

NOTES ON THE 500 EURO

On Mafias and Instituted Precarity



Theodoros Rakopoulos

Between 2001 and 2016, there was a purple paper commodity in circulation within the Eurozone that encapsulated the highest denomination within that currency union—and, indeed, the world. No other major economy¹ (not the United States nor the UK, for instance) had in circulation such a strong (in terms of its purchasing power) means of currency as the purple-coloured €500 note. It should come as no surprise that the vast majority of residents of many Eurozone countries (including Greece or Italy, the places where I have pursued fieldwork) actually never got to see the note up close during its sixteen years of circulation. For most, the €500 measurement never materialized as cash.

As it drew, in its brief life, the licit and illicit together in a symbolically loaded material artefact, the €500 note calls for a shift of analytical priorities in our understanding of money and the symbolic power of hard currency. This is because there is currently much demonetisation of cash, as it has been deemed a culprit of potential corruption. Certain cash units (especially strong denominational notes) have raised concern for their role in facilitating illicit dealings. But while polite bourgeois media and autocrats like India's prime minister Narendra Modi are busy demonising cash, other current economic practices,

such as the institutionalisation of precarious labour, go unnoticed and naturalised. This points to the need to review not so much the scandal of the existence of illicit cash markets in the midst of legality so much as the real—and obfuscated—scandal of devaluing labour within licit labour markets, where precarious workers are paid in small amounts of cash. Focusing on the corruption that cash, as a corrosive material, instigates in the economy entails a degree of fetishism that shies away from the real corrosive forces behind money (Dodd 2014): the unaccountable extraction of value from workers through the institutionalisation of precarity.

I argue that the very system that erupts with outrage about the shady and potentially criminal properties of cash allows routine precarisation to go unchallenged. I propose here to prioritise the internal contradictions of ostensibly licit markets over the obvious scandal of marginal illicit markets. The moral outrage of the €500 note is therefore as much about this devalorisation of labour as it is about its role in the illicit economy.

Shady Purple

After having been introduced in the licit euro economy, this valuable purple matter undertook a second life at the urban peripheries of Europe and beyond. Roberto Saviano's (2006) book, *Gomorra*, after it became a grassroots best-seller in its native Italy (2.25 million copies), attracted global attention to Southern Italy and the mafia—most specifically to Naples and its organised crime constellation, Camorra. One of the most intriguing chapters of the book speaks at length about the apparent 'obsession' among young *camorristi* with the €500 note. By virtue of the country's membership in the Eurozone, Italy and other crisis-affected countries participated in the circulation of extraordinary amounts of currency²

in a single banknote. And its *mafiosi* were reportedly delighted.

Conducting research in a Sicilian village where Cosa Nostra was the axis of the local economy throughout the 1980s and 1990s, a site that remains a mafia stronghold today, I came across not the note itself but similar narratives on its symbolic significance. They often diverged from a simple rendering of the note's embodiment of a certain dear amount of money to encompass a sense of a cultural symbolism. Cosa Nostra means '*our thing*': the term has been conceptualised in terms of an ensemble of social relations solidified in a 'thing'. In light of discussions on the materiality of moneyed exchange, however, we need to rethink the term 'our thing' in terms of its implicit materiality. This approach revisits the conversion (aptly named) of material culture into political economy. Such conversion is made explicit in the tangibility of the €500 'thing'. In the juncture of the material and business, we can benefit from reviewing certain artefacts that are common—in fact, central—to both the licit and the illicit market, in light of their cultural significance with certain groups with common economic interests, such as mafias.

In Cyprus, where I am currently pursuing research on the makings of a tax haven, big suitcases of money, often stuffed with the €500 bill would arrive to be banked in the island's erstwhile no-questions-asked banking system, especially until around 2004. Since then, the country rearranged its offshore status, not least due to entering the EU and, eventually, the Eurozone. Many among my current informants are, however, rightly pointing out that continuing Cypriot money scandals are peanuts in comparison to the 2018 Danske Bank debacle, a corruption case in the midst of ostensibly transparent Scandinavia and arguably one of the largest money-laundering cases in history—an outrage that has nothing to do with cash.³

The Danske Bank money-laundering case of about €200 billion was a cashless and shameless story that

amounts to many times the budget of many mafias (or, indeed, states). However, organised crime's fixity with the cashed economy that Saviano notes is indeed associated with the more territorial and face-to-face economy of classic mafias. A classic sociological example would be the *mesata*—the monthly cash pay to wives of imprisoned *camorristi*, taking place in a personalised fashion, with a respectful monthly visit to their doorstep. Some of the qualities that mafia men and *camorristi* often recognise in the note is its portability and accountability (aptly named). In a business environment that is criminalised and where amounts of money must be stored in safety and outside conspicuous circulation, the availability of a form of currency that capitulates the ability to carry vast amounts of money in one go (in a briefcase, in a pocket) is highly valued. A note apparently tailored for business also caters, in the grounded reality of Southern Italy, to the needs of *mafiosi*, who need liquidity in their affairs but fear to register their money in a system ostensibly inimical to them. Mafia is a capitalist enterprise, after all. If cashed territorial control is exorcised as 'mafia' while banking and big corporate scandals are portrayed as mere side-effects of the system, we must sharpen our analytical tools in the analysis of corruption (Gledhill 2003).

