

Hard-currency bureaucracies in the Eastern Bloc during late socialism

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Abstract: A growing body of recent scholarship has examined hard-currency shops in Eastern Bloc countries as sources of constitutive tensions of late socialism, contributing to the emergence of a stratified, two-tier consumer society. However, “dollar shops” are mainly analyzed as forms of retail rather than as the endpoint of a broader administrative apparatus built to capture convertible currency. The present study advances the concept of “hard-currency bureaucracies” to examine a broader infrastructure, which also includes diaspora remittances. Drawing on a corpus of 15 academic articles discussing hard-currency shops and the mechanisms through which socialist states gathered foreign money, this study uses qualitative content analysis to configure a theoretical model of hard-currency bureaucracies. Results present the institutional hierarchy, the supply chain, consumer categories, types of goods and payment instruments, as well as the factors that have favored or, on the contrary, limited the development of the system. Such a model offers a heuristic point of reference rather than a description of any single case. By synthesizing dispersed, largely national literatures into one comparative framework, the research extends the understanding of the phenomenon and situates it within a transnational perspective.

Keywords: *remittances; cross-border flows; shortage economy; operational models; parcels.*

TITLU: „Birocrațiile valutare din Blocul Estic în timpul socialismului târziu”

REZUMAT: Numeroase cercetări recente au abordat magazinele cu vânzare în valută din țările Blocului Estic ca sursă de contradicții interne inerente socialismului târziu, prin apariția unei societăți de consum stratificate. „Shop-urile în dolari” sunt însă analizate preponderent ca forme de retail, și nu ca o verigă a unui aparat administrativ amplu, instituit în vederea captării valutei convertibile. Studiul de față propune conceptul de „birocrăție valutară” pentru a examina o infrastructură mai largă, care include și remitențele din diaspora. Pe baza unui corpus de 15 de articole academice care discută magazinele cu vânzare în valută și mecanismele prin care statele socialiste colectau resurse valutare, studiul de față folosește analiza calitativă de conținut pentru configurarea unui model teoretic al birocrăției valutare. Rezultatele analizei prezintă ierarhia instituțională, infrastructura comercială, categoriile de consumatori, tipurile de mărfuri și instrumentele de plată, precum și factorii care au favorizat sau, dimpotrivă, au limitat dezvoltarea sistemului. Modelul astfel construit trebuie înțeles ca un instrument euristic, și nu ca descrierea empirică a unui caz național particular. Prin integrarea literaturii de specialitate într-o schemă comparativă unitară, studiul aprofundează înțelegerea fenomenului și îl plasează într-o perspectivă transnațională.

CUVINTE-CHEIE: *remitențe; fluxuri transfrontaliere; economie deficitară; modele operaționale; colete.*

Introduction

1980s, somewhere in the Eastern Bloc. A retail store.

The shelves display a variety of merchandise, neatly arranged by category: beverages, cigarettes, sweets, home electronics, cosmetics, clothing and footwear, as well as a selection of handcrafted goods and memorabilia that capture the local culture.

Looking closer, several brands can be spotted, mainly Western: Cinzano, Tuborg, Johnny Walker, Kent, Pall Mall, Akai, JVC, Rifle Jeans, to name just a few. Local brands are also present but identifying them would require specifying the store's exact location. Why? Because such outlets selling both foreign and local products could be found in larger cities from all countries of the Eastern Bloc.¹ During the Cold War, communist regimes established

this type of retail networks often dubbed “dollar shops.” In Poland they were called Baltona and Pewex, in Czechoslovakia – Darex (later Tuzex), in Hungary – IKKA (later Intertourist), in East Germany – Intershop (and Genex, a mail-order service), in Romania – Comturist, in Bulgaria – Corecom and in USSR – Beryozka.

The stores were state-controlled and accepted payment in convertible foreign currencies (or vouchers), offering imported consumer goods and high-quality domestic products that were otherwise unavailable locally. By absorbing the cash-flow from tourists, citizens working temporarily abroad, remittances from diaspora and other forms of external income from individuals, authorities sought helping finance essential imports and service debts. Towards the late 1970s and 1980s the hard-currency shops have become a prominent (if paradoxical) characteristic of socialist economies.

