**ABSTRACT**

**Objective:** The aim of the research is to develop a new original concept of social innovation lab based on the concept of living labs seen from the perspective of design-led approach to management and innovation.

**Methodology:** The research was carried out with use of non-empirical (theoretical) framework. The existing knowledge was the source of reasoning leading to solve the scientific problem. It was rather implicit two-stage process of reasoning. The first stage was to reframe the conceptual framework, which was based on the analysis of the living lab concept seen from the perspective of the unique nature of social innovation and its limits. In the second stage, prototyping of a new concept of social innovation living lab was built on the conceptual framework developed at the first stage.

**Findings:** The original theoretical model of social innovation living lab and its operationalization have been developed. It is based on the concept of living labs regarded as long term environments for open innovation that are being developed with real users in real contexts, and framed from the perspective of design-led approach to management and innovation.

**Value Added:** The literature review has revealed the significant lack of research studies on the processes of generating social innovation. The proposed original model of social innovation living lab helps fill this gap. Social innovations as successful exploitation of new ideas to meet social problems and needs are essential in social and economic life. However, the conventional approaches to innovation are not sufficient to develop social innovation due to its nature. The proposed approach describes the operation of the social innovation living lab as an effective way to develop such innovations and at the same time the methodology useful in the further research.

**Recommendations:** The proposed original approach to the processes of designing and accomplishing social innovation can help to develop such innovations in a more intentional and goal-oriented way, which is difficult using traditional laboratories due to the nature of such innovations.