Structural Fiscalistics as Ontology:

The Minimal Conditions for Fiscal–Institutional Existence

Jim Y. Huang*

Abstract

This paper establishes a minimal ontological criterion for the existence and intelligibility of fiscal–institutional systems in modern societies. I argue that institutional analysis becomes logically incomplete when it treats jurisdictional boundaries and generational succession as optional "context," rather than constitutive dimensions of system continuity. I formalize institutional existence as a space–time requirement: cross-jurisdiction fiscal movement (X) and intergenerational post-tax capacity (Y) must jointly remain non-zero under a going-concern constraint. In this formulation, tax law functions as a structural filter and hinge that defines the admissible pathways through which public capital (pre-tax, institution-bound) and private capital (post-tax, transferable) are classified, converted, and routed across boundaries and across generations. The paper does not offer policy prescriptions or causal explanations. Its contribution is definitional: it specifies when a system remains an institution (coherent, reconstructible continuity across space and time) and when it collapses into non-system states (closure or generational discontinuity). By positioning this minimal criterion alongside classic "conditions of possibility" traditions in social theory, the paper proposes Structural Fiscalistics (SF) as an upstream social-science layer that renders rule-dense governance environments structurally readable before interpretation or reform.

1. Introduction: From Institutional Reform to Institutional Existence

Contemporary social science devotes extensive attention to institutional reform, policy optimization, and distributive correction. Across education policy, public finance, global governance, and welfare systems, scholarly debate overwhelmingly centers on how institutions might be improved, recalibrated, or made more equitable. What is striking, however, is that these debates almost uniformly presuppose the existence of the institutional systems under discussion. Institutions are treated as persistent objects whose continuity is taken for granted, even when their outcomes are contested.

This paper begins from a different question. Rather than asking how institutions should be improved, it asks a more fundamental one: under what conditions does a fiscal–institutional system continue to exist at all? The argument advanced here is that institutional analysis becomes logically incomplete once existence is assumed rather than specified. When the

* Doctoral Researcher, Ontario Institute for Studies in Education (OISE), University of Toronto; Chartered Professional Accountant (Canada and Australia); Trust and Estate Practitioner (TEP); LL.M. (Tax), Osgoode Hall Law School; MBA, Laurentian University. Contact: jimy.huang@mail.utoronto.ca

conditions that sustain institutional continuity are left implicit, analytical attention is displaced toward surface-level performance metrics while deeper structural failure modes remain conceptually invisible.

I argue that any fiscal–institutional system must satisfy two irreducible conditions in order to remain an institution rather than collapse into a non-system state. First, it must remain open to cross-jurisdictional fiscal movement—the ability of capital, obligations, and rules to traverse institutional and legal boundaries. Second, it must sustain intergenerational post-tax capacity—the ability of value, entitlements, and constraints to be transmitted across time rather than exhausted within a single cohort. These dimensions correspond, respectively, to space and time as constitutive coordinates of institutional existence.

The failure of either condition produces not inefficiency or inequity, but ontological collapse. A system that is fiscally closed—one in which cross-boundary movement is structurally suppressed—loses its capacity for exchange and adaptation, degenerating into an isolated configuration unable to process external constraints. Conversely, a system that exhausts value within a single generation—one in which post-tax capacity cannot be transmitted forward—ceases to function as a social institution altogether, regardless of how dynamic or globalized its surface operations may appear. In both cases, what is lost is not performance but continuity.

To formalize this minimal existence requirement, I express institutional existence as a joint condition:

$$F = (X \times Y) \text{ under Going Concern}$$

where X denotes cross-jurisdictional fiscal movement, Y denotes intergenerational post-tax capacity, and *going concern* functions as an existence constraint rather than a behavioral assumption. The multiplicative structure is deliberate. Under a multiplicative logic, the collapse of either dimension drives the system's existence condition to zero. Institutional continuity cannot be preserved by compensating strength along one axis when the other has failed.

This formulation departs from dominant approaches in social science, which typically treat spatial openness and temporal sustainability as contextual variables rather than necessary conditions. Policy analysis often addresses cross-border fiscal flows as coordination problems, and intergenerational effects as distributive outcomes. In contrast, this paper treats both dimensions as constitutive of institutional being. The question is not how well a system distributes or governs, but whether it remains structurally capable of reproducing itself across boundaries and across generations.