Despite uneven national coverage, the current state of research on this subject provides a solid basis for comparing the shared features of “dollar shops,” recently documented by Svetla Boneva (2025, 30), and conceptualized as “intermediaries between the planned economy and the limited market elements that socialist regimes allowed in their pursuit of financial stability and modernization.” The present paper takes the discussion a step further by reframing these shops as the visible endpoint of a wider institutional infrastructure.

The socialist “dollar shops” – an ideological anomaly?

The existence of hard-currency shops across the Eastern Bloc did not go unnoticed by contemporary analysts such as J. L. Kerr from Radio Free Europe/Radio Liberty Research Institute, who observed that the outlets shared the same rationale, of extracting foreign money, while the regimes accepted and even allowed to flourish such “sturdy indefensibles” (Kerr 1977, 2-6). Shortly after 1989, the “dollar shops” were discussed tangentially in articles concerning monetary reforms, with the notable exception of a study by Glowacki & Zurawicki (1991), who explored how the commercial strategies of Pewex and Baltona influenced on the long run Polish buyers’ perceptions and behavior. Dedicated studies of hard-currency shops emerged with Jonathan Zatin’s (1999; 2007) pioneering works on the Intershop and Genex as markers of socialist consumerism and monetary politics in East Germany. Other country-specific studies followed, highlighting various aspects of processes by which socialist regimes developed hard-currency retail (Guentcheva 2009; Bren 2012; Ivanova 2013; Havlík 2019; Gagyiova 2021; Kalabinski 2021; Czene-Polgár 2021; Andor 2022; Boneva 2025; Bardan 2025), while another strand of research discussed the topic within broader studies of socialist consumption, informal economies and black market (Wasiak 2015; Kochanowski 2017; Bardan 2022).

Most articles focus on individual countries; they echo insights grounded in a regional perspective and reveal differences in the operational models of the hard-currency shops. Collectively, the studies depict such commercial endeavors as sources of constitutive tensions inherent to late socialism, which generated what the socialist subject experienced as a two-class consumer society, despite the egalitarian discourse promoted by the state. Why so?

Access to imported Western goods depended less on recognized socialist merit than on legal possession of foreign currency, via employment abroad or connections with relatives in the West (Zatin 2007; Guentcheva 2009; Bren 2012). The system therefore disadvantaged citizens without access to transnational networks and created new status based on currency and consumption. These inequalities challenged the official image of a classless society and, in some cases, competed with traditional hierarchies based on party membership or political loyalty (Guentcheva 2009; Ivanova 2013; Gagyiova 2021).

By selling imported merchandise, the “dollar shops” also exposed the gap between the ideological rejection of capitalism and the state’s engagement with Western markets, currencies, and consumer goods. They were seen as part of an “anti-systemic” phenomenon (Havlík 2019, 86) or as limited market enclaves (Boneva 2025) at odds with the principles of the planned economy. This contradiction was particularly visible in the work of employees and officials who were expected to condemn Western capitalism while simultaneously promoting

and managing its commodities (Zatlin 2007; Guentcheva 2009; Bren 2012). Another anomaly stems from the challenge that these shops posed to the socialist monetary system. Jonathan Zatlin (2007, 12) highlights the conundrums raised by the regime's growing reliance on the West German mark, which undermined both the practical and symbolic value of the East German money. The devaluation of local currency occurred similarly elsewhere, showcasing the limited credibility of socialist money and the state's dependence on Western currency.

Finally, the "dollar shops" appear as sites where symbolic meanings were reshaped. They rendered visible the appeal of Western consumer culture, even though many of the goods remained inaccessible to much of the population. Functioning as a "window-shop of capitalism" (Guentcheva 2009, 18), these outlets offered a material contrast between socialist scarcity and Western abundance. This contrast extended beyond the commercial sphere into domestic life, since people proudly displayed empty bottles and packaging from Western products as decorative objects in their homes (Zatlin 2007, 257; Chelcea 2002, 35).

Drawing on insights from the existing scholarship, I turn to an understudied complementary system that pursued a similar objective as the socialist "dollar shops": collecting remittances from diasporic communities via gift-packages destined to families and social ties in the country. I aim to address this gap by shifting the focus from the shops themselves to the bureaucratic apparatus that developed and managed a broad range of commercial activities involving the capture of hard currency.

Conceptual framework, research question and methodology

The hard-currency shops were in fact part of a multi-layered economic infrastructure, rather than just a range of special outlets. These stores were the retail end of a system linking supervising authorities, foreign-trade or tourism enterprises, financial institutions and procurement bodies. The system was not new and stemmed from Torgsin, a chain of shops opened in the USSR in the early 1930s.

