I don't think the “Inner Form” must be necessarily conceived as one layer in a hierarchy. I would tend to think of these as holon-like (Koestler) structures that are also regulatory in the sense of forming a constellation (of concepts and meanings) and in regulating behaviour (of self-regulatory agents, i.e. people).

The first diagram (nested boxes) also helps to depict the concurrent aspects of these functions. I am in agreement with the notion that higher mental functions (HMF) do not replace lower mental functions (LMF) but that they are concurrent with them.

Like any model, the form/process distinction is a convenience. However, it seems that this convenience is deep seated in our cultural forms such as the distinction between what noun phrases describe (form) and what verb phrases describe (process). There are also powerful generative qualities to this kind of organisation.

I hope this helps.

Huw Lloyd (April, 2011).