for the elderly over 65. These results are robust to a range of robustness checks.

My empirical findings indicate that low emission zones are a helpful tool to reduce air pollution in large urban areas and to improve health outcomes commonly related to air pollution. However, the costs of the policy are not as clear. Since the policy mainly targets highly emitting cars, which tend to be old and cheap cars, the practical burden of LEZs falls mainly on families from low socioeconomic background and small businesses. In the meantime, the car fleet has changed dramatically since the early introduction date of the LEZs. The share of cars that receive a green sticker in 2019 is above 90%. This makes the policy somewhat obsolete, and if the cities aim at reducing the air pollution further, stricter policy measures are necessary.

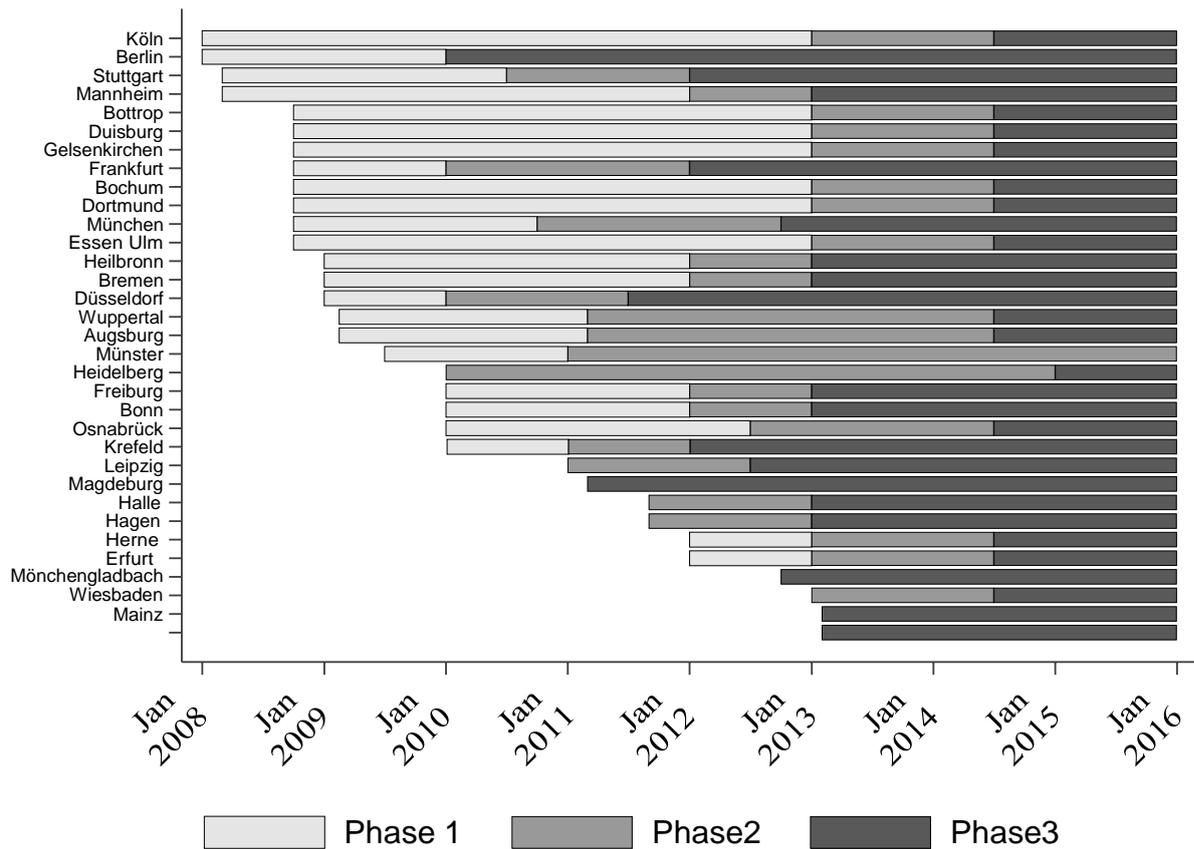


Figure 1: LEZ introduction and phases

The zones are introduced in three phases. Phase 1 restricts access to cars that receive no windshield sticker. Phase 2 restricts access additionally to cars with red windshield stickers, and Phase 3—additionally to yellow sticker cars. The colour-coded stickers are given based on emission classes.

