On December 19, 2018, the United Nations General Assembly voted to adopt the Global Compact for Safe, Orderly and Regular Migration, with 152 votes in favor, five votes against, and 12 abstentions. Supporters hailed the Compact as a step toward more humane and orderly management of migration, yet opposition remains formidable.

The Compact is not a legally binding treaty, nor does it guarantee new rights for migrants. In fact, the Compact's 23 objectives were drafted on the basis of two years of inclusive discussions and six rounds of negotiations, focused specifically on creating a framework for international cooperation that would not interfere excessively in countries' domestic affairs.

Because of misunderstandings about the Compact, it is worth taking a closer look at the migration challenge – and the vast benefits that a well-managed system can bring to host countries and home countries alike.

Migration is motivated, first and foremost, by lack of economic opportunities at home. With the average income level in high-income countries more than 70 times higher than in low-income countries, it is not surprising that many in the developing world feel compelled to try their luck elsewhere.

This trend is reinforced by demographic shifts. As high-income countries face population aging, many lower-income countries have burgeoning working-age and youth populations. Technological disruption is also putting pressure on labor markets. Moreover, climate change, as indicated by a recent World Bank report, will accelerate the trend, by driving an estimated 140 million people from their homes in the coming decades.

But, contrary to popular belief, nearly half of all migrants do not move from developing to developed countries. Rather, they migrate among developing countries, often within the same neighborhood.

Moreover, return migration is increasing, a fact that is often overlooked, often because migrants were denied entry into the labor market or their work contracts ended. For example, the number of newly registered South Asian workers in the Gulf states declined significantly – by anywhere from 12% to 41% – over the last two years. Between 2011 and 2017, the number of potential returnees in Europe – asylum-seekers whose applications were rejected or who were found to be undocumented – increased fourfold, reaching 5.5 million. Over the same period, the number of potential returnees in the United States more than doubled, to over three million. Return migration from Saudi Arabia and South Africa has increased as well.

Those migrants who remain in their host countries make substantial contributions. Although the world’s estimated 266 million migrants comprise only about 3.4% of the global population, they contribute more that 9% of GDP.

To achieve this, migrants must overcome high barriers to economic success. For example, unskilled workers, especially those from poor countries, often pay very high fees – which can exceed an entire year’s income for a migrant worker in some destination countries – to unscrupulous labor agents to find employment outside their own countries. That is why the Sustainable Development Goals (SDGs) include a target to reduce recruitment costs.

Migration also delivers major economic benefits to home countries. While migrants spend most of their wages in their host countries – boosting demand there – they also tend to send money to support families back home. Such remittances have been known to exceed official development assistance. Last year, remittances to low- and middle-income countries increased by 11%, reaching $528 billion, exceeding those countries’ inflows of foreign direct investment.

Globally, the largest recipient of remittances is India ($80 billion), followed by China, the Philippines, Mexico, and Egypt. As a share of GDP, the largest recipients were Tonga, Kyrgyzstan, Tajikistan, and Nepal. The increase in remittances during 2018 was due to improvement in the labor market in the US and the recovery of flows from Russia and the Gulf States.

But the potential of remittances to support sustainable development is not being met. A major obstacle is the high cost of transferring money.

Migrants sending money home pay, on average, 7% of the total of the transfer itself, owing to weak competition in the market for remittance services – a result of stringent regulations intended to combat financial crimes like money laundering – as well as reliance on inefficient technology. Achieving the SDG target of reducing transfer costs below 3% – which would support progress toward the target of increasing the total volume of remittances – will require countries to address these weaknesses.

We are closely monitoring these often-overlooked ways that migration can support development, owing to their links to SDG indicators. But recent research busts other migration myths as well, showing, for example, that migrants neither impose a significant fiscal burden on host countries nor depress wages for lower-skill native workers.

Migration flows are increasing – a trend that is set to continue. Fragmented migration policies shaped by popular myths cannot manage this process effectively, much less seize the opportunities to spur development that migration creates. Only a coordinated approach, as envisioned in the Global Compact, can do that.

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