

# **Organization of Scientific Knowledge in Paradigms**

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Thomas Kuhn Scientific knowledge is organized  
in paradigms

Example of a paradigm in macroeconomics - the  
real business-cycle paradigm

Elements of a paradigm	RBC example
• A main model / theory	Solow growth model with stochastic technology
• A set of facts / observations of interest	• Fluctuations in real GDP - Fluctuations in hours worked - Fluctuations in consumption & investment - Fluctuations in productivity
• A set of acceptable problems	- Explain jointly growth & fluctuations - Explain volatility & correlation of certain macro variables
• A set of acceptable solutions (acceptable ways to solve problems)	- Rational agents - Rational expectations - Walrasian, clearing markets
• A set of shared techniques & practices	- Dynamic programming - HP filter

- Calibration  
+ Simulation

- Do not use graphs

• Textbooks describing  
the model, techniques, mang

"Frontiers of Business  
Cycle Research"

Pennsylvania University Press

Edited by Cooley