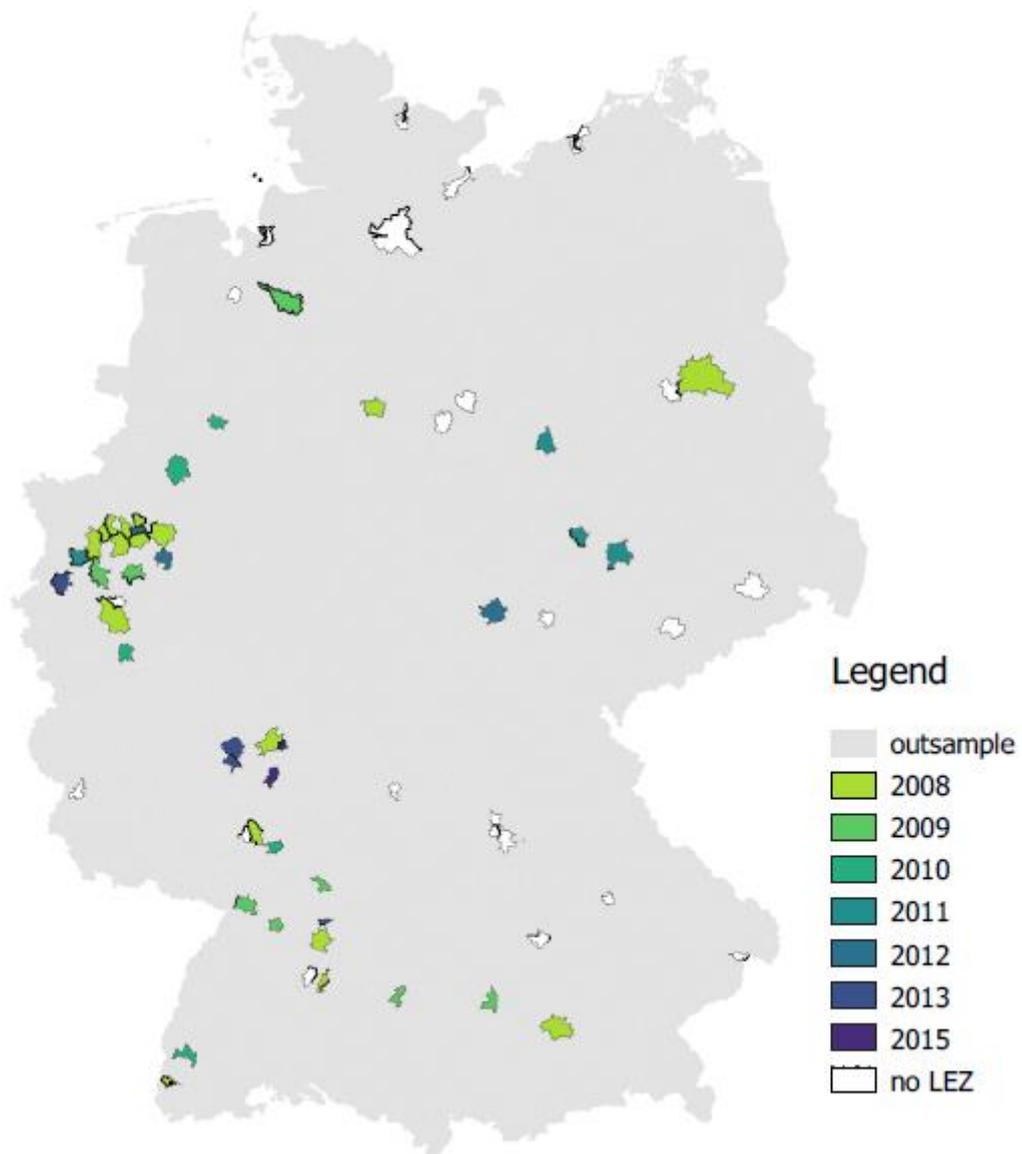


Figure 2: The variation in enactment of LEZ in major German cities



Figure 3: Berlin LEZ

The grey shaded area captures the coverage of the zone. The map illustrates data aggregation inside and outside LEZs.

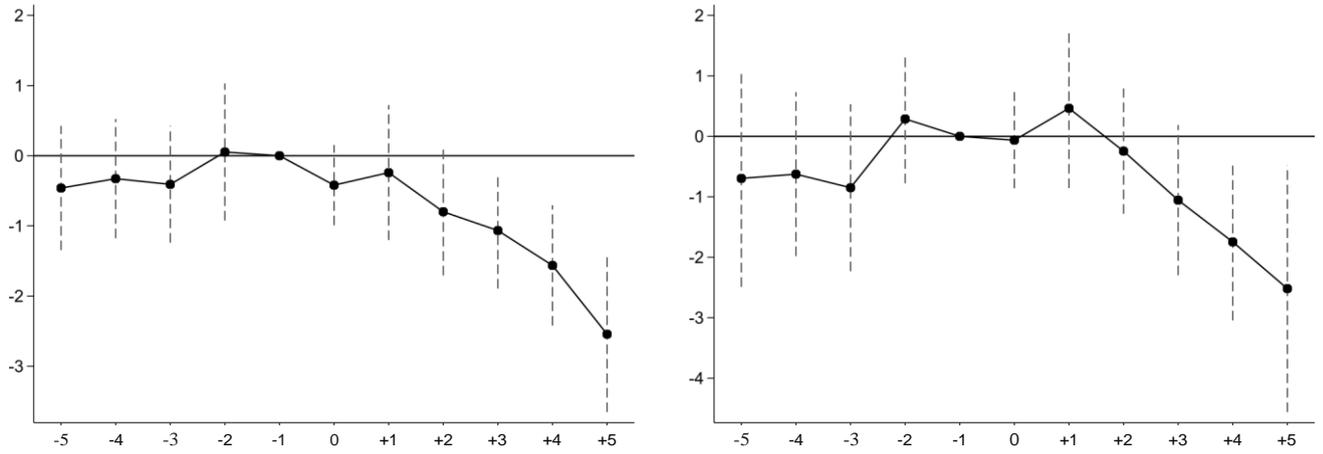


Figure 4: Event study of annual concentrations of PM_{10} and NO_2

The outcome variable is the yearly average concentration of PM_{10} and NO_2 . Coefficients and 95% CIs. Standard errors are clustered at the city level.