The conceptual move made here aligns with a long tradition of inquiry concerned with *conditions of possibility* rather than empirical outcomes. In philosophy, such questions are associated with transcendental analysis, most notably in the work of Immanuel Kant, who asked what must be true for experience and judgment to be possible at all. In social theory, parallel concerns appear in systems theory, particularly in Niklas Luhmann's emphasis on reproduction and boundary maintenance, and in institutional economics, where Douglass North

conceptualized institutions as constraints shaping feasible action sets over time. This paper does not seek to extend or reinterpret these traditions; it uses them only to situate the level at which the present argument operates.

The contribution of this paper is therefore definitional rather than explanatory. It does not propose causal mechanisms, policy prescriptions, or empirical tests. Instead, it specifies a minimal ontological criterion by which fiscal–institutional systems can be said to exist as systems. By doing so, it introduces Structural Fiscalistics as an upstream analytical layer within social science—one concerned not with outcomes or reforms, but with the structural conditions that render institutional analysis itself meaningful.

2. The Ontological Problem: When Institutions Cease to Exist

Most institutional analysis proceeds as if the existence of institutions were self-evident. Governments, fiscal systems, and social organizations are treated as durable objects whose continuity can be assumed, even under conditions of crisis or dysfunction. Within this framing, institutional failure is typically understood as a matter of inefficiency, inequity, or misalignment between policy design and outcomes. What remains largely unexamined is a more fundamental possibility: that a system may no longer qualify as an institution at all.

This paper defines the ontological problem of institutions as the failure to distinguish between institutional dysfunction and institutional non-existence. A dysfunctional institution remains a system—it misallocates resources, produces undesirable outcomes, or violates normative expectations, but it continues to operate within a coherent structural frame. By contrast, a non-institution is not merely ineffective; it lacks the structural conditions required for continuity, reproduction, and intelligibility over time.

The distinction is not semantic. It marks a boundary between analytical domains. Once an institution crosses from dysfunction into non-existence, the language of reform, optimization, or policy adjustment becomes logically misplaced. What is required instead is a criterion capable of distinguishing system states from non-system states.

2.1 Existence Versus Performance

A persistent source of conceptual confusion in social science lies in the failure to distinguish institutional existence from institutional performance. Quantitative indicators—growth, redistribution, participation, or compliance—are frequently treated as evidence that an institution remains intact. However, such indicators measure outcomes, not ontological conditions. They do not establish whether the system retains the structural prerequisites necessary to reproduce itself as an institution over time, nor whether it continues to operate as a coherent and intelligible system rather than a residual aggregation of activities.

A fiscal–institutional system may perform poorly while still existing. Conversely, a system may display short-term dynamism while having already lost its conditions of continuity. The latter case is particularly difficult to detect using conventional policy metrics, because surface-level activity can persist even as deeper structural capacities erode.

This paper therefore brackets questions of performance entirely. Its concern is not whether an institution performs well, but whether it continues to meet the minimum conditions required for institutional being.

2.2 Spatial Closure and Ontological Collapse

The first such condition concerns spatial openness. A fiscal–institutional system must retain the capacity for cross-jurisdictional fiscal movement—the routing of capital, obligations, and rule classifications across legal and institutional boundaries. This does not imply unrestricted mobility or normative endorsement of globalization. It implies only that the system remains structurally open to external constraint and exchange.

When this capacity collapses—when cross-boundary movement is suppressed to the point of near-zero—the system becomes fiscally closed. At this point, institutional operations no longer function as exchanges within a broader environment, but as internal circulations within a sealed structure. Such systems may continue to issue rules, collect revenues, or distribute resources, yet they lose the ability to process external information and constraint.

From an ontological perspective, this represents not inefficiency but **systemic isolation**. The institution ceases to function as an institution embedded in a wider social and legal order, and instead degenerates into an internally referential configuration. In this state, institutional continuity becomes illusory, dependent on depletion rather than exchange.

2.3 Temporal Exhaustion and Structural Termination

The second condition concerns time. A fiscal–institutional system must sustain intergenerational post-tax capacity—the ability of value, obligations, and constraints to be transmitted forward rather than exhausted within a single cohort. This condition is independent of normative judgments about equality or justice. It concerns continuity rather than fairness.

