We develop a game-theoretic model of how social structure in the sense of a network of relations between actors helps to mitigate social dilemmas. We simultaneously endogenize the network by modeling actors’ incentives to establish the network. Since the network of relations helps to mitigate social dilemmas, it constitutes social capital. We thus analyze investments in and returns on social capital in social dilemmas and characterize the value of social capital. Our model covers a class of social dilemma games including the Trust Game, the Investment Game, the Prisoner's Dilemma, the two-actor Public Goods Game, and others.