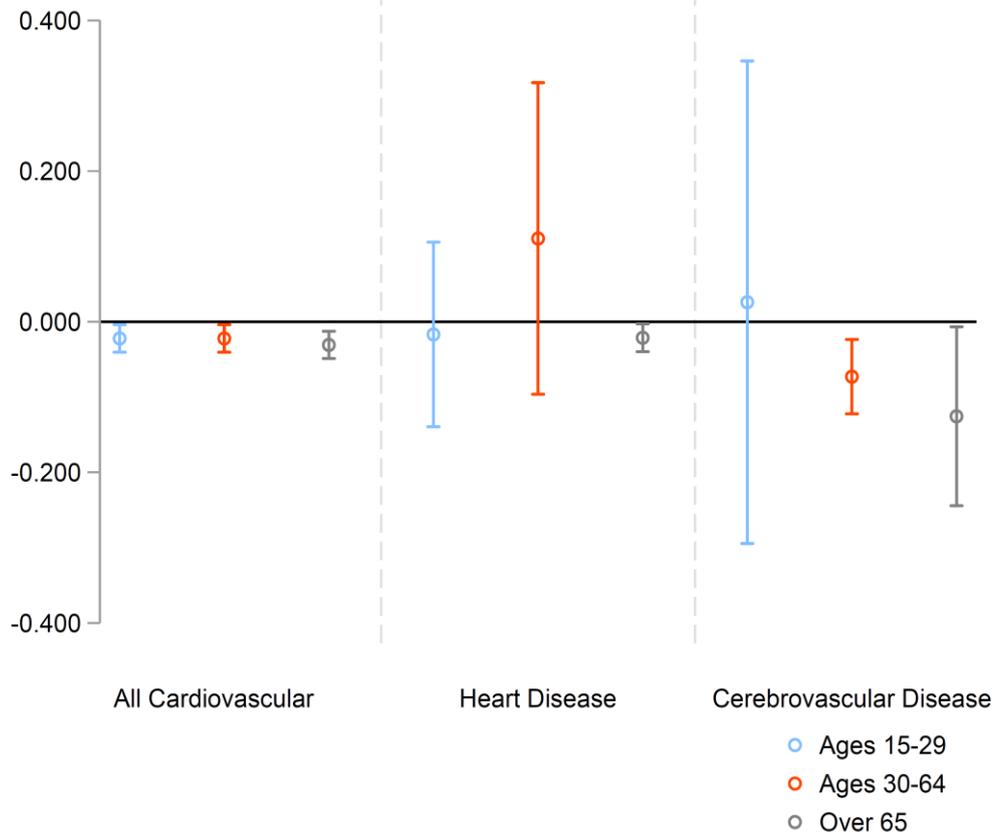


Figure 5: Estimated impact of LEZ on cardiovascular health, by sub-diagnoses and age groups. The model specification is the same as in Column (4) of Table 4.

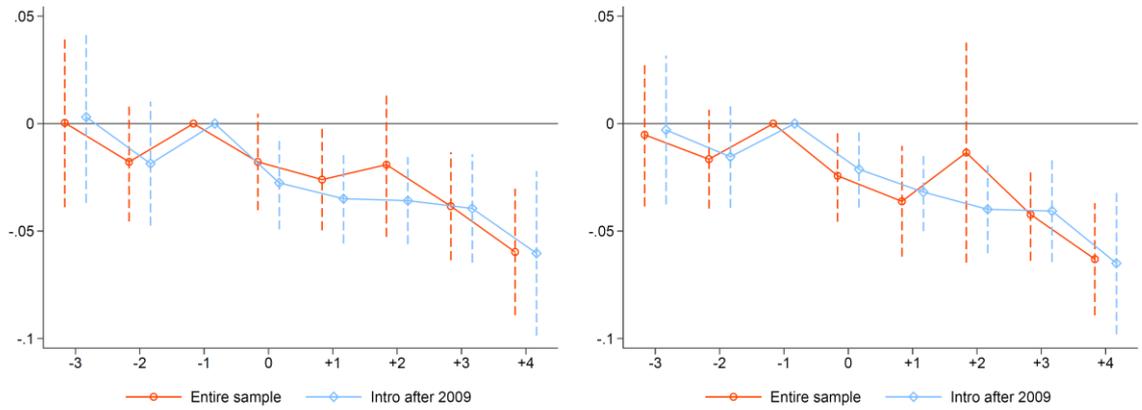


Figure 6: Event study of cardiovascular disease

The outcome variable is the logarithm of the number of patients with cardiovascular disease. The red line reports the coefficients from a regression on the entire sample. The blue line restricts the sample to cities that have introduced an LEZ after 2009. Coefficients and 95% CIs. Standard errors are clustered at the city level.

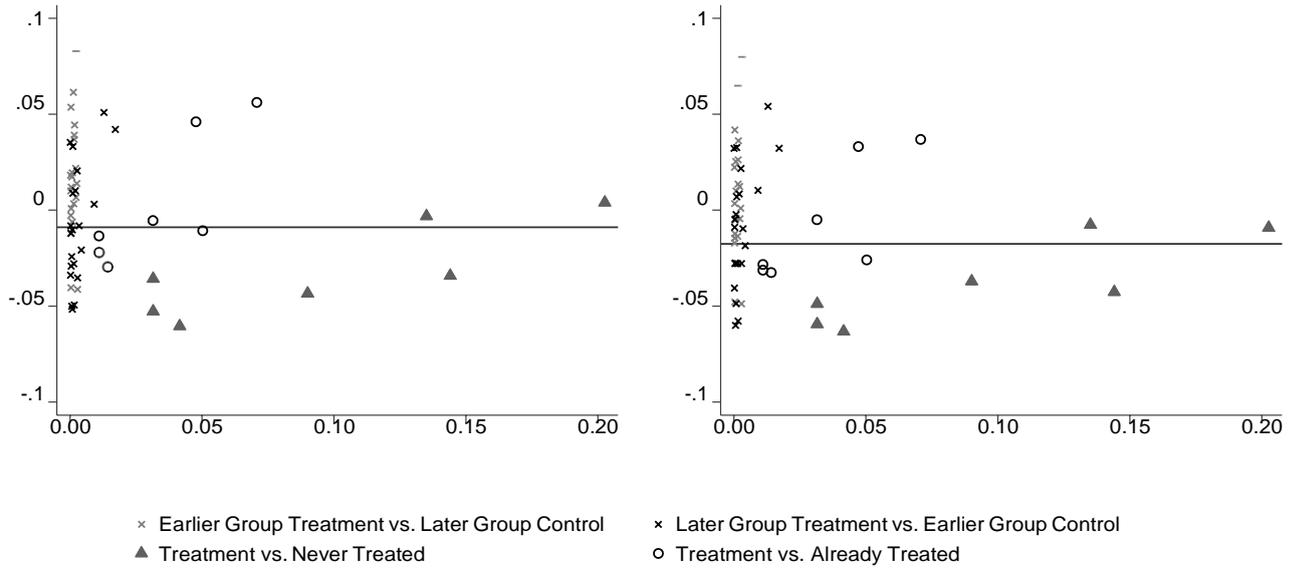


Figure 7: Difference-in-differences decomposition for cardiovascular health

The figures plot each 2x2 DiD components from the Goodman-Bacon (2018) decomposition theorem. The red line signifies the average DiD estimate, and equals the sum of y-axis values weighted by x-axis values.

