

By-election shines a light on discontented Singapore



*Singapore's Prime Minister Lee Hsien Loong attends the plenary session of the ASEAN-India Commemorative Summit in New Delhi December 20, 2012.
Credit: Reuters/Adnan Abidi*

By Kevin Lim
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(Reuters) - Sky-high housing prices. Train breakdowns. Foreigners stealing jobs, and a widening chasm between rich and poor.

A by-election in Singapore on Saturday is putting a spotlight on strains and discontent in one of Asia's wealthiest countries and biggest success stories: the transformation of a post-colonial backwater into an economic powerhouse.

The dominant People's Action Party (PAP) that has ruled Singapore for more than half a century faces the risk of a humiliating loss in Punggol East, a relatively young and affluent ward.

It won't change the balance of power in parliament, where the PAP holds 81 of 87 elected seats. But a loss - or even a very narrow win - would send a troubling signal to the PAP, founded by the prime minister's father, Lee Kuan Yew, and winner of every national election since independence in 1965.

"I feel that our complete trust in the PAP in the past is dangerous," Workers Party chief Low Thia Kiang told a rally, exhorting voters to back his candidate, Lee Li Lian, and blaming the government's immigration policies for crowding out jobs and straining Singapore's famously efficient infrastructure.

The PAP won Punggol East with 54 percent of the vote in 2011 but how close Saturday's by-election will be is hard to predict: election polling is illegal in the regimented city-state that is a hub for banks and multinational companies.

But two years after its worst-ever parliamentary election results, the government is taking no chances, offering a trove of perks that include a boost in spending on housing grants, subsidized childcare and cash gifts for newborn babies to try to reverse one of the world's lowest fertility rates.

Those measures seek to address mounting discontent among Singaporeans over the high cost of living and an increase in immigration that has fuelled an often-rancorous debate over a reliance on foreign workers on the island of 5.3 million people.

Foreigners now make up about 38 percent of Singapore's population, up from about 25 percent in 2000.

"Our trains are overcrowded to the point of danger," the Workers Party's Lee said. "Unfortunately, for the past 10 years, infrastructure development has lagged behind population growth."

"PEOPLE EXPECT MORE"

The stern, technocratic policies of PAP patriarch Lee Kuan Yew transformed Singapore from a swampy sea port to a flourishing financial centre in a generation. His son, Prime Minister Lee Hsien Loong, urged voters not to forget that.

"What we have achieved, no other country has done," the prime minister told voters this week.

The seat in Punggol East was held by Speaker of Parliament Michael Palmer until he quit in December over an extramarital affair, one of several damaging scandals in recent years. Others include last year's arrest of the civil defense chief and the head of the police anti-drug unit on corruption charges.

"They have tried to address citizens' concerns on the hot-button issues ranging from high property prices to transport, immigration and even ministerial salaries, though some people feel they are not doing enough," said Eugene Tan, a law lecturer at Singapore Management University.

"There is a sense that people expect more."

The PAP won 60 percent of the vote in the May 2011 national election, down from 67 percent in 2006. Since then, its fortunes have not improved. Its preferred candidate narrowly won a four-way fight for president with just 35 percent of the vote in September 2011, followed by a loss in a by-election last year.

(Writing by Jason Szep; Editing by John O'Callaghan and Jeremy Laurence)