Singapore dissolved Parliament on Tuesday and set Sept. 11 for a general election in which the ruling party will seek another five-year mandate to govern the country as economic growth slows.

The People’s Action Party, headed by Prime Minister Lee Hsien Loong, has led the small, but prosperous nation since it gained independence 50 years ago, but its popularity has slipped in recent years.

In 2011, the PAP won 81 of 87 parliamentary seats, but received its lowest share of the popular vote since Singapore became a nation—60.1% compared with nearly 67% in 2006. Critics attributed the decline in popular-vote share to growing concern over rising housing and transport costs, an influx of foreign labor and widening income inequality.

Since then, Singapore's government has attempted to tackle voter discontent by tightening work-visa requirements and making it tougher for foreigners to attain permanent residency. The moves have been welcomed by voters, but have forced Singapore to move away from its previous economic-growth model, which used liberal immigration policies to fuel rapid economic growth.

Earlier this month, the government cut its gross-domestic product forecast to 2%-2.5% this year, from an earlier 2%-4% estimate.

Elections were required to take place before the end of January 2017, but were widely expected to be held earlier. The recent 50th anniversary celebrationsof Singapore’s founding, which culminated in a televised parade on Aug. 9, have generated a strong sense of national pride, which could shore up support for Mr. Lee and the PAP.

Singaporeans also turned out in their thousands this year to pay their last respects to the country's first prime minister, Lee Kuan Yew, who died in March. The late Mr. Lee was the father of the current prime minister and was seen by many Singaporeans as the founding father of modern Singapore.

The timing of the election isn't a surprise, said Gillian Koh, senior research fellow at the Lee Kuan Yew School of Public Policy. She said the PAP is typically seen by the electorate as a safe pair of hands through economic difficulties. “The global economy is tanking so I think it doesn't hurt to provide an outlet for the flight to safety, politically, in this more troubled economic context," she said.

On his Facebook page, Mr. Lee said the Sept. 11 vote would set the direction for Singapore “for the next 50 years.”

Singapore's fragmented opposition is expected to contest all parliamentary seats for the first time since independence. Revisions to electoral boundaries earlier this year mean that the next parliament will gain two more members taking the total number of seats to 89.