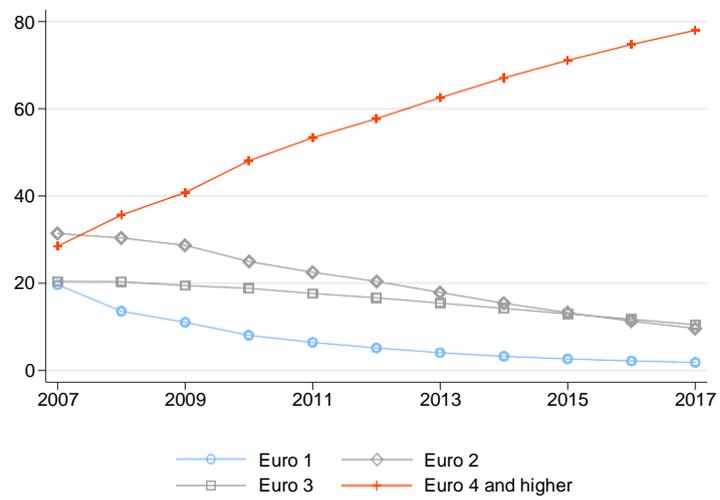


Figure 8: The development of different emission classes in large German cities, by Euro-class classification, 2007-2017

Table 1: Limit Values for PM_{10} and NO_2 as defined by Council Directive 1999/30/EC

| | Thresholds | Deadline |
|--------------------------------------|----------------|----------------|
| PM_{10} | | |
| Yearly average limit | $40\mu g/m^3$ | |
| Daily average limit | $50\mu g/m^3$ | 1 January 2005 |
| Allowed number of transgression days | 35 | |
| NO_2 | | |
| Yearly average limit | $40\mu g/m^3$ | |
| Daily average limit | $200\mu g/m^3$ | 1 January 2010 |
| Allowed number of transgression days | 18 | |

Notes: Source: Council Directive 1999/30/EC Annexes II, III

Table 2: Means and Pre-trends of air quality and health outcomes

| | <i>PM₁₀</i> | <i>NO₂</i> | Cardiovascular |
|---|------------------------|-----------------------|----------------|
| | (1) | (2) | (3) |
| Panel A: Average levels in 2007 | | | |
| Untreated | 23.4 | 34.08 | 9.51 |
| Treated | 27.02 | 42.23 | 9.31 |
| p-value | 0.00 | 0.00 | 0.87 |
| Panel B: p-value on difference in pre-trends | | | |
| 2005-2004 | 0.91 | 0.57 | 0.89 |
| 2006-2005 | 0.01 | 0.07 | 0.01 |
| 2007-2006 | 0.27 | 0.13 | 0.22 |

Notes: Variable names in headings. *PM₁₀* and *NO₂* are measured in $\mu\text{g}/\text{m}^3$. Cardiovascular disease is measured as the number of admissions per 10,000 inhabitants. Panel B presents the p-value on the difference in changes between treated and untreated cities.

Table 3: The effect of LEZ on monthly PM_{10} and NO_2 concentrations

| | Monthly PM_{10} | | | Monthly NO_2 | | |
|--------------------------|---------------------|--------------------|---------------------|--------------------|-------------------|-------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| In LEZ | -0.872** (0.357) | -0.622* (0.327) | -0.869** (0.329) | -0.818* (0.466) | -0.748 (0.492) | -0.557 (0.565) |
| Pre-LEZ mean | 27.88 | 27.88 | 27.88 | 45.05 | 45.05 | 45.05 |
| Change in percent | 3.12 | 2.23 | 3.12 | 1.82 | 1.66 | 1.24 |
| Observations | 26,523 | 25,874 | 17,974 | 27,637 | 26,945 | 19,224 |
| R-squared | 0.808 | 0.837 | 0.846 | 0.918 | 0.921 | 0.921 |
| Station fixed effects | Yes | Yes | Yes | Yes | Yes | Yes |
| Year-month fixed effects | Yes | Yes | Yes | Yes | Yes | Yes |
| Weather controls | No | Yes | Yes | No | Yes | Yes |
| Station restrictions | No | No | Yes | No | No | Yes |

Notes: The outcome is the monthly concentration of either PM_{10} or NO_2 . Pre-LEZ mean refers to average concentrations of the respective pollutant at stations inside an LEZ before the enactment of the zone. Columns (1)-(2) and (4)-(5) include all stations. Columns (3) and (6) exclude stations in treated cities that are not inside an LEZ. Robust standard errors, clustered at the city level, are in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 4: The effect of LEZ on cardiovascular disease. Outpatient health care

| | Entire population | | Elderly over 65 | |
|--|-------------------|-----------|-----------------|-----------|
| | (1) | (2) | (3) | (4) |
| Panel A: All cardiovascular disease | | | | |
| LEZ | -0.019* | -0.033*** | -0.021** | -0.031*** |
| | (0.010) | (0.009) | (0.009) | (0.009) |
| Observations | 954 | 585 | 954 | 585 |
| Panel B: Heart disease | | | | |
| LEZ | -0.006 | -0.012 | -0.016 | -0.021** |
| | (0.010) | (0.009) | (0.011) | (0.009) |
| Observations | 954 | 585 | 954 | 585 |
| Panel C: Cerebrovascular disease | | | | |
| LEZ | -0.072** | -0.126** | -0.071* | -0.126** |
| | (0.036) | (0.059) | (0.036) | (0.059) |
| Observations | 954 | 585 | 954 | 585 |
| City-by-LEZ FE | Yes | Yes | Yes | Yes |
| Year FE | Yes | Yes | Yes | Yes |
| Intro after 2009 | No | Yes | No | Yes |

