



Compensation to Victims and Local Self-Governments: A tool for Justice and Social Transformation

C S Suraj

Department of Specializing in AI, School of Law, Ramaiah University of Applied Science, Cyber Crime and Law, Bangalore, India

Abstract

Compensation to victims is an important part of the justice system. It helps people who have suffered physical, mental, or financial harm due to crime, negligence, or failure of authorities. Modern law recognizes that justice should not focus only on punishing the offender but also on helping the victim. In India, laws and court decisions provide for compensation and rehabilitation of victims. Local self-governments such as Panchayats and Municipalities play an important role because they are responsible for public safety, roads, sanitation, and other basic services. When their failure causes injury or loss, compensation helps ensure accountability. This article discusses the legal framework for victim compensation, the role of local self-governments, and the difficulties in implementation. It also explains how compensation supports social transformation by restoring dignity to victims, building trust in governance, and promoting justice and fairness in society.

Keywords: Victim compensation, local self-governments, social justice, accountability, justice, public responsibility, law and social transformation

Introduction

Law is an important instrument for social transformation, as it not only regulates human behaviour but also protects the rights and dignity of individuals. In recent years, there has been a growing recognition that justice should address the suffering of victims and not focus only on punishing offenders. Compensation to victims has therefore become an essential part of the modern justice system. It helps victims deal with physical injuries, emotional trauma, and financial loss caused by crime, negligence, or failure of public authorities.

In India, the Constitution and various laws recognize the responsibility of the State to ensure the right to life, dignity, and security of its citizens. When individuals suffer harm due to criminal acts or administrative failures, compensation acts as a form of restorative justice by providing relief and support. Victim compensation reflects the idea that society and the State share responsibility for protecting vulnerable individuals.

Local self-governments, such as Panchayats and Municipalities, play a crucial role in everyday governance. They are responsible for maintaining public infrastructure, ensuring sanitation, managing public health, and providing a safe living environment. When these bodies fail to perform their duties—such as maintaining roads, controlling stray animals, or ensuring safe public spaces—citizens may suffer serious harm or even loss of life. In such situations, compensation becomes a means of holding local authorities accountable for their actions or omissions.

This article seeks to examine the concept of compensation to victims and the role of local self-governments in delivering justice. It also explores how compensation contributes to social transformation by strengthening accountability, restoring public trust, and promoting a more victim-centric and humane justice system. By analysing legal provisions, governance responsibilities, and practical challenges, the study highlights the importance of compensation as a tool for achieving social justice and inclusive development.

Concept and Meaning of Victim Compensation Who is a “Victim”?

A victim is a person who suffers harm as a result of a crime, negligence, or failure of public authorities. The harm suffered by a victim may be physical injury, mental trauma, emotional distress, loss of income, or damage to property. In some cases, the family members or dependents of the injured or deceased person are also considered victims, as they suffer indirectly due to the incident. Modern legal thinking recognizes victims as central participants in the justice process, whose rights and interests must be protected. Earlier criminal justice systems mainly focused on the offender and the offence, while the victim remained a silent sufferer. However, with the growing awareness of human rights and social justice, the concept of a victim has expanded to include the right to support, protection, and compensation.

Meaning of Compensation

Compensation means providing financial assistance or other forms of support to a victim to reduce the harm caused by the wrongful act. It is intended to help victims meet immediate needs such as medical treatment, legal expenses, and basic living costs. Compensation may be granted by courts, governments, or local authorities, especially when the offender is unknown, absconding, or incapable of paying damages. Compensation does not completely remove the pain or loss suffered by the victim, but it provides practical relief and acknowledges the injustice suffered. It also reflects society's responsibility toward those who have been harmed.

Difference Between Punishment and Compensation

Punishment and compensation serve different purposes within the justice system. Punishment is imposed on the offender to penalize wrongful conduct, deter future crimes, and maintain public order. It is society's response to the

violation of law. Compensation, on the other hand, is victim-centric and aims to repair the damage caused by the wrongful act. While punishment focuses on retribution and deterrence, compensation focuses on healing and rehabilitation. Punishment addresses the wrong done to society, whereas compensation addresses the wrong done to the individual. For a justice system to be complete and humane, both punishment and compensation must operate together.

Compensation as Financial and Rehabilitative Support

Compensation is not limited to monetary payment alone. It also includes rehabilitative measures such as medical care, psychological counselling, education, vocational training, and livelihood support. Such assistance helps victims recover physically and mentally and enables them to reintegrate into society with dignity. For many victims, especially those from economically weaker sections, compensation can prevent long-term poverty and social exclusion. Rehabilitation-oriented compensation reflects a compassionate approach that goes beyond legal formalities and addresses real human suffering.