Elena Osokina's study (2021, 3) offers a useful starting point, by treating Torgsin as an institutional actor embedded in a "large-scale state entrepreneurship" within the centralized economy. Torgsin had been created to transform the gold, currency, and jewelry held by the population into resources needed for the industrialization process. After the famine of 1932–1933, a significant part of private reserves had already been absorbed, and the improvement in supply reduced the pressure that led people to sell their goods for food. Moreover, Torgsin was liquidated during the early 1936, once the Soviet leadership sought to stabilize the ruble and return to tighter control over foreign exchange. Conceived as an emergency entrepreneurial institution, Torgsin was tolerated by the state as long as it produced value. When economic performance declined, the institutional exception was eliminated.

The commercial model pioneered by Torgsin resurfaced in the 1970s–80s, this time across the entire Eastern Bloc. Its revival reflected the deteriorating capacity of socialist economies to service their external debt under the cumulative impact of the 1973 and 1979 oil crises and the increasingly competitive global economic environment. This briefly summed context explains the need to secure hard currency through mechanisms extending beyond international trade alone. Building on Osokina's approach, I shift the unit of analysis from a single institution, the "dollar shop," to a broader system I conceptualize as "hard-currency bureaucracy," in which the shop is an output, not a source. The choice of the term *bureaucracy* is not neutral and mirrors how the commercial activity functioned within the centrally planned economy and was embedded in strict administrative hierarchies.

I therefore consider an economic infrastructure whose purpose was to capture, retain, and redirect convertible currency collected through retail and remittances, via various mechanisms like vouchers, money-orders, gift-packages etc. A defining characteristic of the hard-currency bureaucracy is that foreign-exchange transactions were conducted mainly inside the socialist state; also, it was distinct from the ordinary retail system using local money and from the business-to-business deals operated by local foreign-trade enterprises.

These observations provide the basis for exploring how the financial goals of hard-

currency bureaucracies shaped their organizational framework, from institutional actors and chains of command to facilities, operating procedures and routine workflows. While existing scholarship has documented several aspects pertaining to how foreign money was retrieved, the findings remain dispersed across separate case studies. The following research question was set to bridge the data into a coherent analytical synthesis:

Q: How were hard-currency bureaucracies organized and how did they function during late socialism?

A two-fold methodological approach was required to ensure that the outcome remains grounded in empirical material. The first stage consisted of systematically extracting and classifying data throughout an inductive qualitative content analysis (Bardin 2003) applied on a corpus of 15 academic papers. Thirteen studies, already discussed in the literature review, directly address the mechanisms of hard-currency acquisition, while additional sources on Albania were identified via a key-word search using “hard-currency shop” on two academic platforms, Google Scholar and ResearchGate. Each article was examined for factual information on how the strategy was translated into a practical framework for field operations. Scholarly interpretations, as well as the perceptions of historical actors cited within the articles were excluded from the coding scheme.

In the second stage, the selected data was compared iteratively to identify recurring features and to build up a heuristic baseline, resulting in an ideal-type model of hard-currency bureaucracy. This model is not understood as a fixed structure reproduced in the same form across all socialist states, but as a set of variables combined differently in Albania, Bulgaria, Czechoslovakia, the GDR, Hungary, Poland, Romania and USSR.

Analysis and results

The analysis began with an exploratory review of the sources included in the corpus (Bardin 2003, 126), aimed at identifying and operationalizing the persistent components of the bureaucratic infrastructure under examination. These components included the emergence and evolution of the institutions, the actors involved and their chains of command, their clients, the goods exchanged, and their modes of operation. Additional analytical categories captured the factors that either facilitated or constrained the development of hard-currency bureaucracies. The information was then organized in a database and systematically cross-referenced from each country case. The resulting model depicts the maximum potential architecture of a hard-currency bureaucracy assembled from the evidence contained in the corpus and provides a point of reference against which variations across the socialist bloc can further be identified.

Mission

At its apex, the hard-currency bureaucracy was governed by an instrumental design based on a political input considering that convertible currency is indispensable to the regime's survival, whether to service external debt, finance imports of technology, or cushion the balance of payments against declining terms of trade.