Notes: The outcome is number of patients with the given diagnosis in logarithms. City-by-LEZ FE refers to fixed effect for each district over which the numbers are aggregated. The restriction “Intro after 2009” refers to dropping all treated cities that introduced an LEZ after 2009. Robust standard errors, clustered at the city level, in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 5: The effect of LEZ on cardiovascular disease. Inpatient health care.

| | Entire population (1) | Elderly over65 (2) |
|--|--------------------------|-----------------------|
| Panel A: All cardiovascular disease | | |
| LEZ | -0.037 (0.031) | -0.030 (0.034) |
| Observations | 726 | 726 |
| Panel B: Heard disease | | |
| LEZ | -0.048 (0.035) | -0.046 (0.036) |
| Observations | 726 | 726 |
| Panel C: Cerebrovascular disease | | |
| LEZ | -0.050 (0.052) | -0.042 (0.058) |
| Observations | 726 | 726 |
| City FE | Yes | Yes |
| Year FE | Yes | Yes |
| Additional controls | Yes | Yes |

Notes: The outcome is the number of patients with the given diagnosis per 10,000 population in logarithms. The additional controls are GDP per capita, unemployment rate, average age of the population and the number of deceased. Robust standard errors, clustered at the city level, in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 6: City characteristics balancing regressions

| Dep. var | Industrial output per capita (1) | Unemployment rate (2) | GDP per capita (3) | Health and services per capita (4) | population density (5) |
|--------------|--|-----------------------------|--------------------------|--|------------------------------|
| LEZ | 0.215 (0.243) | 0.001 (0.029) | -447.2 (311.6) | -0.027 (0.108) | 8.184 (13.62) |
| City FE | Yes | Yes | Yes | Yes | Yes |
| Year FE | Yes | Yes | Yes | Yes | Yes |
| Observations | 897 | 897 | 897 | 897 | 897 |
| R-squared | 0.994 | 0.999 | 0.996 | 0.987 | 0.994 |

Notes: LEZ refers to an indicator whether a city has a low emission zone at a given time. The data covers the time period 2004-2016 and comes from the Federal Statistical Office of Germany. Observations are at the city-year level. Standard errors are clustered at the city level.

Table 7: Robustness Checks

| | Entire Population (1) | Elderly over65 (2) |
|---|--------------------------|-----------------------|
| R1. LEZ cities only | | |
| LEZ | -0.024* (0.012) | -0.030** (0.012) |
| Observations | 360 | 360 |
| R2. Clean Air Action Plans | | |
| LEZ | -0.036*** (0.008) | -0.043*** (0.009) |
| Observations | 585 | 585 |
| R3. Patient-cases | | |
| LEZ | -0.033*** (0.009) | -0.041*** (0.009) |
| Observations | 585 | 585 |
| R4: Prevalence rates | | |
| LEZ | -0.033*** (0.012) | -0.015 (0.012) |
| Observations | 585 | 585 |
| R5. Placebo timing | | |
| LEZ | 0.000 (0.012) | -0.004 (0.011) |
| Observations | 333 | 333 |
| R6. Aggregation at the city level | | |
| LEZ | -0.009 (0.014) | 0.002 (0.026) |
| Observations | 396 | 396 |
| R7. Size of the LEZs | | |
| LEZ size | -0.049*** (0.015) | -0.078* (0.043) |
| Observations | 396 | 396 |
| R8. Adjustment for population size at the city level | | |
| LEZ size | -0.077*** (0.014) | -0.074* (0.043) |
| Observations | 396 | 396 |
| City-by-lez FE | Yes | Yes |
| Year fixed effects | Yes | Yes |
| Intro after 2009 | Yes | Yes |

Notes: Panel R1 excludes all cities with no LEZ by 2017. Panel R2 additionally controls for Clean Air Action Plans with an indicator variable. The outcome in Panel R3 is the overall number of patient-cases in logs. The outcome in Panel R4 is the number of patients per 10,000 patients with any diagnoses, in logs. Panel R5 replaces the actual LEZ indicator with a randomly generated fake indicator. In Panels R6-R8 the data is aggregated at the city level. The size of the LEZ refers to the size relative to the entire city area. Robust standard error, clustered at the city level, in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