Nonetheless, global mafia and huge cash transfers—material or otherwise—can work together. It is estimated that the *'ndrangheta* (the Calabrian mafia), having acquired a quasi-monopsony situation in Medellín, imported 80 per cent of the cocaine consumed in Europe during the decade of the 2000s. The Calabrian organised crime actors, active on both sides of the Atlantic (largely working through kinship and origin ties, via the historical Calabrian diaspora in Colombia), have established *'ndrangheta* as the main middlemen in the cocaine importing business. This is because they allegedly always pay on time and eliminate other antagonists, as they presumably did in the Bratislava journalist murder case that

made international rounds in March 2017.⁴ Part of their success could be also attributed to the €500 note capacity to carry large amounts of money in need of laundering because bank transactions are often not possible in such circumstances and middlemen would, in the past, carry briefcases crossing the ocean themselves.

There is ample evidence to suggest that the Italian mafias' revenue is a fair share of the Italian GDP, at an estimated 7 per cent last decade (Calderoni 2014). Calabria is hailed by mainstream discourse as a 'failed state', a region living the 'contradiction' of being the poorest in Italy while hosting the presence of one of the most powerful mafias in the world. In this context, and as the majority of the Calabrian (or Italian, for that matter) population did not come across the €500 artefact, the *mafiosi* are amongst those most familiar with its material form. These high value notes, anthropological research also points out, can be associated with criminal networks (Maurer 2011: 357).

Rare Purple

The rarity of the purple note rendered it, therefore, ideal for shady dealings among the criminally powerful and the powerfully criminal. Its scarcity is, however, rooted in a broader political economy of inequality, one prioritising entrepreneurship (with criminal vicissitudes as its side effects) over formal wage labour. This is particularly significant in a context where €500 (encapsulated in a bank note 'thing' or as an abstract numeric sum) are increasingly becoming a rarity for many, a scarce matter in the midst of the crisis of Southern Europe largely caused by sovereign indebtedness. The €500 note implies, in this context, an average monthly wage for a young person, for many of these countries. In Greece, the *nominal* minimum wage, on which many young skilled workers are

employed, is €586, but most young people are paid less than that.

In Italy, there is no minimum wage legislation, but many of my interlocutors were hardly crossing the €500 threshold. The informal economy rampant in Italy or Greece would most often imply that, in fact, the worker might see their labour valorised per month in an amount considerably smaller than that note. In many cases, this monthly wage comes under the table, in informal, uneven deals between the employer and the cornered employee. The informality of such valorisation is interestingly mirroring the implicit promotion of informal deals mentioned above. University graduate informants in both Palermo and Thessaloniki were often in employment for a €300–€400 wage.

These young people ('young' being a contested, ambiguous term often used to expand and obfuscate their exploitation) live in the shady—but expanding—realm of the precarious informal economy of their respective cities. They did what in Italy is called '*lavoricchiare*' (doing small jobs, doing petty work, organising one's livelihood around stuff that cannot fully sustain one). All of them, and particularly those who were economically and financially active when the euro was introduced between 2001 and 2002, without a single exception, complained that the euro *changed their lives* for the worse. They all noted that their purchasing power was dramatically reduced ('what was 1,000 lire became 1 euro, that is 2,000 lire, overnight' was the Italian mantra I would hear) when the Eurozone was created. The Greeks were particularly adamant about how the euro was still a weight on their shoulders and a hindrance to any new job formation. Some were even nostalgic of the drachma, although those who would openly root for it were not too many. What was universally agreed upon was that the condition of precarity they experienced was to a large extent an outcome of the Eurozone policies—and the euro was the symbol of that process.

A particular significance was attached to the €500 bill. The note, remote from the majority of the populace that does not have access to steady wage employment, is often considered a ‘businessman’s note’, as many of my informants would sustain both in Sicily and in Greece. Interestingly, this shared jargon on both sides of the Ionian Sea might reflect an embedded stratification in the materiality of money. In what is a detachment from both sides of the coin (to paraphrase Hart 1986), many Europeans are unlikely to actually know or remember what the colour of the note is, never mind what it depicts.⁵

Apart from the obvious, symbolic scandal embodied in a piece of currency suggested to exacerbate illicit dealings, there is another scandal in place: the symbolic paradox that a note can be worth more than a wage. We should notice that the note is worth more than the *actual* minimum wage in a range of European countries as well as all of the Central and Eastern European area—barring Slovenia. This includes Eurozone economies like the Baltic countries and Slovakia. That means, in short, that millions of Europeans could be paid a month’s labour with one banknote—and still owe their employer money. This is particularly significant, if not indeed urgent, in a context where the €500 note implies an average wage for a precariously employed young person for most of these countries.

