Over the last month, one question seemed to be on everyone’s mind at the economic conferences I attended in Europe: How did referees miss a goal that England scored against Germany in their World Cup match? The goal in question struck the crossbar, bounced down and landed a full yard inside the goal, then flew out onto the field, all in the blink of an eye.

Soccer reform wasn’t the stated focus of these conferences. But thinking about how to improve the sport’s regulations comes naturally to economists, especially after a few beers, because some of the same principles should be applied to economic regulation.

The first is that the regulator — in this case, the referee — is fallible. So the rules should make the regulator’s job as easy as possible.

Second, regulators can’t detect every irregularity, so the emphasis has to be on getting the big stuff right. Finally, we want performance, not regulators, to determine the outcome. The best regulators are those we don’t notice.

In soccer, one head referee has to cover a “pitch” larger than an American football field. He has three assistants who must stand on the sideline. There is plenty of evidence beyond that missed English goal that referees are indeed human. For example, referees call more fouls against the visiting team, and against bigger players. So, what can be done?

Here are a few suggestions, and some general lessons for regulation in other domains. The first two changes are easy.

**ADD REFEREES** Put at least one more ref on the field. (Basketball has three referees on a much smaller court.) The idea is under consideration by FIFA, the soccer organizing body.
This is a no-brainer for the World Cup, which generates billions of dollars in revenue, but in the world of financial regulation, adding referees is costly. Governments will need to cut budgets, not expand them, so we need to make regulators more efficient, not more numerous.

**ADD TECHNOLOGY** Although instant replays showed that England’s goal should have counted, FIFA officials have resisted using technology that could help. Many technological solutions, including embedding an electronic chip in the ball, would make the determination of goal scoring faster and more accurate.

Technology can help in other regulatory areas as well, and is a good way to increase efficiency. For example, requiring banks to file their compliance data electronically drastically reduces the time it takes to conduct an audit.

**INCREASE SCORING** In the most recent tournament, the teams together scored 2.27 goals per match, the second-lowest number in history. In early years of the World Cup, scoring was twice as high, and the problem with low-scoring games is not just that they bore uncultured Americans like me. Low scores magnify the importance of referees’ decisions. When a team is awarded a penalty kick, it scores about 75 percent of the time, and that’s very likely to affect the outcome of a low-scoring game.

In finance, a useful analogy is to increase the capital requirements for banks. By requiring banks to have a bigger security blanket, regulators themselves have greater margin for error.

**REDEFINE ‘OFFSIDE’** The offside rule is now too hard to enforce. When a player passes the ball downfield, no one on his team can have any part of his body farther downfield than any defender, aside from the goalkeeper. The linesman calling these violations runs along the sideline, keeping parallel with the offensive player closest to being offside — all while watching the ball.

This requires wide-angle vision that humans don’t possess. (A bird called the woodcock, with 360-degree vision, would be good at it.) Short of eliminating the rule, we might limit offside calls to players whose entire body is ahead of the defenders. That should be easier to detect, and might lead to more goals scored.

The general point is to make the judgment tasks of regulators easier. The Securities and Exchange Commission had trouble assessing the technical arguments that strongly suggested that Bernie Madoff was a crook, but they could have easily had a rule requiring him to document his assets under management.

**RETHINK PENALTIES** Another idea is to adjust the silly yellow/red card penalty system. There are three levels of fouls in soccer, depending partly on whether the action is “careless,” “reckless” or “using excessive force.” It is asking too much to think a referee can distinguish between careless and reckless on the fly.
A system similar to basketball’s, in which accumulated fouls lead to expulsion, and “flagrant” fouls are heavily punished, would be easier to put into practice, especially if an off-field official kept track of the running totals.

The general principle here is that we don’t want small differences in behavior, which are difficult for a regulator to distinguish, to lead to large differences in punishment.

**REDUCE FAKING** Finally, there is the problem of diving. After falling, players routinely writhe on the ground until the referee either believes they’ve been injured, ignores them or, rarely, imposes penalties for “simulation.” These instant injury judgments are very difficult for a single on-field referee.

Such decisions might be turned over to referees watching video monitors — and empowered to impose stiff penalties for faking. Diving is the soccer version of the inevitable attempts to influence financial regulators. We can’t expect to eliminate special pleading by financiers for taxpayer bailouts, of course, but perhaps we can reduce the impact of such efforts by opening them to public view through increased disclosure about the process and its beneficiaries.

Thinking about revising the rules of soccer is a nice summertime relief from worrying about more serious regulatory overhaul, but it also illustrates the key principles that apply to both.

New rules in either soccer or finance shouldn’t put any more burden on individual referees. As Larry Summers, the director of the National Economic Council, said recently, in revising financial regulations, we do not want to require anyone to get any smarter.

Consider the Consumer Financial Protection Bureau now being established. Above all, I’d urge the head of this agency to devise rules under the assumption that, someday, he or she will be succeeded by a nitwit.