When intergenerational transmission fails, the system enters a state of temporal exhaustion. Capital may continue to circulate globally, and policy activity may remain intense, but the system no longer reproduces itself across generations. Instead, it effectively "settles accounts" within the present, leaving no structurally viable path forward.

This condition should not be confused with decline or recession. Decline presupposes the persistence of a system over time. Temporal exhaustion marks the termination of that presupposition. Once generational continuity collapses, the system ceases to exist as a social institution, regardless of how sophisticated or dynamic its surface operations may appear.

2.4 Ontological Non-Compensability

A defining feature of these two conditions is their non-compensability. Spatial openness cannot substitute for temporal continuity, and intergenerational transmission cannot substitute for cross-boundary exchange. A system that is globally integrated but generationally exhausted does not exist as an institution. Likewise, a system that preserves internal continuity while remaining structurally closed does not exist as an institution.

This non-compensability distinguishes ontological conditions from policy variables. Performance deficits may be offset, traded off, or corrected. Ontological failures cannot. Once either dimension collapses, institutional existence itself collapses.

2.5 Positioning the Ontological Question

The ontological framing adopted here aligns with a broader intellectual tradition concerned with conditions of possibility rather than empirical regularities. In philosophy, this mode of inquiry is classically associated with Immanuel Kant's insistence that analysis must begin by specifying the conditions under which experience and judgment are possible. In social theory, analogous concerns appear in systems theory, particularly in Niklas Luhmann's emphasis on reproduction as the defining feature of social systems, and in institutional economics, where Douglass North foregrounded constraints and continuity over outcomes.

This paper does not extend these traditions. It occupies a narrower and more austere position: it specifies a binary existence threshold for fiscal–institutional systems. Either the system remains open across space and continuous across time, or it does not. Where it does not, institutional analysis gives way to ontological diagnosis.

3. The Minimal Axiom: $X \times Y$ under Going Concern

Institutional existence is treated here as a threshold condition, not a matter of degree. A fiscal–institutional system counts as a system only insofar as it remains jointly open across space and continuous across time under a going-concern constraint. This is not a claim about efficiency, legitimacy, or policy success. It is a criterion for distinguishing system-states from non-system states in fiscal–institutional analysis.

This section formalizes the minimal axiom governing fiscal–institutional existence. The axiom does not describe behavior, outcomes, or performance. It specifies the necessary and non-compensable conditions under which a fiscal–institutional system can exist as a system rather than collapse into a non-system state.

3.1 Why Multiplication, Not Addition

Institutional analysis frequently relies on additive or trade-off logics. Under such frameworks, deficits along one dimension may be offset by gains along another. For example, reduced intergenerational capacity is often assumed to be compensable through increased openness,

growth, or integration; likewise, spatial closure is sometimes treated as tolerable if internal continuity is preserved.

This paper rejects additive formulations on ontological grounds. Institutional existence is not a matter of degree, but of condition. A system either satisfies the minimal requirements for continuity or it does not. Accordingly, institutional existence must be expressed through a multiplicative, rather than additive, structure:

$$F = X \times Y$$

where:

- X denotes cross-jurisdictional fiscal movement (spatial openness), and
- Y denotes intergenerational post-tax capacity (temporal continuity).

Under a multiplicative formulation, the collapse of either dimension drives institutional existence to zero. If $X = 0$, the system becomes fiscally closed and incapable of exchange or adaptation. If $Y = 0$, the system exhausts value within the present generation and ceases to reproduce itself over time. In either case, the result is not diminished performance but **ontological failure**.

The multiplicative structure therefore encodes non-compensability. No magnitude of strength along one axis can offset the absence of the other. This feature distinguishes ontological conditions from policy variables, which are typically modeled as adjustable and substitutable.

3.2 Against Linear Trade-Off Models

Linear trade-off models implicitly assume that institutional systems persist regardless of internal configuration, and that analytical attention should focus on optimizing outcomes within an already-existing structure. Such models are well-suited to questions of allocation, efficiency, and equity, but they presuppose the very continuity this paper seeks to specify.