Moral Basis of Victim Compensation

The moral foundation of victim compensation lies in the principles of fairness, empathy, and social responsibility. When a person suffers harm due to crime or administrative failure, society has a moral duty to support and assist that person. Compensation acknowledges the suffering of the victim and affirms their worth and dignity as a human being. From a social perspective, victim compensation strengthens solidarity and trust in institutions. It shows that the legal system is not indifferent to human suffering but is responsive to the needs of those who are harmed.

Constitutional Basis of Victim Compensation

In India, the constitutional basis for victim compensation is rooted in Article 21 of the Constitution, which guarantees the right to life and personal liberty with dignity. Courts have interpreted this right to include the right to live with security, health, and human dignity. When this right is violated due to crime or negligence, compensation becomes a constitutional remedy. Additionally, the principles of social justice and welfare state embedded in the Constitution require the State to protect vulnerable individuals and provide relief to victims. Victim compensation thus reflects the State's constitutional obligation to ensure justice, equality, and humane governance.

Types of Compensation

Victim compensation in India can be broadly categorized based on the source of liability and the purpose of the compensation. Understanding these types helps in recognizing how the law, the State, and local authorities contribute to protecting victims and promoting justice.

1. Criminal Justice Compensation

Criminal justice compensation is provided to victims of crimes through statutory schemes. The aim is to address the harm suffered by victims due to criminal acts, even if the offender cannot pay or is not identified. Compensation may cover medical expenses, loss of income, rehabilitation, and psychological support.

Under Section 357 of the Criminal Procedure Code (CrPC), courts have the power to order compensation to

victims as part of sentencing. Additionally, Section 357A CrPC allows for compensation even when the offender is acquitted or unknown, emphasizing a victim-centric approach. Purpose is to restore victims' financial stability and provide relief from the immediate and long-term effects of crime.

2. Human Rights–Driven Compensation

Human rights–driven compensation is awarded when individuals suffer harm due to violation of their fundamental rights or administrative failures. Courts, human rights commissions, and special tribunals sometimes direct compensation as a remedy for injustice. In these cases, compensation is not only financial but also symbolic, it recognizes the violation of human rights and holds the State accountable for failing to protect citizens. This type of compensation reinforces the principle that human dignity and constitutional rights must be safeguarded.

3. Local Government Compensation

Local self-governments, including Panchayats and Municipalities, are responsible for maintaining public infrastructure, sanitation, and safety. When failures in these duties result in injury or death, local authorities may be liable to pay compensation. Local government compensation is governed by tort law principles as well as state-level schemes. It ensures accountability at the grassroots level and encourages local authorities to improve public services. Purpose is to provide quick relief to victims and promote responsible governance at the local level.

Legal Framework for Victim Compensation in India

The legal framework for victim compensation in India has evolved gradually through constitutional interpretation, statutory provisions, and judicial activism. The shift from an offender-centric system to a victim-oriented approach reflects the growing importance of human rights, social justice, and the welfare role of the State.

1. constitutional perspective

Article 21 of the Indian Constitution guarantees the right to life and personal liberty. The Supreme Court has expanded the meaning of this right to include the right to live with dignity, safety, and basic human security. Any act of violence, crime, or negligence that causes harm to a person directly affects this fundamental right. When a victim suffers physical injury, mental trauma, or loss of livelihood, compensation becomes a means to restore dignity and provide meaningful relief. Courts have repeatedly held that mere punishment of the offender is not sufficient if the victim continues to suffer without support. Thus, victim compensation is closely connected to the protection of Article 21.

India is a welfare State, and the government has a constitutional duty to protect citizens from harm. This includes maintaining law and order, preventing crime, and ensuring safe public conditions. When the State or its agencies fail in these duties, either through negligence or abuse of power, the State is morally and legally responsible for compensating the victim. Victim compensation reflects the idea that the State cannot escape responsibility by blaming individual offenders alone. It reinforces accountability and strengthens public confidence in governance.

2. Statutory Provisions

Section 357 of the CrPC empowers criminal courts to order compensation to victims from the fine imposed on the offender. The objective of this provision is to ensure that victims receive some form of relief along with the punishment of the accused. However, compensation under Section 357 has certain limitations. It depends on the conviction of the accused and the ability of the offender to pay the fine. In many cases, especially where the accused is poor or absconding, victims are left without effective relief. To overcome the limitations of Section 357, Section 357A was introduced, making victim compensation a State responsibility. Under this provision, every State Government must establish a Victim Compensation Scheme to provide financial assistance and rehabilitation to victims or their dependents.

