

Israeli fintech firm Pagaya taps into Arab talent pool during ongoing war

Pagaya increases the number of Arab Israelis at its site in the city of Sakhnin, while the government cuts funds earmarked for the economic development of the Arab population

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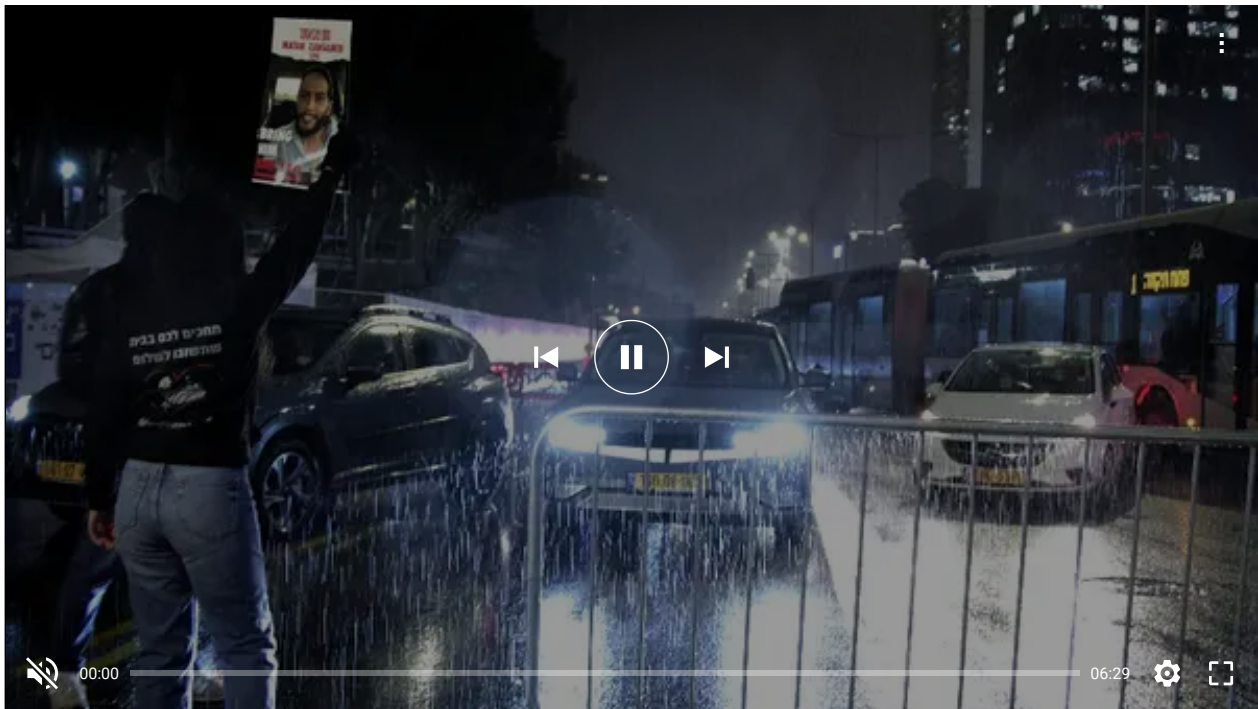


Arab Israelis work at fintech firm Pagaya's site located at the Northmed Innovation Center in the Arab city of Sakhnin in northern Israel. (Courtesy)

Shereen Ayoub Helou, an Arab Israeli from a village near Nazareth, got a new job last year — a junior position at Tel Aviv-based fintech firm Pagaya Technologies.

When war broke out four months later, her manager and team leader were called up for reserve duty in the ongoing fighting with the Hamas terror group in Gaza. Israel mobilized hundreds of thousands of reservists in the aftermath of the Hamas-led onslaught of October 7 on southern communities, in which Palestinian terrorists killed some 1,200 people and kidnapped hundreds of others.

“Overnight I was left without my team leader that I work with every day, while continuing to do my job at the same pace with a bigger workload as many employees were on reserve duty,” Ayoub Helou told The Times of Israel. “In the beginning it was unsettling, but I decided to try and turn the situation into something positive... and to prove myself.”



The 30-year-old from the Arab village of Reineh said that the war situation has shown tech companies how to combine Arabs and Jews at the workplace, as there is a shortage of key personnel, data analysts and programmers.

“During the war, no matter what, one complements the other, Arab or Jew,” she said. “In December, Pagaya took on another four Arab employees as part of a program to integrate Arab graduates into high-tech.”

Even before the outbreak of the war, the tech industry, which is the growth engine of the economy, was facing an acute shortage of skilled engineers and programmers. This scarcity has in recent years propelled numerous government [initiatives](#) to try and integrate Israel’s underrepresented populations, including Arabs and ultra-Orthodox, onto the high-tech bandwagon and other sectors in the economy, including construction, hospitality and medicine.