From an ontological standpoint, trade-off reasoning is misplaced. The question is not how to balance spatial openness against temporal continuity, but whether both remain structurally non-zero. A system that is globally integrated but temporally exhausted does not exist as an institution. Likewise, a system that preserves internal continuity while remaining fiscally sealed from external constraint does not exist as an institution. These failures are categorical, not marginal.

The axiom $X \times Y$ therefore functions as a binary threshold, not a scalar index. It separates system states from non-system states and determines whether institutional analysis remains meaningful at all.

3.3 Going Concern as an Existence Operator

The multiplicative condition alone is insufficient without a constraint specifying how X and Y are required to operate over time. This constraint is captured by the concept of going concern, adopted here not as an accounting convention but as an ontological operator.

In accounting theory, the going concern assumption stipulates that an entity is presumed to continue operating into the foreseeable future unless liquidation is unavoidable. Transposed to the institutional domain, going concern functions not as an assumption but as an existence requirement. It enforces the condition that spatial openness and temporal continuity must be sustained dynamically, rather than satisfied momentarily.

Formally, institutional existence is therefore expressed as:

$$F = (X \times Y) \text{ under Going Concern}$$

Here, going concern is not a variable that can be increased or decreased. It is an operator that constrains admissible configurations of $X$and Y. A system that temporarily satisfies both dimensions but does so by depleting future capacity violates the going concern condition and therefore fails the existence test.

This framing aligns with broader philosophical treatments of existence conditions, where continuity is treated as constitutive rather than incidental. As with the classical *conditions of possibility* tradition associated with Immanuel Kant, the concern here is not empirical persistence but logical viability.

3.3.1 Ontological Keystone

Structural Fiscalistics (SF) specifies institutional existence as a coupled requirement of structural circulation and epistemic respiration under a going-concern constraint. Fiscal Geometry (FG) renders the system's executable structure—routes, boundaries, and path constraints through which fiscal quantities and classifications move across jurisdictions (X) and across generations (Y). Fiscal Epistemology (FE) provides the viability condition that makes such rendering possible over time: a continuous intake–admissibility–processing–discharge cycle through which rule signals and fiscal traces enter the system, are filtered into decision-grade evidence, and are released as reproducible structural states rather than narrative substitutions. Under this coupling, going concern is not treated as a background assumption but as an operative constraint: a system persists as an institution only insofar as non-zero circulation (X×Y) remains jointly sustainable with non-zero epistemic respiration. When either circulation collapses (closure or generational exhaustion) or respiration fails (admissibility breakdown and loss of trace-based processing), the object of analysis ceases to be an institution in the strict sense; what remains may be policy text or semantic coherence, but not an executable institutional system. (Luhmann, 1995; Simon, 1962)

3.3.2 Fiscal Epistemology as Respiration: Admissibility and Viability

Within SF's physiological rendering, FG specifies the circulation of fiscal forms, while FE specifies the respiration that sustains institutional viability. FE operates as an admissibility filter: the system "inhales" fiscal and legal signals (statutory rules, classifications, reporting interfaces, and source traces), and filters them into decision-grade traces—inputs that remain traceable, routable, and replayable under rule constraints. Where admissibility fails—where traces cannot

be stabilized into accountable inputs—analysis shifts from executable structure to narrative completion, producing apparent coherence without operational intelligibility.
This respiration is also dynamic: admissible traces are processed into structural renderings and released as readouts of institutional state (paths, bottlenecks, boundary pressures, and constraint configurations). Without this inhale–process–discharge cycle, the going-concern constraint becomes non-operative: the system loses the informational viability required to maintain coherence under changing boundary conditions, even if policy text continues to accumulate. In SF, institutional persistence therefore requires both circulation and respiration: no circulation without respiration, and no respiration without circulation, under the same existence constraint. (Luhmann, 1995; Floridi, 2011)

3.4 Tax Law as Filter, Boundary Condition, and Hinge

Within this axiom, tax law occupies a structurally unique position. It is neither an outcome nor a policy instrument in the ordinary sense. Instead, it functions simultaneously as:

1. **A filter**, classifying fiscal events into public and private forms through rules of recognition, inclusion, and exclusion.
2. **A boundary condition**, defining the legal pathways through which capital, obligations, and entitlements may traverse jurisdictions.
3. **A hinge**, mediating conversion between public capital (pre-tax, institution-bound) and private capital (post-tax, transferable).

