

What you need to know: [How China Is Reining in Its Mighty Tech Firms](#)

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The China Model: What the Country's Tech Crackdown Is Really About

● After spending years emulating Silicon Valley, the world's second-biggest economy is now officially charting its own course.

By Austin Carr and Coco Liu

Later in the month, the Chinese government announced a sweeping new regulatory framework for the online education industry, which it said had been “hijacked by capital,”

President Xi's government has outlined sectors it wants to prioritize, including semiconductors and artificial intelligence. Xi has called the data its tech industry collects “an essential and strategic resource” and has been pushing to tap into it for years. Following a 2015 mandate, cities from Guiyang to Shanghai have set up data exchanges that facilitate the transfer of anonymized information between corporations. This could lead to a nationalized data-sharing system that serves as a kind of digital public infrastructure, putting a massive trove of data into the central government's hands.