References

- Alexander, D. and Schwandt, H. (2019). The Impact of Car Pollution on Infant and Child Health: Evidence from Emissions Cheating. *IZA discussion paper*.
- An, Z., Jin, Y., Li, J., Li, W., and Wu, W. (2018). Impact of Particulate Air Pollution on Cardiovascular Health. *Current Allergy and Asthma Reports*, 18(3):15.
- Beatty, T. K. M. and Shimshack, J. P. (2011). School buses, diesel emissions, and respiratory health. *Journal of Health Economics*, 30(5):987–999.
- Brook, R. D., Franklin, B., Cascio, W., Hong, Y., Howard, G., Lipsett, M., Luepker, R., Mittleman, M., Samet, J., Smith, S. C., and Tager, I. (2004). Air Pollution and Cardiovascular Disease. *Circulation*, 109(21):2655–2671.
- Brook, R. D., Rajagopalan, S., Pope, C. A., Brook, J. R., Bhatnagar, A., Diez-Roux, A. V., Holguin, F., Hong, Y., Luepker, R. V., Mittleman, M. A., Peters, A., Siscovick, D., Smith, S. C., Whitsel, L., and Kaufman, J. D. (2010). Particulate Matter Air Pollution and Cardiovascular Disease: An Update to the Scientific Statement From the American Heart Association. *Circulation*, 121(21):2331–2378.
- Chay, K. Y. and Greenstone, M. (2003). The Impact of Air Pollution on Infant Mortality: Evidence from Geographic Variation in Pollution Shocks Induced by a Recession. *The Quarterly Journal of Economics*, 118(3):1121–1167.
- Coneus, K. and Spiess, C. K. (2012). Pollution exposure and child health: Evidence for infants and toddlers in Germany. *Journal of Health Economics*, 31(1):180–196.
- Currie, J. and Neidell, M. (2005). Air Pollution and Infant Health: What Can We Learn from California’s Recent Experience? *The Quarterly Journal of Economics*, 120(3):1003–1030.
- Currie, J., Neidell, M., and Schmieder, J. F. (2009). Air pollution and infant health: Lessons from New Jersey. *Journal of Health Economics*, 28(3):688–703.
- Currie, J. and Walker, W. R. (2009). Traffic Congestion and Infant Health: Evidence from E-ZPass. Working Paper 15413, National Bureau of Economic Research.
- Davis, L. W. (2008). The Effect of Driving Restrictions on Air Quality in Mexico City. *Journal of Political Economy*, 116(1):38–81.

- Deryugina, T., Heutel, G., Miller, N. H., Molitor, D., and Reif, J. (2016). The Mortality and Medical Costs of Air Pollution: Evidence from Changes in Wind Direction. Working Paper 22796, National Bureau of Economic Research.
- Gehrsitz, M. (2017). The effect of low emission zones on air pollution and infant health. *Journal of Environmental Economics and Management*, 83:121–144.
- Goodman-Bacon, A. (2018). Difference-in-Differences with Variation in Treatment Timing. *National Bureau of Economic Research Working Paper Series*.
- Hong, Y.-C., Lee, J.-T., Kim, H., and Kwon, H.-J. (2002). Air pollution: a new risk factor in ischemic stroke mortality. *Stroke*, 33(9):2165–2169.
- Janke, K. (2014). Air pollution, avoidance behaviour and children’s respiratory health: Evidence from England. *Journal of Health Economics*, 38:23–42.
- Jiang, W., Boltze, M., Groer, S., and Scheuven, D. (2017). Impacts of low emission zones in Germany on air pollution levels. *Transportation Research Procedia*, 25:3374–3386.
- Lleras-Muney, A. (2010). The Needs of the Army Using Compulsory Relocation in the Military to Estimate the Effect of Air Pollutants on Children’s Health. *Journal of Human Resources*, 45(3):549–590.
- Malina, C. and Scheffler, F. (2015). The impact of Low Emission Zones on particulate matter concentration and public health. *Transportation Research Part A: Policy and Practice*, 77:372–385.
- Mills, N. L., Donaldson, K., Hadoke, P. W., Boon, N. A., MacNee, W., Cassee, F. R., Sandström, T., Blomberg, A., and Newby, D. E. (2009). Adverse cardiovascular effects of air pollution. *Nature Clinical Practice Cardiovascular Medicine*, 6(1):36–44.
- Morfeld, P., Groneberg, D. A., and Spallek, M. F. (2014). Effectiveness of Low Emission Zones: Large Scale Analysis of Changes in Environmental NO₂, NO and NO_x Concentrations in 17 German Cities. *PLOS ONE*, 9(8):e102999.
- Neidell, M. (2009). Information, Avoidance Behavior, and Health The Effect of Ozone on Asthma Hospitalizations. *Journal of Human Resources*, 44(2):450–478.

- Neidell, M. J. (2004). Air pollution, health, and socio-economic status: the effect of outdoor air quality on childhood asthma. *Journal of Health Economics*, 23(6):1209–1236.
- Pei, Z., Pischke, J.-S., and Schwandt, H. (2018). Poorly Measured Confounders are More Useful on the Left than on the Right. *Journal of Business & Economic Statistics*.
- Peters, A., Perz, S., Döring, A., Stieber, J., Koenig, W., and Wichmann, H. E. (1999). Increases in heart rate during an air pollution episode. *American Journal of Epidemiology*, 150(10):1094–1098.
- Pope CA (2000). Epidemiology of fine particulate air pollution and human health: biologic mechanisms and who's at risk? *Environmental Health Perspectives*, 108(suppl 4):713–723.
- Schlenker, W. and Walker, W. R. (2016). Airports, Air Pollution, and Contemporaneous Health. *Review of Economic Studies*, 83(2):768–809. CO and hospitalizations regarding asthma, respiratory and heart related emergency.
- Simeonova, E., Currie, J., Nilsson, P., and Walker, R. (2018). Congestion Pricing, Air Pollution and Children's Health. Working Paper 24410, National Bureau of Economic Research.
- Tsai, S.-S., Goggins, W. B., Chiu, H.-F., and Yang, C.-Y. (2003). Evidence for an association between air pollution and daily stroke admissions in Kaohsiung, Taiwan. *Stroke*, 34(11):2612–2616.
- Wellenius, G. A., Schwartz, J., and Mittleman, M. A. (2005). Air Pollution and Hospital Admissions for Ischemic and Hemorrhagic Stroke Among Medicare Beneficiaries. *Stroke*, 36(12):2549–2553.
- Wolff, H. (2014). Keep Your Clunker in the Suburb: Low-emission Zones and Adoption of Green Vehicles. *The Economic Journal*, 124(578):F481–F512.
- Wolff, H. and Perry, L. (2010). Policy Monitor Trends in Clean Air Legislation in Europe: Particulate Matter and Low Emission Zones. *Review of Environmental Economics and Policy*, 4(2):293–308.

