Table 1: Baseline estimate, SO2 emission reduction, financial ratio city-industry-year level, Filter no polluted sector

	Dependent variable: SO2 emission					
	(1)	(2)	(3)	(4)	(5)	(6)
working capital$_{cit}$	0.0005*					
	(0.0003)					
current ratio$_{cit}$		0.00000				
		(0.0004)				
cash assets$_{cit}$			0.196			
			(0.221)			
liabilities assets$_{cit}$				0.018		
				(0.156)		
return on asset$_{cit}$					−0.0001	
					(0.0001)	
sales assets$_{cit}$						0.00001
						(0.00001)
log(output)	0.016	0.015	0.036	0.035	0.023	−0.031
	(0.050)	(0.032)	(0.060)	(0.060)	(0.049)	(0.034)
log(employment)	0.003	0.228***	−0.016	−0.017	−0.001	0.209***
	(0.065)	(0.045)	(0.082)	(0.081)	(0.065)	(0.045)
log(capital)	0.049	−0.001	0.050	0.053	0.054	0.032
	(0.035)	(0.028)	(0.042)	(0.042)	(0.035)	(0.029)
City-time	Yes	Yes	Yes	Yes	Yes	Yes
city-industry	Yes	Yes	Yes	Yes	Yes	Yes
Observations	11,868	20,800	8,876	8,876	11,835	17,512
R^2	0.855	0.795	0.886	0.886	0.855	0.813

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%.