A major feature of Section 357A is that compensation can be granted even when

- The offender is not identified
- The offender is not arrested
- The offender is acquitted

This provision represents a significant move toward a victim-centric justice system. It recognizes that victims should not suffer simply because the criminal justice process fails to secure a conviction.

Legal Services Authorities at the district and state levels play a crucial role in implementing victim compensation schemes. District Legal Services Authorities (DLSAs) conduct inquiries, assess the extent of harm, and recommend compensation amounts. State Legal Services Authorities (SLSAs) oversee the process and ensure timely disbursement. These authorities help make compensation accessible to victims who may lack legal awareness or financial resources. They act as a bridge between victims and the State.

3. Judicial Approach

Indian courts have played a vital role in strengthening the concept of victim compensation. The judiciary has emphasized that justice must address the suffering of victims and not merely punish offenders. Courts have awarded compensation in criminal cases to recognize pain, loss, and trauma suffered by victims and their families. Judicial recognition of compensation reflects a humane approach that places victims at the center of the justice process. Courts have also used compensation as a public law remedy in cases of human rights violations, such as custodial deaths, illegal detention, police brutality, and abuse of authority. In such cases, compensation is awarded not only to provide relief to victims but also to hold the State accountable for violations of fundamental rights. This approach reinforces constitutional values and acts as a deterrent against misuse of power by public authorities.

The constitutional, statutory, and judicial framework together establish victim compensation as a legal right rather than a matter of charity. This framework strengthens social justice, promotes accountability, and ensures that victims are not forgotten in the pursuit of punishment alone.

Role of Local Self-Governments in Compensation

Local self-governments such as Panchayats, Municipalities, and Municipal Corporations play a vital role in the daily lives of citizens. As institutions of grassroots democracy, they are directly responsible for providing essential public services. When failures in these duties cause harm to individuals, local self-governments can be held accountable through compensation. Their role in victim compensation is therefore closely linked to governance, responsibility, and social justice.

1. Functions of Local Self-Governments

Public Safety

Ensuring public safety is one of the primary responsibilities of local self-governments. This includes maintaining safe roads, regulating traffic, managing street lighting, and controlling stray animals. Failure to ensure public safety can result in accidents, injuries, and even loss of life. When such harm occurs due to negligence, compensation becomes an important remedy for victims.

Infrastructure Maintenance

Local bodies are responsible for maintaining public infrastructure such as roads, footpaths, bridges, drains, and public buildings. Poorly maintained infrastructure poses serious risks to citizens. Accidents caused by potholes, collapsed structures, or unsafe public spaces highlight administrative failures. In such cases, compensation serves as a means to address the loss suffered by victims and to hold authorities accountable.

Health and Sanitation

Health and sanitation are essential public functions performed by local self-governments. This includes waste management, drainage systems, water supply, and disease control. Negligence in sanitation and public health measures can lead to outbreaks of disease, contamination, and hazardous living conditions. When citizens suffer due to such failures, compensation acts as a form of relief and recognition of responsibility.

2. Liability and Accountability of Local Self-Governments

Local self-governments may be required to pay compensation when accidents occur due to their failure to perform statutory duties. Common examples include injuries or deaths caused by

- Poorly maintained or damaged roads
- Open or uncovered drains
- Attacks or accidents involving stray animals
- Negligence in maintaining streetlights, public buildings, or sanitation facilities

In such cases, compensation recognizes that the harm suffered was preventable and resulted from administrative negligence. The principle of tortious liability applies to local self-governments when they cause harm through negligence or omission. Under tort law, public authorities can be held liable for failing to exercise reasonable care in performing their duties. Municipalities and Panchayats, as legal entities, may be sued for damages when their actions or inaction result in injury to individuals. Holding local self-governments liable through compensation strengthens accountability and encourages better governance. It also

reinforces the idea that public authorities must act responsibly and in the best interests of citizens. Compensation at the local level ensures quick and accessible justice for victims. It promotes transparency, improves service delivery, and builds public trust in local institutions. By holding local self-governments accountable, compensation becomes a powerful tool for preventing future harm and achieving social transformation.

3. Importance of Decentralized Justice

Decentralized justice refers to the delivery of justice at the local level through institutions that are closest to the people. Local self-governments play an important role in ensuring that victims receive timely and effective relief. Decentralization makes the justice process more accessible, responsive, and people-centric.