A Appendix A

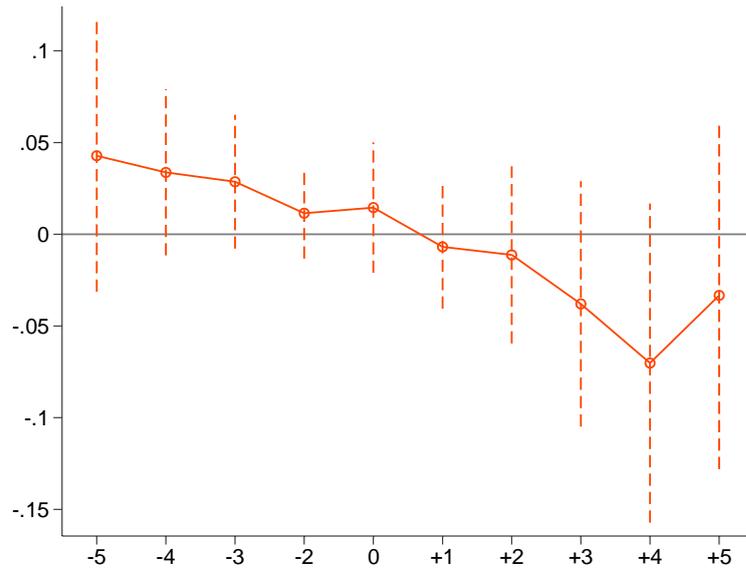


Figure A.1: Event study of cardiovascular diseases. Outpatient care data.

The outcome variable is the logarithm of the number of patients with cardiovascular disease per 10,000 population. Coefficients and 95% CIs. Standard errors are clustered at the city level.

Table A.1: Emission classes, colour codes and phase restrictions

| Emission class | Colour code | Banned in | Description |
|-----------------------|--------------------|------------------|---|
| Euro 4 | Green | None | Petrol: CO: 1.00g/km HC: 0.10g/km NOx: 0.08g/km Diesel: CO: 0.50g/km HC + NOx: 0.3g/km PM: 0.025g/km |
| Euro 3 | Yellow | Phase 3 | Petrol: CO: 2.30g/km HC: 0.20g/km NOx: 0.15g/km Diesel: CO: 0.64g/km HC: 0.56g/km NOx: 0.50g/km PM: 0.05g/km |
| Euro 2 | Red | Phase 2 | Petrol: CO: 2.20g/km HC + NOx: 0.50g/km Diesel: CO: 1.00g/km HC + NOx: 0.70g/km PM: 0.08g/km |
| Euro 1 | None | Phase 1 | Petrol CO: 2.72g/km HC + NOx: 0.97g/km Diesel: CO: 2.72g/km HC + NOx: 0.97g/km PM: 0.14g/km |

Table A.2: Introduction date and the areal coverage of LEZs

| City | Introduction | Coverage in % | Attainment Status |
|-----------------------------|---------------|---------------|-------------------|
| Augsburg | July 2009 | 3.95 | non-attainment |
| Berlin | January 2008 | 9.88 | non-attainment |
| Bochum [†] | October 2008 | 39.85 | |
| Bonn | January 2010 | 6.38 | attainment |
| Bottrop [†] | October 2008 | 24.85 | non-attainment |
| Bremen | January 2009 | 2.18 | |
| Cologne | January 2008 | 7.42 | attainment |
| Darmstadt | November 2015 | 87.64 | non-attainment |
| Dortmund [†] | October 2008 | 6.77 | non-attainment |
| Duisburg [†] | October 2008 | 18.47 | non-attainment |
| Dusseldorf | February 2009 | 19.78 | |
| Erfurt | October 2012 | 5.86 | non-attainment |
| Essen [†] | October 2008 | 66.56 | non-attainment |
| Frankfurt | October 2008 | 44.3 | non-attainment |
| Freiburg | January 2010 | 16.18 | non-attainment |
| Gelsenkirchen [†] | October 2008 | 19.06 | non-attainment |
| Hagen | January 2012 | 5.39 | non-attainment |
| Halle | October 2011 | 5.1 | non-attainment |
| Hannover | January 2008 | 21.05 | non-attainment |
| Heidelberg | January 2010 | 9.29 | attainment |
| Heilbronn | January 2009 | 38.34 | non-attainment |
| Herne [†] | January 2012 | 100 | |
| Karlsruhe | January 2009 | 6.52 | non-attainment |
| Krefeld | January 2011 | 23.2 | non-attainment |
| Leipzig | March 2011 | 61.35 | non-attainment |
| Ludwigsburg | January 2013 | 100 | non-attainment |
| Magdeburg | October 2011 | 3.33 | non-attainment |
| Mainz | February 2013 | 34.95 | non-attainment |
| Mannheim | March 2008 | 4.67 | non-attainment |
| Mönchengladbach | January 2013 | 12.38 | attainment |
| Mülheim [†] | October 2008 | | attainment |
| Munich | October 2008 | 14.16 | |
| Münster | January 2010 | 0.47 | attainment |
| Oberhausen [†] | October 2008 | 30.87 | |
| Offenbach | January 2015 | 85.77 | |
| Osnabrück | January 2010 | 14.11 | attainment |
| Pforzheim | January 2009 | 1.99 | non-attainment |
| Recklinghausen [†] | October 2008 | 30.08 | |
| Reutlingen | March 2008 | 100 | non-attainment |
| Stuttgart | March 2008 | 98.44 | non-attainment |
| Ulm | January 2009 | 23.07 | non-attainment |
| Wiesbaden | February 2013 | 31.12 | attainment |
| Wuppertal | February 2009 | 14.61 | non-attainment |

Notes: Dates of introduction of the zones come from the *Umweltbundesamt*. The coverage refers to the relative size of LEZ in relation to the area of the city. The size of LEZ has been calculated based on shapefiles from *OpenStreetMap*.

[†] The cities in Ruhr area united into a common LEZ in January 2012.