Tax law therefore determines the admissible mappings between $X$and Y. It governs how spatial movement affects temporal continuity and how intergenerational transmission is conditioned by jurisdictional rules. Excessive restriction along either dimension—whether through enforced closure or unsustainable extraction—manifests as structural pressure on the other, producing what this paper elsewhere describes as institutional tension.

Crucially, tax law does not "optimize" the system. It constrains existence. Its role is ontological before it is distributive.

3.5 The Axiom as Ontological Boundary

Taken together, the multiplicative condition and the going concern operator define a minimal axiom of fiscal–institutional existence. The axiom is not derived from empirical observation, nor does it require empirical validation. Its function is classificatory: it distinguishes institutional systems from configurations that may exhibit activity, governance, or policy complexity but lack the structural conditions required for continuity.

Once this axiom is violated, further institutional analysis becomes incoherent. Questions of reform, efficiency, or justice presuppose a system capable of persisting across space and time. Where that presupposition fails, analysis must shift from policy evaluation to ontological diagnosis.

4. Positioning in the History of Thought: Locating the Ontological Layer

This paper does not seek validation through intellectual lineage, nor does it attempt to extend or reinterpret existing schools of thought. Its aim in this section is strictly positional: to locate the level at which the present argument operates within the broader history of social and philosophical inquiry. The figures referenced below are not sources of authority, but coordinates marking prior engagements with the same class of questions—namely, the conditions under which systems can be said to exist at all.

4.1 Conditions of Possibility

In addressing institutional existence as a prerequisite for analysis, this paper aligns structurally with the tradition inaugurated by Immanuel Kant. Kant's inquiry into the *conditions of possibility* did not concern empirical outcomes or normative ideals, but the preconditions under which experience and judgment could occur. Similarly, the present analysis does not evaluate institutional performance; it specifies the minimal conditions under which fiscal–institutional systems can be meaningfully said to exist as objects of analysis.

The alignment is methodological rather than doctrinal. Where Kant examined the transcendental conditions of cognition, this paper examines the ontological conditions of institutional continuity across space and time.

4.2 System Continuity and Reproduction

The emphasis on continuity situates this work alongside systems-theoretical approaches, particularly those associated with Niklas Luhmann. Luhmann defined social systems not by their functions or purposes, but by their capacity for self-reproduction through time while maintaining operational boundaries. The present paper adopts a comparable stance: institutional existence is defined not by policy outputs, but by the sustained reproduction of fiscal structure under constraint.

The difference lies in formalization. Where systems theory emphasizes communicative closure and autopoiesis, this paper specifies concrete spatial and temporal conditions—cross-jurisdictional movement and intergenerational capacity—as non-negotiable requirements for institutional being.

4.3 Reproduction Across Generations

The role of intergenerational transmission positions this work in structural dialogue with the reproduction logic articulated by Karl Marx. Marx's analysis of capital reproduction foregrounded the necessity of continuity across production cycles and generations, independent of surface-level fluctuations. The present framework similarly treats generational transmission not as an outcome of policy, but as a structural requirement for system persistence.

This is not a revival of Marxian political economy. Rather, it is a recognition that any institutional system—regardless of ideological orientation—ceases to exist once it can no longer transmit capacity forward in time.

4.4 Institutions as Constraints Rather Than Outcomes

Finally, the treatment of tax law and fiscal structure as boundary conditions aligns with the institutional perspective associated with Douglass North. North emphasized institutions as constraints shaping feasible action sets over time, rather than as instruments optimized for particular outcomes. The present paper occupies a neighboring position: tax law is not analyzed as a policy lever, but as a structural filter that conditions whether institutional continuity remains possible.

Where institutional economics often examines how constraints affect performance, this paper asks a prior question: whether those constraints preserve the system's existence across jurisdictions and generations.

4.5 Distinct Contribution

The common thread linking these traditions is their concern with preconditions rather than outcomes. The contribution of this paper lies in specifying a minimal, formal criterion for fiscal–institutional existence that renders such preconditions explicit. It does not synthesize these traditions, nor does it claim descent from them. Instead, it introduces Structural Fiscalistics as an upstream ontological layer within social science—one that determines when institutional analysis is conceptually admissible, and when it is not.

