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**THE ECONOMIC GROWTH AND LABOR MARKET UNDER THE  
INFLUENCE OF GLOBALIZATION AND INNOVATION**

**Abstract:**

The globalization reveals a number of socio-economic perspectives and challenges to the countries. The technological progress and innovation are essential elements of the globalization leaving their indisputable mark on the economic system. Because of this fact, the main objective of this study is to evaluate the effects of the innovation on the economic growth and the labor market (in particular on employment and the dynamics and nature of job positions) and to analyze the social and fiscal state policies. The research methodology includes time series analysis through descriptive, graphical and cross-correlation analyses by major macroeconomic indicators related to the labor market, economic growth and innovation. The results of the study indicate the changes in the nature of the work/ job positions at sectoral level in Bulgaria and the EU. Innovations demonstrate a significant positive link, both with employment and economic growth, and a negative such with unemployment. Specific features and general trends are reflected in changes in employment, innovation and economic growth in Bulgaria and the EU. This requires a reconsidering of the public policies in the social sphere and the tax policy.

**Keywords:**

globalization; innovation; economic growth; labor market; employment; nature of jobs; social and fiscal policy in EU and Bulgaria

**JEL Classification:** A10, E01, J01