Table A.3: The effect of LEZ on monthly PM_{10} and NO_2 concentrations. Robustness checks

| | Monthly PM_{10} | | Monthly NO_2 | |
|---|----------------------|---------------------|---------------------|----------------------|
| | (1) | (2) | (3) | (4) |
| Panel A: Only LEZ Cities | | | | |
| LEZ | -0.635*** (0.273) | -0.656* (0.360) | -0.581 (0.371) | -1.014*** (0.348) |
| Observations | 13014 | 13014 | 13012 | 13012 |
| Panel B: Restricted Observation Period | | | | |
| <i>B.1: Excluding 2004 and 2005</i> | | | | |
| LEZ | -0.796*** (0.260) | -0.749** (0.301) | -0.562* (0.304) | -1.053** (0.437) |
| Observations | 16477 | 16477 | 17293 | 17293 |
| <i>B.2: Excluding 2013 and 2014</i> | | | | |
| LEZ | -0.693** (0.322) | -0.859** (0.328) | -0.389 (0.368) | -0.795** (0.354) |
| Observations | 16357 | 18099 | 17039 | 17039 |
| <i>B.3: Excluding 2004-2005 and 2013-2014</i> | | | | |
| LEZ | -0.705** (0.308) | -0.823** (0.340) | -0.778** (0.296) | -1.259*** (0.345) |
| Observations | 13025 | 13025 | 13528 | 13528 |
| Panel C: Placebo Timing | | | | |
| LEZ | 0.363 (0.372) | 0.132 (0.381) | 0.327 (0.601) | 0.406 (0.696) |
| Observations | 13562 | 13562 | 14542 | 14542 |
| Station fixed effects | Yes | Yes | Yes | Yes |
| Year-month fixed effects | Yes | Yes | Yes | Yes |
| Weather controls | Yes | Yes | Yes | Yes |
| Station restrictions | No | Yes | No | Yes |

Notes: The outcome is the monthly concentration of PM_{10} and NO_2 . Panel A restricts the sample to treated cities only. Panel B restricts the observation period. Panel C regressed the outcome on a randomly generated LEZ introduction date. Robust standard errors, clustered at the city level, are in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

- 2011/1 Mathias Kifmann and Kerstin Roeder, Premium Subsidies and Social Insurance: Substitutes or Complements? March 2011
- 2011/2 Oliver Tiemann and Jonas Schreyögg, Changes in Hospital Efficiency after Privatization, June 2011
- 2011/3 Kathrin Roll, Tom Stargardt and Jonas Schreyögg, Effect of Type of Insurance and Income on Waiting Time for Outpatient Care, July 2011
- 2012/4 Tom Stargardt, Jonas Schreyögg and Ivan Kondofersky, Measuring the Relationship between Costs and Outcomes: the Example of Acute Myocardial Infarction in German Hospitals, August 2012
- 2012/5 Vera Hinz, Florian Drevs, Jürgen Wehner, Electronic Word of Mouth about Medical Services, September 2012
- 2013/6 Mathias Kifmann, Martin Nell, Fairer Systemwettbewerb zwischen gesetzlicher und privater Krankenversicherung, July 2013
- 2013/7 Mareike Heimeshoff, Jonas Schreyögg, Estimation of a physician practise cost function, August 2013
- 2014/8 Mathias Kifmann, Luigi Siciliani, Average-cost Pricing and Dynamic Selection Incentives in the Hospital Sector, October 2014
- 2015/9 Ricarda Milstein, Jonas Schreyögg, A review of pay-for-performance programs in the inpatient sector in OECD countries, December 2015
- 2016/10 Florian Bleibler, Hans-Helmut König, Cost-effectiveness of intravenous 5 mg zoledronic acid to prevent subsequent clinical fractures in postmenopausal women after hip fracture: a model-based analysis, January 2016
- 2016/11 Yauheniya Varabyova, Rudolf Blankart, Jonas Schreyögg, Using Nonparametric Conditional Approach to Integrate Quality into Efficiency Analysis: Empirical Evidence from Cardiology Departments, May 2016
- 2016/12 Christine Blome Ph.D., Prof. Dr. Matthias Augustin, Measuring change in subjective well-being: Methods to quantify recall bias and recalibration response shift, 2016
- 2016/13 Michael Bahrs, Mathias Schumann, Unlucky to be Young? The Long-Term Effects of School Starting Age on Smoking Behaviour and Health, August 2016
- 2017/14 Konrad Himmel, Udo Schneider, Ambulatory Care at the End of a Billing Period, March 2017
- 2017/15 Philipp Bach, Helmut Farbmacher, Martin Spindler, Semiparametric Count Data Modeling with an Application to Health Service Demand, September 2017

- 2018/16 Michael Kvasnicka, Thomas Siedler, Nicolas R. Ziebarth, The Health Effects of Smoking Bans: Evidence from German Hospitalization Data, June 2018
- 2019/17 Jakob Everding, Jan Marcus, The Effect of Unemployment on the Smoking Behavior of Couples, May 2019
- 2019/18 Jakob Everding, Heterogeneous Spillover Effects of Children's Education on Parental Mental Health, July 2019
- 2019/19 Esra Eren Bayindir, Hospital Ownership Type and Service Provision, a Structural Approach, November 2019
- 2019/20 Shushanik Margaryan, Low Emission Zones and Population Health, December 2019

The Hamburg Center for Health Economics is a joint center of Universität Hamburg and the University Medical Center Hamburg-Eppendorf (UKE).



hche | Hamburg Center
for Health Economics

Esplanade 36
20354 Hamburg
Germany
Tel: +49 (0) 42838-9515/9516
Fax: +49 (0) 42838-8043
Email: info@hche.de
<http://www.hche.de>

HCHE Research Papers are indexed in RePEc and SSRN.
Papers can be downloaded free of charge from <http://www.hche.de>.