The Guardian Reports:

Wall Street has long known that MIT turns out great mathematicians who can create every newer and faster trading instruments and methods of measuring. Now students studying economics have all the mathematical skill they need. They are complaining that is disconnected from human behavior which they now might better understand.

The financial crisis left huge numbers of financiers, traders, brokers, investment-wizards and hedge-fund fixers dazed by the sweeping tide of a storm for which they lacked the understanding and breadth of ideas to predict, let alone combat.

A soft burn of neglect suddenly raged into a fierce inferno, exposing the inability of those inside the industry to make responsible decisions. Economics, as the art or science of observation and prediction has proved disastrous in preparing the human world for the consequences of its own actions.

At the core of the current financial system lies a flaw. Economics is a field that holds more than theories of how to make money, endorse GDP growth and create an ever-growing economy. Yet these aspects lie remote and untouched by financial and commercial leaders.

As members of the Post-Crash Economics Society, at the University of Manchester, we have been fighting for the academic sphere of economics to address the heart of its own ideas: neoclassical economic theory. This theory revolves around the idea of the individual agent. An agent could be a person or a company for example, interacting with each other through prices, in a market.

The character of an agent or the clear desires of a firm or consumer in a market are sketched out to us in shapes of mathematics. It is this simplification of human nature into a string of equations that at times, has suffocated neoclassical economics and denied it the fluidity needed to accurately describe change in the world we live in.

More specifically we believe, the holy position of neoclassical economics in academia had its own role to play in the blind trample of the financial sector across the world, and the plague of short-term thinking that bled into the City's decision making.

For workers in the City, the price of an item is king, as well as the profit to be gained from buying and selling the item. Yet in the education we receive as economics students, there is little stress on how a market could fail.

The price of a stock of oil might tell us how much we can gain from a sale, or how high demand or supply for oil in a given market is, but it's important we also know how much oil humanity should be trying to save to be sustainable, and the effects of oil-emissions in certain areas of the world.

Individuals buying and selling goods to make a profit, with little idea of how these goods can affect the planet or shape of people's lives is too often overlooked but something we should all be worried about. The underlying beat of our financial system races to the tune of a snapping immediacy, and the financial crash of 2008 has shed some light on how a lack of knowledge of market failure can be disastrous for society.

This is not to say that the neoclassical model is of no use to us, at some level it does what it says. But a greater breadth of theoretical understanding alongside the tools of neoclassical theory will offer a much greater insight into what is best for an economy, not just one growing in terms of profit, but one for which the root mechanics of the financial system enable sustainability, equity and social consciousness.

Were those in charge of allocating our resources focused less upon price, then perhaps we could hope for a more prosperous, equitable and sustainable future. Economics has so much more to offer in helping us to understand the world than the type of economics taught in universities.

A knowledge of John Kenneth Galbraith's description of a social imbalance in capitalism's neglect of things we all consume, be it streets, lampposts or even the quality of our air could arm leaders with a knowledge of what exactly we need to invest in, without seeing an immediate profit. On the other hand, a reading of Friedrich Hayek's account of how markets can gather information from individuals on a scale that governments are unable to achieve, could offer those in charge of our economies an understanding of how disruptive state-intervention could be in the long-run.

Throughout history, economists have sketched out an ocean of jostling ideas about how our world functions, and how we can make it better. The professional economists of today remain stranded on an island, only occasionally dipping into the surrounding waters and failing to find the intellectual depth to combat the issues humanity faces together.

The economic crash brought back a host of long-forgotten truths, or rather lack of truths, as academic economics closed itself away from the beauty of competing, different ideas. Classroom economics failed to adapt itself to the essence of the world and fails to search for its own failures, to seek and wrestle with new truths.

We now have an opportunity to extend economics beyond the orthodoxies, to reach out to branches of economics that do not allocate resources through simple supply and demand, but theories that directly address the issue of sustainability and aim to ensure people's decisions are born out of social responsibility.

It is essential that future financial and commercial leaders realise the direct consequence of their actions on the wider society, and the best way to do this is by expanding the range of economic thought they are able to engage with.