Purple Matter

Where does this leave us? The story of the €500 note calls for a renewed look on the materiality of money in the form of bank notes as artefacts of huge symbolic power and practical significance. This is because of its dual oxymoronic backdrop, firstly as an element of unintended facilitation towards organised crime and secondly as a material solidification of the intrinsic stratifications of

the newly precarious European economies. The euro is a postnation state currency, one that opens markets beyond nationalisms, evoking varying degrees of suspicion among national publics (Peebles 2011). It does not, in this agenda, have room for alleviating difference in purchasing power; on the contrary, it exacerbates that difference.

The euro operates as a straightjacket, a material formation for the new hierarchies of austerity, themselves embedded in long histories (Hart 2018). The transnational validity of the euro notes, with local differentiation in purchasing power, comes thus to symbolise the global life of austerity (Rakopoulos 2018) in its local contexts. This suggests that there is no contradiction between living under austerity and living within the Eurozone, the safe space of the largest economy in the world. In fact, these structural conditions are, to an extent, part of a zero-sum game in which one relies on the other because fragile postindustrial economies like Greece are integrated in a single currency with export giants that need a strong currency, like Germany (see Powers and Rakopoulos 2019).

Money surely *matters* as matter. Paying attention to that often-overlooked characteristic of cash economies, especially vis-à-vis criminal affairs, is important. However, it might also be productive to be reminded that drug dealings in the Deep Web and the Silk Road took place in the now universally celebrated cryptocurrencies (Ulfstjerne, this volume). It is in the cryptic, inside language of the algorithm that individual transactions on illicit commodities are made; thus, not only cash moneyed exchange bears the potential of corruption. Surely, the €500 note, with its materiality, stands as a case of institutional culprit for more generalised transactions of this sort. Yet to ascribe corruptive capacities to the materiality of cash money would mean to stick to a symbolic anthropology that overlooks the real political economy stakes.

Amidst the heat of the ECB's role in the revelations on how the Eurozone is a two-tiered system, the note met

its demise, and it has been decided that its purple matter is not going to be part of our euro future. The note was discontinued as this article was being written in 2018. The production and issuance of the note was terminated precisely because the ECB noted that the bill was facilitating illicit activities.⁶

Money is both personal and impersonal, noted Keith Hart in his famous “Two Sides of the Coin” essay (1986). He extended the point to conducting business, shady or otherwise (2000). The ‘don’t take it personally’ agenda of a hit man is intrinsic to our capitalist culture, which has to neatly separate between the ‘proper’ industrial and financial ethics of impersonal business behaviour and the deviations from that abstraction—that is, the real life of real people meeting in what we conventionally call the economic field. The domain of deviation from the impersonalised abstraction involves money’s ‘tail’ and the potential violence attached to it. In no other case is that more evident than in what Hart called the informal economy and its subspecies, the illicit and illegal economy, the areas where organisations like the Camorra or the Cosa Nostra thrive.

The above remarks that tell the story of the €500 note concern what is arguably the highest and one of the most potentially corrupting cash deposits of value in recent history. To argue that illicit money is cashless and, thus, impersonal, while cashed money is very personal, would be stating the obvious. The one thought with which I would like to end this essay, instead, is that we might need to precisely rethink, like Hart’s hitman, the very pillars of licit and illicit in the realm of conducting business with money. The cash-carrying mafias are thus a relatable phenomenon, one that anthropologists might have something to say about and one easily ostracised from polite society and thoroughly criminalised. At the same time, the digital mass corruption of Danske Bank, while not condoned, raises less of an eyebrow or moral panic—indeed,

sadly, less of an anthropological interest. Alongside the digital, not cashed, scandals of European banking that go relatively unnoticed and warrant attention is the ongoing tacit scandal of the precarisation of underemployed masses of crisis-ridden European populations.

Therefore, we need to set our political and analytical priorities of shaming straight when it comes to appreciating structural violence. Surely, the doings of the Camorra and other mafias are repugnant and, of course, criminal. Why and to what extent, however, it is legal to premise wage labour on instituted precarity in which people are paid the equivalent of a bank note for a month's wage in generally high-income economies with expensive commodity markets remains to be explored. The real scandal here is not a corrupting currency that allows for illegal hoarding as much as the material fact of cash scarcity across generational and class divides in the new Europe—a continent seemingly further divided, rather than unified, by the euro. How are employer practices to pay so little not talked about publicly as deeply immoral, how are corporate cultures still legitimised, and how do these practices function as fully legal? To inquire on how these conditions are constitutive of the responses to the crisis underpinning Europe should be the main—the structural, if you will—concern here.