The Arab population makes up more than 20 percent of the population, and there has been an increasingly positive trend of integration into the economy and a rise in the number of Arab students studying tech-related subjects in academia in recent years. The outbreak of the war created a new reality and poses a test to the integration efforts and initiatives that have been built up over the past two decades.

In March, the government passed an amended 2024 wartime budget and [slashed](#) about 15% of funding for a five-year plan intended to advance the social and economic integration of Arab Israelis and help narrow wide socioeconomic gaps.

The war led to broad unemployment among Arab Israelis, which in October soared to more than 15%, and the actual employment rate among Arab men suffered a much bigger hit than among Jewish men, according to data compiled by the Bank of Israel. This was not only because many Arabs are employed in the construction industry, which stalled in the first weeks of the fighting, but is also explained by concern and tensions over potential interactions between Arabs and Jews, according to a study by the Aaron Institute for Economic Policy and The Joint.



Shereen Ayoub Helou, an Arab Israeli from the village of Reineh near Nazareth. (Courtesy)

“The technology sector in Israel is more diverse, global and accepting of others than other sectors and industries in Israel, where the war has created a shift in sentiment and spurred mistrust between Arab and Israeli society,” said Dr. Marian Tehawkho, director of the Center for Economic Policy of the Arab Society at the Aaron Institute for Economic

Policy at Reichman University. “A sense of personal insecurity and fear has prevented many Arabs, who can contribute to the economy, from coming to the workplace, as the war unfolded.”

Working one day a week out of Pagaya’s office on the 54th floor of a high-rise building in Tel Aviv, where 420 people are employed, Ayoub Helou recalled a few instances where the war was discussed with colleagues, and she expressed her point of view, and the opposite side did the same, but without hurting anyone’s feelings.

“I feel as an Arab in Israel during the period of war, I constantly have to prove that I am a good person, and this is not right as I am not guilty of what is happening around us,” the Christian Arab said. “The vibe I am getting in the high-tech environment is that people are not looking to find what is different between people, but what is common and how to connect and better work together.”

“I have Arab friends not in high-tech, some of them working in hospitals and elsewhere, who openly expressed their political views and opinions at the workplace during wartime, and in many cases, it wasn’t liked and they were told to go home as they were not suited anymore and they lost their jobs,” she recounted.

For the rest of the week, Ayoub Helou works three days at the fintech firm’s site, which opened last June in the Northmed Innovation Center located in the Arab city of Sakhnin in northern Israel, and one day from home in the northern city of Haifa.



Israeli reserve soldiers train with their unit in urban warfare in northern Golan Heights, on March 27, 2024. (Michael Giladi/Flash90)

The Northmed Center was established by the Israeli branch of the United Kingdom-based Portland Trust, with the help of government grants to help foster tech employment among the Arab population and encourage local startups and tech companies to open sites at the center. The Portland Trust has helped through the NGOs it established, to place more than 200 young Arabs in high-tech positions at tech firms such as Wix, Amdocs and Monday.com, said its Israel managing director Rami Schwartz.

Ayoub Helou, who holds a law degree, was hired at the Pagaya employment development site in Sakhnin after finishing the Beyond Development postgraduate training and reskilling program for placing Arab graduates into the local high-tech industry.

“We managed to find a suitable talent pool that proved valuable, and we have all the intention to continue with the program as we recently increased the size of the team in Sakhnin from the initial five participants, and in coming months, we expect it to grow to about 15 or more,” said Pagaya Israel general manager Yariv Hasar. “It’s good for the country to have a diversified workforce rather than be dependent on the homogeneous pool that comes out of elite military tech units or the airforce.”

“We are giving them an opportunity that they would not have gotten without our participation, because usually when we are looking to hire candidates, we are not looking in Sakhnin,” said Hasar.

There are currently 10 Arab Israelis, about half women and half men, at the Pagaya site in Sakhnin, who are working in different teams such as data, finance and strategy.

Asked about how Pagaya is dealing with the sensitive and charged environment during the war, while Arab employees are also coming to the office in Tel Aviv, Hasar said the fintech firm called on staff to leave politics outside.

“Similar to what was happening earlier last year during months-long protests over the judicial overhaul, we reminded everyone in the company that we respect everyone’s opinion, but let’s put politics aside and let’s talk business and technology,” he said.



Pagaya Israel general manager Yariv Hasar at the fintech firm's office in Tel Aviv. (Courtesy)

Going forward, Hasar urged the government to continue promoting and supporting these kinds of programs, instead of cutting funds that are intended for helping the Arab population attain the education and basic skills needed to work in tech.

“We need more of these programs because one of the main bottlenecks for the startup ecosystem in Israel is talent pool, and at the end of the day, the high-tech sector is the growth engine of the entire economy,” he emphasized.

Ayoub Helou believes that the successful path she and her Arab colleagues took at Pagaya will open the door for more Arab Israelis in the near future.

“This is the direction to unite Arabs and Jews and give a chance to Arab talent,” said Ayoub Helou. “I believe that we proved that this model is successful, and I hope that it will continue and create more jobs for Arabs.”