Since the beginning of 2016, the news media have been abuzz with speculation that OPEC and Russia are getting ready to freeze or curtail production in order to raise crude oil prices and alleviate their current financial strains.

However, many of OPEC's members might like to engineer a production cutback, they face numerous political and economic obstacles to reaching such an agreement.

For one, OPEC's individual members are pursuing sharply differing interests, ranging from Venezuela's focus on its slide toward a probable default later this year to Saudi Arabia's insistence that cuts would be ineffectual.

Russia was a fourth signatory to the production freeze agreed to by Saudi Arabia, Venezuela, and Qatar in February, but it's doubtful that Russia will impose any meaningful limit on its output.

Today, as crude inventories surge amid global oversupply, the lifting of EU sanctions against Iran and the waiver of U.S. secondary sanctions (which together had halved Iran's export volumes) promise to prolong the current glut.

Even more important is the structural shift in the market context in which OPEC operates. With U.S. shale oil having evolved into a secondary shock absorber for the global oil markets, any production cutbacks by OPEC would likely prove to be self-defeating.

The upcoming Doha meeting on April 17 may well be “successful” in producing an agreement binding all parties to a production freeze. But we're skeptical that such an agreement would succeed in boosting global prices over the intermediate term.

In essence, the issues of OPEC cartel behavior and the shifting economics of U.S. shale oil production have fused together in a manner that makes cartel restraint an ineffective means of increasing OPEC producers' revenue over an extended period of time.