Since foreign currency was framed as a strategic resource, its systematic acquisition became a central state priority. This imperative was pursued through several parallel channels: inbound tourism, emigrant and diaspora remittances, the earnings of citizens working abroad, and dedicated foreign-trade operations targeting individual consumers. Each channel was feeding the administrative apparatus from a different source, which could be highly visible in the urban landscape, such as the “dollar-shops,” less accessible, as the diplomatic shops or it functioned as a more discreet point of sale, in the form of mail-order services.

Organizational hierarchy

The layered chain of command is a strong feature that gives the model its bureaucratic character. At the top stands a ministry, most often Foreign Trade, though Tourism, Domestic or Internal Trade, and occasionally Finance could hold overlapping or successive jurisdiction. The hierarchy could also change without altering the system's purpose. The top institution received the mandate to generate hard currency and delegated its execution to a subordinate body. The latter typically emerged as an internal department or a state-owned enterprise attached to an existing institution (a transport company, a national tourism agency, a chamber of commerce) before evolving, often within a decade, into an autonomous foreign-trade enterprise with its own balance sheet and financial self-sufficiency. Such an economic status came with the right to negotiate directly with foreign partners, but also implied the fulfillment of annual plans, sales and surplus targets. Above this operational tier, a smaller and more secretive coordinating body could exist to manage hard-currency operations across several enterprises at once, staffed in part by personnel of the Security services (i.e. the secret police) and shielded from ordinary administrative or public scrutiny. State banks completed the architecture, issuing vouchers, mediating money transfers or operating dedicated hard-currency accounts. Additionally, specialized agencies which handled royalties, authors' fees, pensions, or inheritances fed currency into the system from narrower sources.

This arrangement created a semi-autonomous corridor within the planned economy: it was commercially flexible enough to attract currency but also politically subordinate to maximize state control of the foreign-exchange yield and centralized oversight of its use. Strict regulations limited import spending and prescribed the surplus required from sales of Western goods.

The supply chain

Two main forms can be identified within the retail network, according to the mode of customer access and transaction: store-based retail and distance selling.

(1) The brick-and-mortar retail encompassed a wide range of physical sales formats, including stand-alone shops, kiosks, retail outlets located within hotels, and points of sale operated at hotel reception desks, or established along major transport routes and at transit hubs. At the most exclusive tier, diplomatic stores were accessible solely with official identification, and offered goods at lower prices, free of duties and taxes.

(2) The mail-order services operated from physical premises but conducted transactions remotely. This division relied on commercial catalogues, had external partners and enabled migrants to purchase goods and services for relatives in their home country. Gift-package deliveries soared particularly around major holidays.

What united these two retail forms was their capacity to detach foreign money from private circulation and connect it to a state-managed transaction. Over time, the logistical infrastructure grew locally with warehouses, warranty and repair services. Foreign sales representatives consisted mainly of tourism agencies. These small units were usually conducted by émigré compatriots who developed money transfers and parcel operations as a side activity and worked closely with a dedicated foreign trade enterprise in the socialist country. At maximal scale, the operational footprint was embedded within a broad transnational logistical system, tailored according to the localization of larger diaspora communities.

Client portfolio

Each national bureaucracy managed a distinct portfolio of clients, shaped by tourism, labor export, diaspora relations, and mobile occupations. The system translated these profiles into differentiated purchasing rights. Identification documents (passports), accounts, vouchers, and institutional permits established who could enter a "dollar shop," what they could buy, and how they could pay.

Transactions with foreign customers, whether tourists, transit travelers, and diplomatic or

trade-mission personnel purchasing goods or exchanging currency, differed little from an ordinary international retail arrangement. What distinguished the hard-currency bureaucracy as a system was the extension of this arrangement inward, to the regime's own citizens. As such, they were sorted into a simple but effective binary hierarchy: those with legal access to hard currency, and those without. Among the first were the mobile professional categories who routinely crossed the border, such as sailors, pilots, flight attendants, international drivers, performing artists and athletes. Their per-diem allowances could be drawn into the system. A further category comprised citizens formally posted or contracted abroad, mainly in developing countries, whether as technical specialists, embassy staff, or workers. Their salaries became a growing share of hard currency collection over time, since a portion of their pay was converted into vouchers to be spent in "dollar shops." Beneficiaries of diaspora ties represented a particularly valued category, by the constant flow of money: relatives were receiving remittances, inheritances, pensions, or gift-packages. Citizens residing abroad and their family in the home country became thus a category that expanded sharply after waves of emigration and added to the legal sources of hard currency. Eventually, an unofficial layer of buyers emerged, with the figure of the middleman, the hustler, who purchased vouchers from legitimate holders and sold them to citizens excluded from the system, for domestic, nonconvertible currency.