5. Why This Is a Social Science Ontology

In much of social-science research, questions of institutional design and reform are addressed without first asking what it means for an institution to exist as a system in the first place. Analysis typically proceeds directly to outcomes, effectiveness, or legitimacy, while the conditions that make institutional structures intelligible and reproducible over time remain implicit. The argument developed here operates at that prior level. It treats institutional existence not as a matter of policy choice or national context, but as a problem of structural conditions—conditions that must hold if a fiscal–institutional arrangement is to remain analyzable as a system rather than dissolve into a collection of disconnected measures.

5.1 Not Country-Dependent: A Coordinate, Not a Case

The paper's central criterion does not depend on the institutional details of any particular country. It does not assume a specific welfare model, tax base, administrative capacity, or constitutional structure. Instead, it defines institutional existence in terms of two constitutive dimensions—spatial openness (cross-jurisdictional fiscal movement, X) and temporal continuity (intergenerational post-tax capacity, Y)—operating under a going-concern constraint. These

dimensions are not empirical summaries of a place; they are **coordinates** that any fiscal–institutional system must occupy in order to remain a system at all.

This is a standard ontological move: rather than describing what a system does in one environment, the paper specifies what must be true for the system to be intelligible as a system in any environment. In that sense, the framework functions like a *conditions-of-possibility* inquiry—methodologically adjacent to the tradition associated with Kant—without importing Kantian doctrine. It is the level of the question ("what must be true for X to be possible?") that is relevant here. (Kant, 1781/1998)

5.2 Not Policy-Dependent: Upstream of Reform

The framework is also independent of specific policies. It does not require, for example, a particular tax rate schedule, a particular transfer program, or a particular education funding model in order to "work." Policy proposals operate downstream: they assume a system that exists and ask how to improve it. This paper operates upstream: it specifies the conditions that make institutional persistence possible in the first place.

This upstream orientation is consistent with systems-theoretical thinking where continuity and reproduction are treated as defining features of systems rather than as outcomes of policy choice. Luhmann's formulation is useful as a coordinate here: systems are distinguished by their capacity to reproduce themselves under boundary conditions, not by the desirability of their outputs. (Luhmann, 1995) The present paper's contribution is to express that continuity requirement through a minimal, formal criterion grounded in fiscal structure.

5.3 Not Normative: Existence Conditions, Not Values

A third feature is the absence of value commitments. The paper does not argue that a particular distribution is morally superior, that a specific institutional arrangement is fair, or that certain policy ends ought to be pursued. Its claim is strictly classificatory:

- If spatial openness collapses ($X \to 0$), institutional existence fails through closure.
- If temporal continuity collapses ($Y \to 0$), institutional existence fails through generational discontinuity.
- If going concern is violated, the system fails the continuity test even if short-run activity remains.

Because the criterion is framed as a necessary condition, it does not require normative language to operate. This is why the paper can serve as an ontological layer within social science: it sets the admissibility condition for downstream evaluative or reform-oriented analysis.

5.4 The Dual-Capital Distinction as Ontological Minimum

To make the existence criterion structurally readable, the framework relies on a minimal distinction between public capital and private capital, not as an ideological claim but as an ontological minimum.

- **Public capital** is institution-bound, pre-tax, and operationally routed through rule-defined collective containers (budgets, statutory programs, administrative allocation).
- **Private capital** is post-tax, transferable, and capable of intergenerational conveyance through legal and financial instruments.

Tax law functions here as the filter and hinge that classifies, converts, and routes fiscal events across these two forms. This location of tax law as a constraint structure (rather than a policy lever) is consistent with institutional economics' emphasis on institutions as rule-bound constraints shaping feasible sets over time. (North, 1990)

The dual-capital distinction is therefore not introduced to "explain inequality," but to render the existence criterion operational: *X* and *Y* become readable only when the system's fiscal substance is recognized as moving in two structurally distinct forms.

5.5 Arterial/Venous Mapping as Structural Correspondence

The paper also uses an arterial/venous mapping as a structural correspondence, not a metaphor. The mapping is introduced to highlight a specific property required by going concern: continuous circulation under constraint.