Faster Relief

One of the major advantages of decentralized justice is faster relief to victims. Since local self-governments operate at the village, town, and city levels, they can respond quickly to incidents and assess the damage or injury suffered by victims. Immediate compensation or assistance can help victims meet urgent needs such as medical expenses, rehabilitation, and basic livelihood support. Faster relief also reduces the emotional and financial burden on victims.

Better Understanding of Local Problems

Local self-governments have a better understanding of the specific problems faced by their communities. They are familiar with local conditions such as poor roads, sanitation issues, unsafe public spaces, and recurring hazards. This local knowledge helps authorities identify the causes of harm more accurately and determine appropriate compensation. It also enables preventive measures to avoid similar incidents in the future.

Grassroots-Level Social Justice

Decentralized justice promotes social justice at the grassroots level by making legal remedies accessible to ordinary people. Victims from rural areas and economically weaker sections often find it difficult to approach higher courts or distant authorities. Local institutions provide a more approachable and less intimidating platform for seeking justice. Compensation delivered at the grassroots level restores dignity to victims and strengthens trust in democratic institutions. In this way, decentralized justice contributes to inclusive development and meaningful social transformation.

Compensation as A Tool of Social Transformation

Compensation is not merely a financial remedy but a powerful instrument of social transformation. By recognizing the suffering of victims and addressing their needs, compensation helps bring meaningful change in society. It reflects a shift in legal thinking from punishment alone to a more humane and inclusive justice system.

Empowerment of Victims

Compensation empowers victims by providing them with financial support and institutional recognition. It helps victims meet medical expenses, continue education, rebuild livelihoods, and regain independence. More importantly, compensation acknowledges victims as rights-holders rather than passive sufferers. This empowerment enables victims to participate actively in society and reduces their vulnerability to further injustice.

Restoration of Dignity

Victims often suffer not only physical or financial loss but also emotional trauma and social stigma. Compensation helps restore dignity by publicly recognizing the harm suffered and affirming the victim's worth as a human being. When the State or local authorities accept responsibility and provide compensation, it sends a strong message that human dignity matters and must be protected.

Trust in Governance

Effective compensation mechanisms strengthen public trust in governance. When victims receive timely and fair compensation, citizens develop confidence in legal institutions and local administration. It demonstrates that the government is responsive and accountable to the needs of people, especially the vulnerable. Trust in governance is essential for social stability and democratic functioning.

Shift from Charity to a Rights-Based Approach

Traditionally, assistance to victims was viewed as charity or goodwill. Modern legal systems have transformed compensation into a legal right. This rights-based approach ensures that victims can claim compensation as a matter of entitlement, not as a favour. It promotes equality, fairness, and consistency in the delivery of justice and prevents arbitrary decision-making.

Promotion of Accountability in Local Administration

Compensation also promotes accountability in local self-governments. When local authorities are required to compensate victims for harm caused by negligence or administrative failure, they are encouraged to improve service delivery and public safety. This accountability leads to better governance, reduced negligence, and preventive measures that benefit society as a whole.

Challenges in Implementation

Despite the existence of legal provisions and compensation schemes, the effective implementation of victim compensation in India faces several challenges. These difficulties reduce the impact of compensation and prevent victims from receiving timely and adequate justice.

Delay in Payment

One of the major problems in the compensation system is delay in payment. Victims often wait for long periods due to slow administrative procedures, verification processes, and lack of coordination between authorities. Such delays defeat the purpose of compensation, as victims require immediate support for medical treatment, rehabilitation, and basic survival.

Inadequate Compensation Amounts

In many cases, the amount of compensation awarded is insufficient to cover the actual loss suffered by victims. Medical expenses, loss of income, long-term rehabilitation, and psychological trauma are often not fully considered. Fixed compensation limits under various schemes fail to address the individual needs of victims, especially in serious cases involving permanent disability or death.

Lack of Awareness Among Victims

Many victims are unaware of their right to compensation and the procedures involved in claiming it. This lack of awareness is more severe in rural areas and among economically weaker sections. As a result, eligible victims fail to apply for compensation or are unable to complete the formalities required to receive it.

Financial Constraints of Local Bodies

Local self-governments often face financial limitations due to inadequate funds and dependence on State allocations. These financial constraints affect their ability to provide timely and sufficient compensation. In some cases, local bodies hesitate to accept liability due to fear of financial burden, which further delays relief to victims.

Bureaucratic Hurdles

Complex procedures, excessive documentation, and multiple levels of approval create bureaucratic hurdles in the compensation process. Victims are required to approach several offices, submit repeated documents, and follow lengthy procedures. This not only discourages victims but also increases emotional distress and hardship.

Suggestions and Recommendations

To make victim compensation effective and meaningful, certain reforms and improvements are necessary. Strengthening the system will ensure timely justice, fairness, and social transformation.