Goods and services

The assortment included two main types of goods: imported merchandise and commodities from domestic production, usually intended for export and of a better quality. Their selection concentrated on what the ordinary retail distribution could not reliably provide, meaning almost any type of consumer goods: food and beverages, cosmetics, clothes and footwear, electronics and house appliances, vehicles, housing, building materials and fuel. The value was derived from the origin and the price of a product, but utterly and uttermost stood the ability to offer an advantage unavailable through ordinary distribution. This advantage could take the form of access to scarce goods, reduced waiting times, or the provision of services that would otherwise have been difficult to obtain.

Another way to consider the merchandise stems from a subjective scale of desirability, counter-balanced by the price. On a basic level sit daily goods: coffee, cocoa, tropical fruit, quality foodstuffs, tobacco, and spirits. They are followed by textiles, cosmetics, and household durables such as washing machines, refrigerators, color televisions, video cameras, hi-fi sets, and video electronics. Next come automobiles and real estate: apartments, summer houses, and even burial plots.

Remittances were sent via standardized gift parcels, pre-assembled in fixed price tiers and named or numbered for ease of ordering. The assortment mixed imported Western products with domestically manufactured export-quality goods. With the latter, the state could redirect otherwise exportable production toward the internal hard-currency trade.

Payment instruments

Payment instruments created the necessary distance between physical currency and the purchasing right exercised in a transaction. This monetary substitution allowed the state to retain the convertible funds while enabling its citizens to obtain goods or services without handling the foreign banknotes or coins.

Several such means were used: nominal vouchers or coupons tied to a specific store, a specific purchase, or an expiration date; blank, transferable vouchers; dedicated checks created to replace cash transactions once private currency possession was partially relaxed; and gift certificates or money orders issued abroad through partner companies and redeemed domestically. Bank transfers into dedicated hard-currency accounts complemented these instruments.

Opportunities and constraints

Convertible currency entered socialist economies through networks which extended beyond inbound tourism, although the latter was a prominent factor leading to the opening of “dollar shops” in the first place, amidst fears of alien influences. Migrants and temporary workers emerged as a continuous and expanding source of hard currency. Postal parcels initially connected diaspora households with recipients at home, but bureaucracies progressively seized this traffic and replaced it with domestic delivery carried out or issued by local foreign trade enterprises. This shift lowered transport costs, since parcel dispatch was domestic, made payments traceable and potentially recurrent with subscriptions, and enabled the state to retain the currency while satisfying both senders and recipients.

Diaspora ties also widened the clientele. Governments regularized the legal status of émigrés and established overseas representatives where migration communities were largest, capitalizing on the business needs of entrepreneurial migrants. Yet these opportunities were also vulnerable: direct visits allowed citizens living abroad to support relatives outside official mechanisms, and there were cases where diaspora generational change weakened participation. As such, remittances were both an opportunity for accumulation and a reminder that hard-currency bureaucracy could rest on the transnational relationships it channeled, but it could only partially control it.

The expansion of hard-currency bureaucracies depended on shifting external and internal factors, requiring actors to navigate unforeseen challenges and, at times, rely on trial-and-error approaches. The system operated effectively when strict foreign-exchange controls and high customs duties for individual consumers were combined with relatively permissive rules governing remittances, gift parcels, and other transnational transfers. Conversely, the liberalization of travel and customs regulations weakened the system by making foreign goods more accessible through private travel and direct imports. Its performance was also shaped by black-market conditions: a widening gap between official and unofficial exchange rates increased incentives to opt for illegal channels, albeit the risks, while goods bought from “dollar shops” were resold at higher prices.

The state’s persistent inability to provide an adequate and reliable supply of consumer goods and services meant also good business for the hard-currency apparatus. However, as new consumption models became more widespread, it prompted an increase in the share of imported consumer goods and the need to respond more rapidly to emerging demands, targeting unmet consumer need. Last, but not least, the working discipline was far from ideal and showcased similar organizational deficiencies that affected the wider socialist economy: poor customer service, weak labor, employee theft, and preferential sales through personal networks.

