**Analysis**

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An MNC should always avoid direct financial investments in countries with liberal child labor laws. This can be attributed to many reasons. Firstly an MNC should always maintain their hiring standards because it saves them from any scrutiny regarding child endangerment and forced labor by any national or international organizations (MacKenzie and Lucio, 2018). By maintaining their high standards they will be able to control the flow of the labor and the quality of the labor. These would then be matched with the standards set by the MNC and would help in deterring underage labor. So in no case should an MNC ever loosen its hiring standards.

Most MNC's outsource their production to the companies that provide labor in third world countries, where child labor laws are very liberal. The MNC would never be able to keep a check on the conditions that these companies put their workers under, even if they put down stringent guidelines for their business activities. Any wrongdoing on their part would definitely be accredited to the inefficiency of operational management of an MNC. This can even lead the MNC into legal troubles on both the international and local stages. Therefore, it is better for an MNC to stay away from countries that have liberal child labor policies.

If one even assumes for a minute that the MNC can provide reasonable working conditions and offer educational programs for their employees, this will be a dream come true for most people. But the fact is most MNCs that are currently operating, focus only on increasing their profits and lining their wallets. Hence, they would never waste money on educational programs for their employee's children. This is because they would be decreasing the amount of labor they will have at hand, while increasing costs of production. The more a person learns and is educated, the more they know of their rights and will fight for them. So it will be better for MNCs to keep them under their thumb rather than give them the power to stand up against them. That is why it is imperative that MNCs should focus on maintaining their hiring standards rather than delving into child labor.

If providing employment and educational programs is a vital component of business activities for MNCs, then they don't have to delve into child labor even in countries that have liberal child labor laws. What they can do is fund the education of children who do not have the means to pay for their education (Jones, 2018). They can help them in attaining quality education and help in nurturing future leaders and businessman. Afterwards, they can be appointed to positions within the MNC itself and return the investment that was put into their learning and training. This would be much more ethical and also profitable for the company in the long run.

If an MNC does forgo the use of low-cost labor, it is understandable that it will be a bit more costly for them. It will also cost the shareholders of the company a pretty penny, but that is the cost they will have to pay to maintain their global credibility. MNCs should never ever just take into consideration the benefit of their shareholders in business decisions. This is because other than the shareholders there is a list of other stakeholders that are involved with the corporation and who will be affected if any decision is taken. Therefore, rather than catering to the needs of their shareholders, they should also implement the principles of stakeholder theory into their decision-making process (Mitchell, et al, 2016). This will help them in keeping in line with not only their business goals but also the social goals that every corporation and person should aspire to keep in touch with.

**References**

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