Uniform National Standards for Compensation

There should be uniform national guidelines for determining compensation amounts across States. Presently, wide variations exist, leading to inequality among victims. A standard framework can ensure fairness while allowing flexibility based on the nature of injury, loss, and vulnerability of victims.

Strengthening Local Government Funds

Local self-governments must be provided with adequate financial resources to meet compensation liabilities. Dedicated compensation funds at the municipal and panchayat levels can help ensure timely payment. Increased financial autonomy will enable local bodies to respond effectively to public harm.

Awareness Programs at Village and Ward Levels

Awareness programs should be conducted at the grassroots level to inform citizens about their right to compensation. Legal literacy camps, public notices, and involvement of local leaders can help victims understand procedures and access compensation without fear or confusion.

Simplified Claim Procedures

The compensation process should be simple, transparent, and victim-friendly. Online applications, minimum documentation, time-bound approvals, and single-window systems can reduce hardship and delay. Special assistance should be provided to vulnerable victims such as women, children, and persons with disabilities.

Effective Monitoring Mechanisms

Strong monitoring and accountability mechanisms are necessary to prevent misuse and delays. Periodic audits, reporting requirements, and oversight by Legal Services Authorities or independent bodies can improve transparency and efficiency. Monitoring ensures that compensation reaches the right beneficiaries in a timely manner.

Conclusion

Compensation to victims is a vital instrument of justice, going beyond monetary relief to restore dignity, security, and confidence in the legal system. It reflects the principle that victims are not mere bystanders in the justice process, but rights-holders whose suffering demands recognition and redress. By providing timely and adequate support,

compensation bridges the gap between the harm suffered and the relief provided, making justice more meaningful and inclusive.

Local self-governments, as the closest institutions to citizens, have a unique role in ensuring that compensation reaches victims effectively. Their responsibility in maintaining public safety, infrastructure, and health services means that any failure can directly harm citizens. Holding these bodies accountable through compensation not only provides relief to victims but also strengthens governance, encourages preventive measures, and promotes public trust in democratic institutions.

Moreover, victim compensation contributes to broader social transformation. It empowers individuals, particularly the vulnerable, by giving them access to resources and legal recognition. It shifts society from a charitable mindset to a rights-based approach, reinforcing accountability at all levels of governance. When laws, local administration, and civil society work in coordination, compensation becomes more than a remedy—it becomes a tool for social justice, equality, and systemic reform.

In conclusion, effective compensation mechanisms are essential for creating a society where justice is not limited to punishment of offenders, but also includes protection, rehabilitation, and empowerment of victims. Strengthening legal frameworks, improving administrative efficiency, and promoting awareness can ensure that compensation truly serves as a catalyst for justice and social transformation, fostering a fairer, safer, and more inclusive society.

References

1. Constitution of India
2. Code of Criminal Procedure, 1973
3. Legal Services Authorities Act, 1987
4. Law, Social Transformation by P. Ishwara Bhat, 2nd Edition
5. Delhi High Court on Victim Compensation Scheme - <https://supremetoday.ai/victim-compensation-schemes-under-s-357a-crpc-are-prospective-not-retrospective-cannot-apply-to-pre-2009-crimes-delhi-high-court-supreme-today-ai-INDEL00000147187>
6. Delhi High Court Case: Compensation under Victim Compensation Scheme https://timesofindia.indiatimes.com/city/delhi/delhi-high-court-rules-victim-compensation-scheme-not-applicable-retrospectively-1984-riot-claim-rejected/articleshow/123264953.cms?utm_source=chatgpt.com
7. Judicial emphasis on timely compensation directions by courts- https://stg-www.hindustantimes.com/india-news/sc-mandates-timely-victim-compensation-orders-by-trial-courts-101762540755391.html?utm_source=chatgpt.com
8. Victim Compensation Scheme Details- https://www.legalserviceindia.com/legal/article-6696-victim-compensation-scheme-in-india.html?utm_source=chatgpt.com
9. "Legal Remedies to the Victims of the Crime in India" - https://aaqr22-23.uttaranchaluniversity.ac.in/data/Criterion%203/3.4.5/Research%20Papers%202022-23/614.%20LEGAL%20REMEDIES%20TO%20THE%20VICTIMS%20OF%20THE%20CRIME%20IN%20INDIA.pdf?utm_source=chatgpt.com
10. Nilabati Behera v. State of Orissa, (1993) 2 SCC 746
11. Ankush Shivaji Gaikwad v. State of Maharashtra, (2013) 6 SCC 770