Discussion

Among the mechanisms feeding the hard-currency bureaucracy, remittances expose a less visible prevalent feature: the practice of selling domestically produced goods to domestic citizens for convertible currency. This was a practice that the local foreign-trade enterprises themselves labelled as “internal export.” The term surfaces most explicitly in Poland and Romania. The very name of Poland’s principal hard-currency chain (Pewex is an abbreviation of “Przedsiębiorstwo Eksportu Wewnętrznego”) translates as “Internal Export Company,” an expression that Kochanowski (2017, 99) aptly flags as a contradiction in terms. Goods manufactured in Poland, sold to Polish citizens on Polish soil, were nonetheless seen as exports simply because payment was made in foreign currency rather than złoty. By late 1970s, locally made products accounted for most of the revenue in these stores, meaning that the system increasingly captured hard currency not by moving goods across borders but by moving currency across counters. Romania developed a similar logic under the same label: because the merchandise never left Romanian territory, its sale for dollars was formally classified as “internal export,” encompassing everything from domestically manufactured cars and household appliances to apartments and spa treatments (Bardan 2025). The concept of

“internal export” sparked not from remittances, but from inbound tourism which was understood as an export in which the consumer moves to the product. Economists drew on the premise that any analysis of tourism consumption must recognize its distinctive spatial logic. As such, the consumer travels to the country, region, or destination where tourism goods and services are produced and consumed, rather than the products moving toward the foreign consumer, as in conventional exports (Ionescu 1973). While the argument was certainly not new in expert literature devoted to modern tourism, which also labeled it as “invisible” or “silent” exports (Vukonić 2018, 22), the application of this reversed logic in remittances cleared the path to normalize a commercial oxymoron.

This mechanism operated, less explicitly named but structurally uniform, elsewhere in the Eastern Bloc. In Hungary, a majority of goods on offer were domestically produced, and in the Soviet Union a substantial share of hard-currency store stock consisted of local production earmarked for export. Bulgarian stores displayed goods of domestic and socialist origin on counters kept separate from capitalist imports, yet both counted toward the same hard-currency plan (Guentcheva 2009, 21). In Czechoslovakia, domestically manufactured export goods stabilized at roughly one-third of total assortment (Havlík 2019). East German mail-order sales managed by Genex relied largely on domestic production before gradually shifting toward imports, while export-quality domestic goods were periodically inserted into hard-currency retail when shortages occurred (Zatlin 2007, 273). Starting with the early 1970s, “internal export” was no longer an oxymoron across the socialist states. It reflected an ambivalent commercial practice by redirecting production away from the ordinary economy and into a currency-earning circuit that never required an actual border crossing.

Another strong feature was the gradual detachment of the retail system from the goods it was built to sell. Hard-currency vouchers were issued as a substitute for cash and were redeemable only for merchandise on the shop floor. In practice, the informal middlemen known as hustlers, or dealers in coupons, bought and resold these vouchers, gradually stripping the transaction of the very goods it was designed to move. The mechanism reached its most absurd expression in Poland, where goods were bought with Baltona coupons, and resold back to the store for zloty. In late 1970s this practice no longer needed the transfer of goods: a person would simply present in the shop the coupon stating the dollar sum owed, and “the clerk would take the document and pay out the zloty to him in another window” (Kalabinsk 2021, 182). In this configuration, the “dollar shop” operated as an informal currency-exchange counter. The bureaucracy built to extract hard currency in exchange for goods ended up sustaining an economy in which the goods were, for a growing share of transactions, entirely absent.

A variation in the disconnection between the retail system and the merchandise can be identified in relation to time as a scarce resource. Katherine Verdery (1996, 40) explored how policies designed to manage austerity and repay foreign debt gradually reduced citizens’ control over their own time.ⁱⁱ Verdery termed this process the “etatization of time.” Socialist subjects had to devote more and more time (both labor and personal) to overcome the scarcity of essential goods and administrative services. In this respect, hard-currency bureaucracy increasingly “sold” an exemption from this hindered functioning of the socialist economy. This valuable commodity was time: the possibility of buying cars and apartments without joining a waiting list, securing building materials when regular supply was uncertain, or benefiting from a service without navigating the usual administrative delays. All these were virtually inaccessible to consumers holding only national currency, and devoid of informal connections.