The EU has withdrawn a silly currency that obviously ended up assisting with the development of an illicit economy, but it has no plan of fixing the structural inequalities pertaining to its wage structures in the area of the single currency. The €500 note never became adult; it died at a seventeen-year usage—the first and only material debris of the Eurozone's cash currency history until now. Demonetisation happened with very little debate, as it was agreed across the board that the corrupting properties of the note were not worth the risk.⁷ The demonetisation was introduced to prevent illegal hoarding outside the system. The challenge is to penalise those inside it as well as to alleviate its inherent contradictions.

Theodoros Rakopoulos is associate professor at the Social Anthropology Department, University of Oslo. He has conducted long-term fieldwork in Italy, Greece and Cyprus. His research interests include areas within economic, political and legal anthropology. He is author of *From Clans to Co-ops: Confiscated Mafia Land in Sicily* (Berghahn, 2017), editor of *The Global Life of Austerity* (Berghahn, 2018), and coeditor of *Towards an Anthropology of Wealth* (with K. Rio, Routledge, 2019). His current book project is titled *Offshore Citizens: Trading Passports at the EU margins*.

Notes

1. For a comparison with the majority world, at the time of writing, India's most valorised rupee stands at 2,000, a new addition in postmonetisation era, but still the equivalent of only €25; the South African Rand's 200 note is worth little over €13; same for China's 100 Yuan bill, while Brazil's highest real stands at €25. Even the most valuable note for the Russian ruble is the equivalent of €75.
2. Extraordinary, but not unprecedented: in Italy during fascism, notes were small. A pink 10,000 lira note was introduced postwar, standing for the promise of wealth in the brave new world of a fairer economy. That fairness is not anywhere in the euro horizon, despite the withdrawal of the €500 prodigal note.
3. Juliette Garside, 'Is Money-Laundering Scandal at Danske Bank the Largest in History?', *The Guardian*, 21 September 2018, www.theguardian.com/business/2018/sep/21/is-money-laundering-scandal-at-danske-bank-the-largest-in-history.
4. 'Slovak Journalist's Murder Was Contract Killing, Says Prosecutor', *The Guardian*, 26 March 2018, www.theguardian.com/world/2018/mar/26/slovak-journalists-was-contract-killing-says-prosecutor.
5. Cris Shore notes how, in a mysterious fashion, the €500 note is the only banknote of the ECB that has an effigy representing an *actual*—rather than imaginary—building in Europe: a Brussels office block (2000: 112).

6. 'ECB Ends Production and Issuance of €500 Banknote', European Central Bank, 4 May 2016, www.ecb.europa.eu/press/pr/date/2016/html/pr160504.en.html.
7. 'European Central Bank to Withdraw €500 Note', BBC News, 4 May 2016, www.bbc.com/news/business-36208146.

References

- Calderoni, Francesco. 2014. 'Mythical Numbers and the Proceeds of Organised Crime: Estimating Mafia Proceeds in Italy', *Global Crime* 15: 138–163.
- Dodd, Nigel. 2014. *The Social Life of Money*. Princeton, NJ: Princeton University Press.
- Gledhill, John. 2003. *The Enron Scandal: Global Corporatism against Society*. Oxford and New York: Berghahn Books.
- Hart, Keith. 1986. 'Heads or Tails? Two Sides of the Coin', *Man* (New Series) 21: 636–656.
- Hart, Keith. 2000. *The Hit Man's Dilemma: On Business, Personal and Impersonal*. Chicago: Prickly Paradigm Press.
- Hart, Keith. 2018. 'Austerity: An Economy of Words', in Theodoros Rakopoulos (ed), *The Global Life of Austerity*. Oxford and New York: Berghahn Books, 17–31.
- Maurer, Bill. 2011. 'Afterword', *Journal of Cultural Economy* 4 (3): 349–359. <https://doi.org/10.1080/17530350.2011.586857>.
- Peebles, Gustav. 2011. *The Euro and Its Rivals: Currency and the Construction of a Transnational City*. Bloomington: University of Indiana Press.
- Powers, Theodore, and Theodoros Rakopoulos. 2019. 'The Anthropology of Austerity: An Introduction', *Focaal* 83: 67–71.
- Rakopoulos, Theodoros. 2018. 'Introduction: Austerity, Measured', in Theodoros Rakopoulos (ed), *The Global Life of Austerity: Comparing beyond Europe*. Oxford and New York: Berghahn, 1–12.
- Saviano, Roberto. 2006. *Gomorra: Viaggio nell'impero economico e nel sogno di dominio della camorra*. Milan: Mondadori.
- Shore, Cris. 2000. *Building Europe: The Cultural Politics of European Integration*. London: Routledge.