- "Arterial" flow corresponds to public-capital routing: concentrated provisioning and institution-bound delivery.
- "Venous" flow corresponds to private-capital routing: distributed post-tax capacity and intergenerational conveyance.
- The existence of the system depends on both directions remaining viable: provisioning without return is depletion; return without provisioning is starvation.

This correspondence is not offered as biological reductionism. Its function is strictly structural: to clarify why the framework treats continuity as a non-negotiable existence constraint. In systems terms, the mapping emphasizes that institutional persistence is not a static stock but a maintained circulation—an orientation that aligns with general systems thinking about stability under feedback. (Simon, 1962)

5.6 Minimal Portability as a Social-Science Criterion

Putting these pieces together, the paper's framework qualifies as a social-science ontology because it meets a minimal portability requirement:

1. **It is not country-specific**: it defines coordinates, not cases.
2. **It is not policy-specific**: it is upstream of reform proposals.
3. **It is not normative**: it specifies existence conditions rather than values.
4. **It is structurally minimal**: it relies only on the dual-capital distinction and the tax-law filter that necessarily mediates it in modern fiscal states.

This is the intended role of Structural Fiscalistics at the ontological level: not to replace downstream social science, but to provide an upstream criterion for when "institutional analysis"

is conceptually coherent—i.e., when the object of analysis remains an institution in the first place.

6. Conclusion: Closing the Ontological Gate

This paper has advanced a narrowly defined claim. It does not propose a new policy agenda, a reform program, or a causal explanation of institutional outcomes. Its contribution is ontological: it specifies the minimal criterion under which a fiscal–institutional system can be said to exist as an institution rather than collapse into a non-system state.

The criterion is expressed as an existence condition rather than a performance index:

$$F = (X \times Y) \text{ under Going Concern}$$

where X denotes cross-jurisdictional fiscal movement, Y denotes intergenerational post-tax capacity, and going concern functions as an existence constraint that requires these dimensions to remain jointly viable over time. The multiplicative structure encodes non-compensability: if either dimension collapses toward zero, the system fails the existence test, regardless of short-run activity or surface-level dynamism. Under this formulation, institutional breakdown is not defined as inefficiency, inequity, or misalignment; it is defined as **ontological failure**—the loss of continuity across space and/or time.

By treating tax law as a structural filter and hinge—rather than a policy lever—this paper positions fiscal classification and routing as upstream determinants of institutional intelligibility. In doing so, it situates Structural Fiscalistics as an ontological layer within social science: a prior gate that determines when institutional analysis is conceptually admissible and when it is not. This gate is not a matter of disciplinary preference. It is a logical boundary: reform discourse presupposes a system; where the existence criterion fails, reform discourse becomes analytically misplaced.

Future work can proceed in two directions, without altering the ontological core established here. First, the criterion can be operationalized through empirical mapping: identifying how real fiscal rules and boundary conditions instantiate X, Y, and going concern within specific institutional settings. Second, the framework can be extended through field-specific applications, where the same existence criterion is used to structure analysis in domains such as education finance, welfare administration, cross-border taxation, or AI-assisted governance environments. These directions are acknowledged only to mark scope; they are not undertaken in this paper.

The paper therefore ends where it began: not with recommendations, but with a definition. If an institutional system cannot sustain non-zero cross-boundary fiscal openness and non-zero intergenerational post-tax continuity under a going-concern constraint, it is not meaningfully analyzable as an institution. It is, structurally, a non-system state. This is the minimal ontological threshold that Structural Fiscalistics introduces into social-scientific inquiry.

References

Floridi, L. (2011). *The philosophy of information*. Oxford University Press.

Kant, I. (1781/1998). *Critique of pure reason* (P. Guyer & A. W. Wood, Trans.). Cambridge University Press.

Luhmann, N. (1995). *Social systems* (J. Bednarz Jr. & D. Baecker, Trans.). Stanford University Press.

Marx, K. (1867/1990). *Capital: A critique of political economy, Volume I* (B. Fowkes, Trans.). Penguin Classics.

North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge University Press.

Popper, K. (1959). *The logic of scientific discovery*. Routledge.

Simon, H. A. (1962). The architecture of complexity. *Proceedings of the American Philosophical Society*, 106(6), 467–482.