By distributing goods and services that were difficult and time-consuming to obtain, hard-currency bureaucracies became integrated into the redistributive economy (Verdery 1996), adding to other constitutive tensions at the core of the socialist system. The hard-currency bureaucracy reversed the mechanism and provided an exit from the etatized temporal regime the same state had built. As I see it, this process describes, in fact, a single system from opposite ends.

Across the examples recorded in the corpus, this logic becomes manifest through the

catalogs used in the mail-order retail. Because they were institutionally traceable and periodically renewed, these sales instruments reveal how hard-currency bureaucracies responded both to the vagaries of the shortage-economies and the emergence of new consumption models.

Early catalogs were, in fact, more like leaflets, and evolved into more complex publications. Tuzex circulated specialized product catalogs, while Comturist also relied on foreign partners to print leaflets and annual brochures. Catalogs showcased at first lists with standardized food parcels, and later on expanded the range of products to appliances, vehicles, furniture, building materials and even holidays. By 1988, the East German mail-order catalogue Genex ran to some 240 pages and included roughly 3000 products (Zatlin 2007, 275), covering an entire consumer lifecycle, cradle to grave.

Time was there too, implicitly exchanged through gift packages, vouchers for services or via bundle packs. Again Genex, for example, offered vouchers for tailors, carpenters, and building contractors, and advertised car sales by pairing it with an insurance or a driver's courses for an extra price (Zatlin 2007, 276). From the mid-1980s, Poland's Pewex and Baltona sold videocassette recorders with a warranty service included (Wasiak 2020).

The final feature examined returns to the dollar shop, but with a distinct 1980s development: the branded outlet. Unlike earlier stores carrying mixed assortments, these shops sold the products of a single Western manufacturer, turning the retail space into a dedicated showroom. Hungary appeared the most advanced: Sony, Benetton and Pierre Cardin were brand stores opened since 1983 within the Intertourist network (Gagyiova 2021; Andor 2022). In Poland, Pewex transformed in 1987 one of its stores in Kraków into a Sony outlet. Baltona developed a similar partnership, but with Hitachi, a more affordable brand (Wasiak 2020). Their appearance marked a visible change in the urban landscape.

The socialist state (through Intertourist in Hungary, and Pewex in Poland) directly negotiated commercial contracts or joint ventures with Western firms, allowing them to operate under their own name within an already existing foreign exchange retail infrastructure. Therefore, the Western brand was "grafted" onto the state network. As such, the local foreign-trade enterprises, already having the infrastructure, chose to monetize the prestige of Western brands explicitly, as a strategy to increase sales.

Conclusions

This study aimed to move the analysis of hard-currency shops beyond these commercial units and deconstructed instead the broader administrative apparatus that produced them.

The ideal-type model developed here traces this infrastructure across its constituent variables: the institutional hierarchy descending from Party directives; the portfolio of clients, from foreign tourists to diaspora remittance recipients; a tiered assortment of merchandise; a set of parallel payment instruments; and the structural pressures that alternately fueled and constrained the system's growth. Diaspora remittances are an important component to the analysis. They show that the hard-currency bureaucracy displayed a non-negligible transnational footprint. The extent of the infrastructure's expansion, as well as the processes through which its institutional density developed is insufficiently explored. The present study has only scratched the surface of these broader dynamics.

Such prospects connect to the systemic shifts accounted by Alexei Yurchak (2006, 8) as the "internal paradoxes of life under socialism." The reason I draw from Yurchak's approach stems from the need to adopt the epistemological stance his work makes available, one in which apparent anomalies are put forwards as constitutive of how the system actually worked. It warrants examination of an infrastructure deeply embedded in the transnational networks linking socialist societies to the Western world and the Global South, whether through diaspora connections or through commercial partners, intermediaries, and procurement bodies operating across these regions.

The short trip back in time to the "dollar shop" I presented in the introduction, then, analytically opens its door onto an exploration with several avenues: how the mechanisms of

adaptation and resistance of the centrally planned economies were driven from within. This next step requires operationalizing the hard-currency bureaucracy empirically through archival research, in order to test how its variables functioned in specific national settings, on a case-by-case basis. A further question this study leaves open is whether the consumer differentiation produced by hard-currency bureaucracies should be understood primarily as a systemic malfunction of late socialist economies, or as the outcome of administratively designed and regionally shared modes of governance, shaped by the geopolitical coordinates of the Cold War, which were increasingly downplayed by emergent globalized economic, technological, and cultural flows.

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